

## FRANCHISE DISCLOSURE DOCUMENT



Salty Paws Franchise LLC  
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The franchise offered in this Franchise Disclosure Document is for the operation of a dog ice cream shop under the name Salty Paws®, offering a variety of dog-friendly ice cream flavors, toppings, frozen treats, and snacks, along with select retail items. Each shop serves as a destination for pet owners seeking a unique, healthy, and interactive experience for their dogs. The total investment necessary to begin operation of a Salty Paws® franchised business is between \$99,950 and \$163,650. This includes between \$37,600 to \$40,200 that must be paid to the franchisor or its affiliates.

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.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Suzanne Tretowicz at Salty Paws Franchise LLC, 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971, info@saltypawsicecream.com or 1-484-667-7122.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contracts carefully. Show your contracts and this Franchise 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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: June 18, 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:

<u>QUESTION</u>	<u>WHERE TO FIND INFORMATION</u>
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 D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Salty Paws 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 Salty Paws franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## **Special Risks To Consider About *This* Franchise**

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

1. The franchise agreement requires you to resolve disputes with us by mediation, arbitration and litigation only in Pennsylvania. Out-of-state mediation, arbitration and litigation may force you to accept a less favorable settlement for disputes it may also cost you more to arbitrate and litigate with us in Pennsylvania than in your own state.

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.

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

To simplify the language in this Franchise Disclosure Document, “Salty Paws,” “we,” “us,” and “our” means Salty Paws Franchise LLC., doing business as Salty Paws, the franchisor. “You,” “your,” and “Franchisee” means the person who buys the franchise from Salty Paws and its owners, if the Franchisee is a business entity.

**Franchisor, Parent, and Affiliate**

Salty Paws Franchise LLC is the Franchisor. For easy of reference, we will refer to Salty Paws Franchise LLC as “Salty Paws,” “us,” “our,” or “we.” We are a Delaware limited liability company formed on February 1, 2024. Our principal business address is 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971. We began offering franchises in February 2024; however, our predecessor, Stay Salty, LLC began offering franchises in October 2018. We were formed to offer franchises for the operation of dog ice cream shop and retail store under the name “Salty Paws®.” We do not conduct business under any other name.

We have three affiliates. Our affiliate, Salty Paws RB, LLC (“SPRB”), is a Delaware limited liability company that operates an affiliate-owned Salty Paws® shop in Rehoboth Beach, Delaware. It began operations in May 2018 and shares the same address as the franchisor. We have another affiliate, Salty Paws Distribution, LLC (“SPD”), a Delaware limited liability company located at 3497 Blue Ball Road, Suite 2C, Elkton, Maryland 21921. SPD is a manufacturer and distributor of branded pet products, including powder ice cream mixes, dehydrated treats, and dog-friendly baked goods. Franchisees are required to purchase certain items from SPD, as described in Item 8. Our affiliate, Stay Salty IP, LLC (“SSIP”), is a Delaware limited liability company that owns the intellectual property associated with the Salty Paws brand. SSIP shares the same address as the franchisor.

We have no parent company and no predecessor entities other than described above.

**Agents for Service of Process**

Our agent for service of process for the State of Delaware is Harvard Business Services, Inc., 16192 Coastal Highway, Lewes, Delaware 19958. Our agents for service of process for other states are identified in Exhibit E of this Franchise Disclosure Document. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above where we have appointed an agent for service of process. There may also be additional agents appointed in some states listed.

**The Franchise Offered**

The franchise offered is for the operation of a Salty Paws® retail shop that offers dog-friendly ice cream, treats, and snacks for on-site or carry-out consumption. Salty Paws® locations also offer branded merchandise and retail items in a fun, clean, and pet-focused environment. Salty Paws has also added grooming and self wash in certain areas Shops are typically located in retail strip centers, shopping malls, or free-standing buildings.

The pet treat and specialty retail market is competitive and includes pet stores, independent pet boutiques, grooming salons, and other franchised businesses. You will compete with national brands, local operators, and online retailers.

### Market Competition

The pet retail and treat industry, particularly businesses offering dog-friendly food and treats, is well-developed and highly competitive. As a Salty Paws® franchisee, you will compete with a wide range of national, regional, and local businesses, including pet supply chains, independent pet boutiques, dog bakeries, mobile treat vendors, and general pet-focused retail and service establishments. Some of your competitors may have significantly greater financial, marketing, and operational resources than you or us.

In addition, competition extends beyond the physical retail environment, as online retailers and direct-to-consumer pet product brands increasingly offer convenience and product variety. The competition for suitable retail space is also significant, particularly in pet-friendly, high-traffic commercial locations. While we believe Salty Paws® offers a unique and engaging concept for pet owners, success will depend on your ability to execute our system effectively and distinguish your location through customer service, local marketing, and community engagement.

### Industry Regulations

Currently, there are no specific federal laws that apply solely to the operation of a dog ice cream shop such as Salty Paws®. However, franchisees are required to comply with all applicable federal, state, and local laws, ordinances, and regulations governing business operations, including those related to food handling, sanitation, labeling, waste disposal, health codes, zoning, signage, and advertising. While the U.S. Food and Drug Administration (FDA) does not directly regulate businesses like Salty Paws®, the Association of American Feed Control Officials (AAFCO) promotes voluntary standards for pet food quality and safety, which some states may adopt or enforce through their departments of agriculture. In certain jurisdictions, you may be required to obtain a feed license or subject your products to inspection or labeling requirements.

In addition, franchisees must obtain and maintain all necessary licenses, permits, and approvals required to operate a retail business serving food products, including any certifications related to health inspections, food storage, sales tax collection, and fire and building code compliance. It is your sole responsibility to identify and comply with all such legal requirements in your area. Although we may offer general guidance or sample forms as a courtesy, you must independently verify with local authorities what is required and ensure that your business remains in full compliance at all times.

**ITEM 2**  
**BUSINESS EXPERIENCE**

Suzanne Tretowicz – President and Chief Executive Officer

Suzanne Tretowicz has served as President of Salty Paws Franchise LLC since its formation. She founded the first Salty Paws® location in May 2018 and has overseen its growth through affiliated entities (including Salty Paws WC, LLC, which operates Salty Paws stores in Rehoboth Beach, Delaware and West Chester, Pennsylvania), and franchising since October 2018. Ms. Tretowicz is actively involved in the management, training, and strategic growth of the Salty Paws® franchise system and brings over two decades of experience in the pet and retail industries.

**ITEM 3**  
**LITIGATION**

*Randall Scheuch, et al. v. Stay Salty, LLC and Suzanne Tretowicz*, Case No. 30-2023-01342937, filed in the Superior Court of California, Orange County, on August 18, 2023. The plaintiffs alleged that the defendants committed fraud and breached their franchise agreement. Defendants vehemently deny the allegations. The case is proceeding to trial in September 2025.

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

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

**Initial Franchise Fees**

Salty Paws Business Initial Franchise Fee

The Initial Franchise Fee for a single area Franchise (“Initial Franchise Fee”) is \$35,000 for a Salty Paws® Business in a protected area. The Initial Franchise Fee is paid in a lump sum at the time the Franchise Agreement is signed, is non-refundable and is deemed fully earned upon the opening of the Business for the deliverables described above and as provided in the Franchise Agreement.

We may also, in our sole discretion, offer a limited number of franchise candidates the right to enter into an Option Agreement to secure the future right to purchase a franchise. If we offer you an Option Agreement, you will be required to pay a non-refundable option fee of \$5,000. If you later exercise the option and enter into a Franchise Agreement during the option term (typically six months), the \$5,000 will be credited toward your \$35,000 franchise fee.

### Start-Up Inventory

In addition to the franchise fee, you must also purchase a portion of your Start-Up Inventory from us or our affiliate, Salty Paws Distribution, LLC. The cost of this required inventory ranges from approximately \$2,600 to \$5,200, depending on the size of your Franchised Business, and is also non-refundable.

### Training Fee

Your \$35,000 initial franchise fee includes the cost of our initial training program for up to 3 individuals, which typically includes you (or your designated Operating Principal), one manager, and additional staff member. If you wish to send more than three individuals to training, we reserve the right to charge a training fee of up to \$200 per person, per day, in addition to any travel, lodging, and meal expenses. We may also charge this fee for training requested by a transferee or a newly hired manager after the initial training has been completed.

You are responsible for all travel, lodging, meals, and incidental expenses associated with attending training, whether it is held at our headquarters or on-site at your location.

## **ITEM 6** **OTHER FEES**

<b>Type of Fee<sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Continuing Service Royalty <sup>(2)</sup>	6% of Gross Revenue	Monthly, on the 5th of each month, via ACH for the previous month.	Based on Gross Revenues (as defined herein) during the previous month.
Brand Fund	2% of Gross Revenues	Monthly, on the 5th of each month, via ACH for the previous month.	Based on Gross Revenues during the previous month. See Item 11 for a detailed discussion about the Brand Fund.
Local Marketing Requirement	1.5% of Gross Revenue	As incurred.	Local marketing requirements are discussed in Item 11. Any marketing materials you wish to use must first be approved by us. If you fail to spend the local marketing requirement in any given period, you will be required to pay the difference to the Brand Fund Contribution.

National Franchise Convention Fee	Up to \$500	Annually	Payable to us.
Additional Training or Assistance	Currently, we charge \$250 per person, per day plus expenses for training at our location, and \$250 per person, per day plus expenses for training at your Business	When training or assistance begins.	We may charge you for training newly-hired personnel; for refresher training courses; for the annual convention; and for additional or special assistance or training you need or request. For all training sessions and conferences, you must pay for your trainees' and representatives' salaries and benefits, and for their travel, lodging and meal expenses.
Transfer Fee	The greater of 30% of our then-current initial franchise fee or 5% of the sales price	Before transfer completed.	No charge if Franchise Agreement transferred to an entity you control.
Renewal Fee	20% of the then-current franchise fee	At time of renewal.	
Relocation Assistance	Cost of relocation	At time of assistance	If you need our assistance to relocate.
Product and Service Purchases	See Item 8	See Item 8	You must buy products and services from us, our affiliates, and designated and approved vendors whose items meet our standards and specifications. We may permit you to buy from other suppliers to the industry.
Testing of Products or Approval of new Suppliers	Not to exceed \$1,000	When billed.	This covers the costs of testing new products or inspecting new suppliers you propose to us.

Audit	Cost of inspection	15 days after billing.	Due if you do not give us reports, supporting records or other required information, or if you understate required Continuing Support and Royalty payments or Fund contributions by more than 2%.
Interest	Lesser of 1.5% per month or highest commercial contract interest rate law allows	15 days after billing.	Due on all overdue amounts.
Maintenance and Refurbishing of Business	You must reimburse our expenses	15 days after billing.	If, after we notify you, you do not undertake efforts to correct deficiencies in Business appearance, then we can undertake the repairs and you must reimburse us.
Software Fee	Currently \$200; up to \$500 per month	Monthly	This includes our POS system. Includes delivery, software, and accounting.
Insurance	You must reimburse our costs	15 days after billing.	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us.
Insufficient Funds	\$75	As incurred.	Due if you have insufficient funds in your EDTA to cover a payment, or if you pay by check, a check is returned for insufficient funds.

Cost of Enforcement	All costs including reasonable attorneys' fees	Upon demand.	You must reimburse us for all costs in enforcing obligations if we prevail, under both the Franchise Agreement and Regional Area Development Agreement.
Management Fee	\$250 per person per day (plus costs and expenses)	As incurred.	Due when we (or a third party) manage your Business after your managing owner's death or disability, or after your default or abandonment.
Indemnification	Will vary	As incurred.	You must reimburse us if we are held liable for claims from your Business' operation.

1. All fees paid to us pursuant to this Franchise Disclosure Document are uniform and non-refundable. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We can require an alternative payment method and frequency for any fees or amounts owed to us under the Franchise Agreement.
2. As used in the Franchise Agreement, "Gross Revenues" means the total selling price of all services and products sold at or from your Salty Paws Business (not adjusted for credit card fees), including the full value of any gift certificate redeemed at your Salty Paws Business or coupon sold for use at your Salty Paws Business (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from calculation), and all income and revenue of every other kind and nature related to the Salty Paws Business operation, whether for cash or credit, but excluding taxes collected from customers and paid to taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks the Business in good faith gives to customers.

**ITEM 7**  
**YOUR ESTIMATED INITIAL INVESTMENT**

Expenditure	Estimated Range		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee <sup>(1)(2)</sup>	\$35,000		As arranged	As incurred	To Us
Real Estate Rent Deposits and Pre-Paid Expenses <sup>(3)</sup>	\$4,770	\$15,400	As arranged	As incurred	To third party
Furniture, Fixtures, and Décor (including Optional Grooming)	\$12,000	\$24,000	As arranged	As incurred	To third party

Construction of Leasehold Improvements <sup>(3)</sup>	\$7,000	\$16,500	As arranged	As incurred	To third party
Inventory and Supplies <sup>(4)</sup>	\$16,000	\$25,000	As arranged	As incurred	To Us or an Affiliate
Signage <sup>(5)</sup>	\$900	\$4,500	As arranged	As incurred	To third party
Computer and POS System <sup>(6)</sup>	\$630	\$4,000	As arranged	As incurred	To third party
Grand Opening Advertising <sup>(7)</sup>	\$2,000	\$3,000	As arranged	As incurred	To third party
Insurance (3 months) <sup>(8)</sup>	\$800	\$1,900	As arranged	As incurred	To third party
Equipment, TV, Cameras, and other Supplies	\$4,000	\$7,000	As arranged	As incurred	To third party
Travel and Living Expenses While Training <sup>(9)</sup>	\$2,000	\$2,000	As arranged	As incurred	To third party
Accountant and Attorney Fees <sup>(10)</sup>	\$2,000	\$2,000	As arranged	As incurred	To third party
Architectural/Engineering <sup>(11)</sup>	\$0	\$7500	As arranged	As incurred	To third party
Business Licenses and Permits <sup>(12)</sup>	\$850	\$850	As arranged	As incurred, before signing lease	To third party
Additional Funds (3 Months) <sup>(13)</sup>	\$12,000	\$15,000	As arranged	As incurred	To third party
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b>	<b>\$99,950</b>	<b>\$163,650</b>			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Salty Paws Business for three (3) months. We do not offer direct or indirect financing for these items. The availability and terms of financing from third-parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you may request a loan. The factors underlying our estimates may vary depending on several variables, and the actual investment you make in developing and opening your Salty Paws Business may be greater or less than the estimates given depending upon the location of your Salty Paws Business and current relevant market conditions. We did not include state or local sales taxes in any of the above estimates. Unless otherwise stated, these estimates are subject to increase based on changes in market conditions, our costs of providing services, and future policy changes.

1. All fees paid to us pursuant to this Franchise Disclosure Document are uniform and non-refundable. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers.

2. We discuss the Initial Franchise Fees in detail in Item 5 of this Franchise Disclosure Document. Your estimated total investment for each additional Salty Paws Business will be reduced by the reduction in Initial Franchise Fees and possibly other costs such as professional fees and travel expenses.

3. The cost of leasehold improvements will vary depending on many factors, including: (a) the size and configuration of the premises; (b) pre-construction costs (including demolition of existing walls

and removal of existing improvements and fixtures); and (c) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Retail store. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions, and the condition of the space before you take possession of the premises. Our estimate is based on a standard square footage range of 700 square feet to 1500 square feet of interior retail space for a Salty Paws Business. The low end of our estimate assumes that you have leased space that is delivered as a “white box” and you will need minimal improvements. The high end of our estimate assumes that you have leased a space that requires more improvements. Our estimate does not include any tenant improvement allowance that you may negotiate. These costs include the build out, fixtures and inventory. Inflation, the effects of tariffs, and supply chain delays may impact your overall costs. As of the date of this Disclosure Document, inflation rates, contractor costs and building supplies are at all-time highs, and the impact of tariffs (if implemented) are unknown.

4. You must purchase an initial inventory of products and promotional items as we require in the Manual or otherwise in writing, from Approved Suppliers.

5. You must purchase wall signage for the exterior of any leasehold space, an interior sign (such as a logo graphic for the window(s)), and interior brand identification such as canvases. The estimate varies based on the size of the exterior façade and lease requirements.

6. You must purchase certain computer equipment as we require in the Manual or otherwise in writing from Approved Suppliers. This estimate does not include shipping or set-up charges.

7. You must purchase certain items, materials or services that we require in the Manual or otherwise in writing for your Grand Opening.

8. You must obtain and maintain, at your own expense, the insurance coverage we require and satisfy other insurance-related obligations. The amounts listed in this table reflect our estimate of basic insurance for your first month of operation, and is based upon the experience of our Affiliated Entity. Additional information regarding insurance needs, including coverage limits, can be found in Item 8 to this Franchise Disclosure Document. Includes required coverages such as general liability, property, workers’ compensation, and now business interruption insurance (minimum 12 months coverage) to meet franchise and lease obligations.

9. This estimate is for the cost of two (3) person to attend initial training in Rehoboth Beach, Delaware. You are responsible for the travel and living expenses, wages, and other expenses incurred by your trainees during initial training. The actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices.

10. We recommend that you consult with an attorney, accountant, and/or other advisor prior to purchasing a franchise. You must obtain state and local licenses, and business licenses.

11. You may be responsible for employing an architect or engineer to prepare drawings and specifications.

12. The estimate includes the cost of acquiring business licenses and permits. Your costs will vary depending upon your Business's location.

13. The figures set forth herein are estimates of a complete investment in opening a Salty Paws Business and operating it for three (3) months after you open for business. This estimate is based on the experience of our corporate/affiliate-owned locations. **IT IS POSSIBLE THAT THE ACTUAL COSTS TO OPEN AND OPERATE YOUR SALTY PAWS BUSINESS WILL DIFFER FROM THOSE SET FORTH ABOVE. HOWEVER, WE BELIEVE THESE AMOUNTS TO BE REASONABLE ESTIMATES IN OPENING AND OPERATING A SALTY PAWS BUSINESS FOR THE PERIOD NOTED. BECAUSE YOUR ACTUAL NEEDS ARE DEPENDENT ON HOW FAST YOU GROW YOUR BUSINESS, YOU MAY NEED ADDITIONAL CAPITAL TO OPERATE YOUR BUSINESS BEYOND THE THREE-MONTH PERIOD NOTED AND SUCH CAPITAL NEEDS MAY BE SIGNIFICANT.**

## **ITEM 8** **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

We may offer or designate others to offer certain products, supplies, kitchen equipment or services and we may become approved suppliers or the only approved supplier(s) for these and other products, supplies, kitchen equipment and services. The products, supplies, kitchen equipment and services include: kitchen equipment (such as ice cream dipping freezers, commercial grade freezers, display freezers, commercial blenders, etc.), products (such as: dry ingredients different types of dog-friendly ice cream toppings, dog friendly snacks and baked goods, privately labeled products (which are products developed by a third-party vendor and carry our brand such as: powder ice cream container mixes, pre-packed powder bases and dehydrated treats), dog toys, prepackaged ice cream and snacks for human consumption, etc. as described in Item 7), supplies (such as kitchen utensils, small wares, paper goods, disposables, packaging materials, etc. as described in Item 7), furnishing and fixtures, technology items (such as: POS system, computers or laptops, flat screen televisions, camera surveillance system, alarm system, sound system, etc.), software, signage (which includes menu boards), uniforms, POS and technology support service providers, merchant services, security alarm providers, promotional merchandise, printed advertising materials, shows and event marketing opportunities and vendor, co-branding, affinity programs. You cannot purchase unapproved kitchen equipment, products or supplies from any vendor and/or supplier that are not on our pre-approved list without our written permission. We will provide you with: a written list of approved products, inventory, supplies, kitchen equipment and services you can use and offer in your Business; recommended procedures and strategies when purchasing kitchen equipment, products and supplies for your Business; and a written list of approved vendors and/or suppliers to purchase such items from during our initial training program. Currently we are not the only approved supplier of such items that you are required to use or sell in the operation of your Business. You also must purchase all miscellaneous forms, advertising, promotional, marketing materials and updates from us or approved vendor. As of the date of this Disclosure Document, all updates to such advertising, promotional and marketing materials are optional, but we may in the future mandate that you purchase certain updates at your expense. We require this in order for you to sell products from our approved products list. If we develop proprietary equipment or software in the future, you must purchase such items from us, our affiliates or approved suppliers. We may become the approved suppliers or the only approved supplier for products, supplies, kitchen equipment and services in the future. We may negotiate lease and/or purchase arrangements with vendors and/or suppliers for the benefit of you

in the areas of costs and customer support. There are no supply contracts at this time. No franchisor officer owns an interest in any supplier.

Salty Paws Distribution, LLC, which is our affiliate, is currently the only approved vendor and supplier for all privately labeled products (which are products that carry our brand such as: powder ice cream container mixes, pre-packed powder bases and dehydrated treats), and limited dog-friendly baked goods to be purchased by you for the operation of your Business. During the previous fiscal year, neither we nor our affiliates derived any revenue from franchisee purchases.

You are required to adhere to the standards and specifications established periodically by us with respect to your Salty Paws® Business (also referred to as the “Shop”) which includes: all products and services offered; furnishings, fixtures, kitchen equipment, products and supplies used and purchased only from our approved suppliers; specific recipes, product preparation, presentation and packaging standards, operational procedures, customer service and cleanliness standards, merchandising standards, advertising, vendors, products and services to be offered through your Business and other items for the operation of your Shop. We will provide you with a written list of pricing guidelines, merchandising and presentation standards during our initial training. You must operate the Shop in strict conformity with the methods, standards and specifications that we prescribe in the Operations Manual or otherwise in writing. You must maintain in sufficient supply, use and sell at all times only the products, supplies, kitchen equipment and services that meet our standards and specifications and may be amended by us periodically. All products must be purchased, used, offered or sold in accordance with the specifications and procedures as specified in the Operations Manual or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming kitchen equipment, products, supplies or services, without obtaining our written consent first. We may change our standards and specifications, as a result of experience or changes in the marketplace and we will issue such changes to all franchisees. You are not permitted to: use the products or services of an unapproved vendor, purchase products or kitchen equipment from an unapproved supplier; or sell any other products not approved by us, unless you first submit a written request to us for approval and agree to be responsible for all product, vendor and equipment fees described in Item 6 and below in this Item 8. We will use our best efforts to advise you within thirty (30) days whether such products, supplies, kitchen equipment, vendors or suppliers are approved as further described below.

We base our specifications for products, supplies, kitchen equipment, vendor and supplier approvals on our discretionary determination of demand, relevance to the System, price, value, quality, reliability, accuracy of product claims, safety, warranty, prompt attention to complaints, financial stability, litigation against supplier, recall history, reputation, frequency of delivery, appearance and contributions or other benefits to us and/or any marketing fund. Some of these specifications are contained in our Operations Manual and others will be set forth in periodic written notices to our franchisees. We have the right to disapprove any product, piece of kitchen equipment and/or supply sources that are not on our approved vendor list. If any product, piece of kitchen equipment, service, vendor or supplier is not authorized by us, you are prohibited from using, offering or selling it in your Shop. We may require vendors and/or suppliers to provide certain information, sign a nondisclosure agreement, and agree to guarantee our level of quality and produce sufficient samples to allow us to test the sample at your expense. We may require you to submit to us sufficient specifications, photographs, drawings or other information and samples to determine whether the items meet our specifications. There is a product, vendor and equipment assessment fee for supplier approval and we may require third-party testing, in which case you will pay the actual cost of the tests as described in Item 6. We may issue specifications in manuals or directives, in writing or orally, and we may modify

them at any time. Our response to a written request by you to approve a product, piece of equipment or a supplier will be made within 30 days after we receive it. Approval may be revoked in our sole discretion where an approved product, piece of kitchen equipment, vendor or supplier does not adhere to the specifications described above. We will notify you either by email or any other written form of communication of our approval, disapproval or revocation of any prior approval of any product, kitchen equipment, vendor or supplier.

You must use, offer and sell only the products, supplies, kitchen equipment and services that we specify in writing which may be amended or modified by us periodically. You are not required to maintain a minimum inventory of products in your Shop, unless specified in the operations manual; however, we retain the rights to do so in the future. If we require you to maintain a minimum inventory of products (currently not in effect) we will notify you by email or any other written form of communication and you will be given 90 days to comply with such requirements at your cost. We will provide you with a written list of approved products, supplies, kitchen equipment and services you are authorized to use, offer and/or sell in your Shop after signing the Franchise Agreement and during our initial training. If any product, piece of equipment, service, vendor or supplier is not authorized by us, you are prohibited from using, offering or selling it in your Business. We will enforce these requirements by using “secret shoppers” or unannounced on-site visits to your Shop on a regular basis. When we make other visits to your Shop, such as to assist you, we may also take that opportunity to visibly inspect your inventory and determine if unauthorized products, kitchen equipment or services are being used, sold or offered. In addition, we expect to receive information from other Salty Paws® businesses or from customers of your Business reporting that unauthorized products, pieces of kitchen equipment or services are being used, sold or offered in the Shop. You must permit us or our agents, at any reasonable time, to remove a reasonable number of products or pieces of equipment from your Shop free of charge for testing by us or by an independent laboratory, to determine whether the samples meet our then-current standards and specifications. Besides any other remedies we may have, we may require you to pay for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications. In addition, to maintain the highest degree of quality and service, we reserve the right to charge you an additional fee of \$1,500 if we inspect your Shop and you do not pass the inspection for a second time in any two-year period. We reserve the right to take whatever action we deem necessary in our absolute and sole discretion to prevent you from using, selling or offering unauthorized products, supplies, kitchen equipment or services, including seeking injunctive relief or terminating your Franchise Agreement.

We may derive profit through markups of the prices charged to you for products, supplies, kitchen equipment or services we supply. We may derive revenue through license fees, promotional fees, advertising allowances, rebates or other monies paid by approved suppliers. We do not know the precise basis of these payments because we have never previously collected them. If we require you to buy from us, the product’s price and quality will be comparable to similar products from other sources. We may take a portion of that income to spend on advertising or place it in a separate franchise advertising account. If we require you to buy products, supplies, kitchen equipment or services from a vendor that pays such allowances, at our discretion we may spend all such fees on related advertising or place them in the separate franchisee advertising account, described in Item 11 below. If we don't require the purchase, we need not place such fees in a separate account or use them on advertising but may retain them. We are not required to apply these funds to advertising or place them in a separate franchise advertising account but will use our reasonable discretion in making such decision. In the fiscal year ending December 31, 2021, we did not

derive any revenue from required franchisee purchases and leases, but our affiliate, SPD, received \$40,032.84 from required purchases of private labeled product by franchisees.

To maintain uniform quality standards, all furnishings, fixtures, products, kitchen equipment, services, signage, advertising, trademark usage, trade dress and other supplies and services you use to operate your Shop must meet our standards and specifications. In addition, you must participate in and cooperate with promotional programs, rewards and/or loyalty programs, gift certificate or gift card programs we may establish and follow our and supplier's requirements and guidelines. We will require you to use specific software, miscellaneous forms, contracts, checklists, marketing and promotional items; and we may require you to use or contribute to specific POS and technology support service providers, merchant service providers, security alarm providers, vendor discounts, allowances and rebates.

We maintain specifications for the construction and build out of your Shop, leasehold improvements, furnishings and fixtures, kitchen equipment, technology items (such as: POS system, computers or laptops, flat screen televisions, camera surveillance system, alarm system, sound system, etc.), software, signage (which includes menu boards) and décor to be used for the interior and exterior of your Shop. You may not install or permit to be installed on the Shop premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications. Some of these specifications are contained in our Operations Manual and others will be set forth in periodic written notices to our franchisees. In most cases, the specifications involve confidential and proprietary information regarding proprietary and confidential information and the specifications will only be made available to a supplier who agrees to sign a confidentiality agreement with us. We develop these specifications either through our research and development staff or, with a particular manufacturer, and they may be modified periodically, through periodic notices to our franchisees.

One of our primary methods of communication with franchisees is through email, mobile texting, and memos or newsletters we may periodically publish. You are responsible for knowing all the information contained in the emails, mobile text messages, memos, and newsletters and complying with any standards and specifications provided within them. We may establish and change the standards and specifications for the operation of your Shop through our memos or newsletters as well as by written notices and emails described above.

All marketing and promotion of your Franchise by you in any medium must be conducted in a professional and dignified manner and must conform to our specified standards and requirements that we prescribe in our Operations Manual. You must submit samples of all advertising or promotional plans and materials (including photographs and videos) that you desire to use to us for approval if such has not been prepared or previously approved by us. You may not use any marketing or promotional materials (including photographs or video presentations) that we have disapproved. This includes any media or website promotion over the Internet to promote your Shop. You must submit a request to us for any type of media, website and/or Internet promotion you wish to do in addition to any edits, changes or updates to your website. Internet promotions, edits, changes or updates to your website must be done by us, our affiliates or approved vendors with our consent. We will charge a fee for this approval (as described in Item 6). Upon approval of your request, you may be responsible for any website maintenance cost. Our response to your request for such advertising or promotional plans and materials (including photographs or video presentations) and Internet promotions, edits, changes or updates to your website will be made within 30 days after we receive it. We will notify you by email or any other written form of communication of our

approval or disapproval. In addition, you must not conduct any advertising without our written permission, in any Social Media such as Yelp, Twitter, Facebook, LinkedIn, Pinterest, TikTok, and others (currently franchisees are authorized to participate in Facebook, Instagram, TikTok, and Yelp). You must also supervise your employees to assure they do not post any material on the Social Media sites or any internet sites, regarding us or the franchise System whatsoever. We will provide you with our written standards and guidelines for using social networking sites during the initial franchise training program.

For a Salty Paws® Franchise, you are obligated to purchase kitchen equipment, furniture and fixtures, technology items (as described above) software, signage, uniforms and an inventory of products and supplies for the operation of your Business. It is estimated that all your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications will represent approximately 30%-40% of your total initial purchases. We anticipate that during the operation of your Business, required purchases from us, our affiliates or the vendors that we specify or approve (not including your lease, royalties or labor costs) are estimated to be approximately 45%-55% of your total monthly purchases in the continuing operation of your Shop (this depends on the size of your Shop, amount of inventory your purchase and sales volume).

We do not provide material benefits (for example renewal or additional franchises) to you based solely on your use of designated or approved sources. We do not belong or require you to belong to any purchasing or distribution cooperatives, although we retain the right to establish them and to require your membership therein.

When you open a location for your franchise under a lease, per the Franchise Agreement, you must submit the proposed lease to us for approval before it is signed. We have the option to require that the lease (i) be collaterally assigned to us by a collateral assignment agreement in a form and substance reasonably acceptable to us to secure performance of your liabilities and obligations to us or (ii) contain the following terms and conditions:

The lessor must agree that without its consent, the lease and your right, title and interest under the lease may be assigned by you to our designee or us (provided such assignment shall not relieve you of your obligations under the lease or cause us or our designee to have any obligations or liability under the lease).

The lessor must provide written notice to us (at the same time it gives such notice to you) of any default by you under the lease and we must have, after the expiration of the period during which you may cure such default, an additional 15 days to cure, at our sole option, any such default and, upon the curing of such default, the right to enter upon the leased premises and assume your rights under the lease as if the lease had been assigned by you to us.

You are required to furnish copies of all insurance policies required by the Franchise Agreement and by the lease, to us, or such other evidence of insurance coverage and payment of premiums as we request or permit or under the lease.

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance required by applicable law, your landlord, or otherwise. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards,

or other relevant changes in circumstances, if the changes apply to all Salty Paws Businesses. Each insurance policy must name us and entities and persons affiliated with us as additional insureds. On our request, you must provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies on an annual basis. Before you open your Salty Paws Business, you must furnish us with a certificate of insurance showing compliance with the insurance requirements. Currently, you must have the following insurance at a minimum:

- Comprehensive general liability insurance with limits of at least \$1,000,000 per person per occurrence (and \$2,000,000 aggregate for bodily injury) and at least \$50,000 for property damage per occurrence;
- Personal injury and advertising injury insurance with limits of at least \$1,000,000 per occurrence;
- Employer Practices Liability insurance with limits of at least \$1,000,000;
- An Umbrella Liability insurance policy with a limit of at least \$1,000,000;
- “All risk” insurance on the premises, equipment and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risk usually insured against by the owners or lessors of similar property, for at least 100% of the replacement cost of the property. Unless you obtain a written waiver from us, any Salty Paws Business sustaining loss or damage must be repaired, restored, or rebuilt within 60 days after the date of the loss or damage;

Automobile liability insurance on each vehicle used in the business within the minimum coverage limits as required by the law of the state or jurisdiction in which you are engaged in business.

- Business Interruption Insurance in an amount necessary to satisfy your obligations under the Franchise Agreement and lease for the Franchised Business location, for a minimum of 12 months.

Worker’s compensation or similar insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of your Salty Paws Business, if required by your state or jurisdiction.

### Computer System

You must purchase the computer system that we specify, including computer hardware, software, point of sale system, inventory control systems, and high-speed network connections (collectively, the “Computer System”). The component parts of the Computer System must be purchased from Approved Suppliers. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. Currently, we require you to utilize the Clover point-of-sale

(POS) system, including associated hardware and software with no initial cost if leased but you will incur a monthly lease payment plus a monthly fee for POS support and maintenance. The Computer System is described in more detail in Item 11 of this Disclosure Document.

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Sections 4.2, 7.2	Items 5, 7 & 11
b. Pre-opening purchases/leases	Sections 4.2 and 7.2	Items 7
c. Site development and other pre-opening requirements	Section 7.2	Items 7 & 11
d. Initial and ongoing training	Section 5.2	Items 11
e. Opening	Sections 7.2, 7.3 and 7.6.1	Items 6 & 7
f. Fees	Section 6	Items 5, 6 & 7
g. Compliance with standards and policies/ Operations Manual	Sections 5.4, 5.6, 7.1 and 7.3	Items 11
h. Trademarks and proprietary information	Section 8.1	Items 13 & 14
i. Restrictions on products/services offered	Sections 5.6 and 7.3.3	Items 8 & 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development & sales quotas	Not Applicable	Not Applicable
l. Ongoing products/service purchases	Sections 7.3.3 and 7.5.4.2	Items 8 & 16
m. Maintenance, appearance, and remodeling requirements	Section 7.3.6	Items 11
n. Insurance	Section 7.7	Items 7
o. Advertising	Sections 5.5, 7.1.3 and 7.6	Items 6 & 11
p. Indemnification	Section 8.5	Items 6, 13 & 14
q. Owner’s participation/management/staffing	Sections	Items 11 & 15

	7.4 and 7.5	
r. Records and reports	Section 7.6	Items 6
s. Inspections and audits	Section 6.5	Items 6 & 11
t. Transfer	Sections 6.8 and 9	Items 17
u. Renewal	Section 4.6.2	Items 17
v. Post-termination obligations	Section 10.3	Items 17
w. Non-competition covenants	Sections 8.6 and 10.3	Items 17
x. Dispute resolution	Section 11	Items 17

**ITEM 10**  
**FINANCING**

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

**ITEM 11**  
**FRANCHISOR’S ASSISTANCE, ADVERTISING,**  
**COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, Salty Paws Franchise LLC is not required to provide you with any assistance.**

Pre-Opening Obligations

Before you open your Salty Paws Business, we (or our designee) will provide the following assistance and services to you:

- (1) Designate your Territory (See Sections 4.3 and 7.2 of the Franchise Agreement);
- (2) Loan you one (1) copy of the Confidential Operations Manual. The Confidential Operations Manual contains approximately 218 pages. The table of contents for the Confidential Operations Manual is attached to this Franchise Disclosure Documents as Exhibit D (See Section 5.4 of the Franchise Agreement);
- (3) Provide site selection guidelines and criteria and provide site selection assistance to determine an acceptable location for your Salty Paws Business. While we approve the site pursuant to our guidelines, You are solely responsible for selecting your site (See Section 7.2 of the Franchise Agreement);
- (4) Within 30 days of your signing the approved lease or location purchase, we will provide you with access to prototype design plans, specifications, décor and layout for a Business, including requirements for design, color, scheme, image, interior layout and operation assets that include fixtures equipment interior signs and furnishings. We may also designate additional suppliers of goods and services (See Section 7.3 of the Franchise Agreement);

(5) Assist you in implementing an opening marketing initiative for your Salty Paws Business (See Section 5 of the Franchise Agreement);

(6) We, or our designee, will provide instruction and assistance prior to the opening of your Salty Paws Business and immediately following the opening by telephone or in-person, as we determine in our sole discretion (See Sections 5.2 and 5.5 of the Franchise Agreement); and

(7) Provide an initial training program (“Initial Training Program”) as described below.

### Post-Opening Obligations

During the operation of your business, we may:

(1) Provide periodic telephone and electronic mail assistance on daily operations, marketing, advertising, personnel and other operating issues that you encounter, and provide review and analyses of your operations (See Section 5.3 of the Franchise Agreement);

(2) Update the manuals to incorporate improvements and new developments in the System. These revisions may be made at any time (See Section 5.4 of the Franchise Agreement);

(3) Make available to you initial training of replacement managers at a location that we determine. We may charge you a fee for this training. (See Section 5.2.1 of the Franchise Agreement);

(4) Advise as to source of supply for equipment, services, supplies, products and materials, and make reasonable efforts to negotiate, enter into and maintain contracts for equipment, supplies and services for your purchase (See Sections 5.6 and 7.3.3 of the Franchise Agreement);

(5) Assist you with sales promotions and administer a system-wide Brand Fund (See Section 7.5.3 of the Franchise Agreement) (See Brand Fund below);

(6) At our option, provide access to our manuals, franchisee resources and company news (See Sections 5.2.3 and 5.4 of the Franchise Agreement);

(7) At our option, maintain a website and provide you with a standard web page on the website or issue you an independent website (See Section 7.5.4 of the Franchise Agreement); and

(8) Provide you access to print and television advertisements, if and when they exist, for use by you (See Section 5.5 of the Franchise Agreement).

### Advertising and Promotion

#### *Brand Fund*

You are currently required to contribute 2% of Gross Revenues each month and all payments are due monthly, by the 5th of each month, via ACH, as further detailed in Item 6 to our system-wide advertising

and promotions fund (“Brand Fund”). All franchises will contribute on an equal basis to the Brand Fund. The Brand Fund will be intended to promote the services of the System. We may administer the Brand Fund and all programs that the Brand Fund finances. We will use the Brand Fund for public relationships and the development and placement of print, electronic media and web-based advertising. We may use most of the Brand Fund for in-house advertising or using a regional advertising agency. We will not use the Brand Fund to solicit prospective franchisees, but we may use the Brand Fund to develop a website and social media platforms. We may use an outside advertising agency to create and place advertising, and handle public relations. The Brand Fund will advertise locally, regionally and nationally, as we decide in our sole discretion, to promote the System.

We will account for the Brand Fund separately from our other funds each year. The Brand Fund will not be audited, but we will prepare an annual unaudited financial statement of the Brand Fund that will be available on your request about 120 days after the end of the fiscal year. Other than reimbursement for reasonable costs and overhead incurred in activities for the administration or direction of the Brand Fund, which may include prorated salary and benefits of any personnel who manage and administer the Brand Fund, meeting costs and similar expenses, neither we nor any affiliate will receive any payment for providing services or products to the Brand Fund. We may, but are not required to, collect for deposit into the Brand Fund any advertising, marketing or similar allowances paid to us for that purpose by suppliers who deal with your Salty Paws Business.

We did not collect or use any Brand Fund monies in the year ending on December 31, 2024, however, we plan to do so in the future.

#### Franchisee Advisory Council

We do not currently have a Franchisee Advisory Council.

#### Local Advertising

You are required to spend at least 1.5% of Gross Revenue per month on local advertising each month, as outlined in Item 7 of this Franchise Disclosure Document.

You must submit to us, for our approval, all media and materials to be used for local and online advertising, unless the media and/or materials have been approved before or unless we provided the materials to you. All materials containing our proprietary marks must include the designation service mark <sup>SM</sup>, trademark <sup>TM</sup>, registered trademark <sup>®</sup>, copyright <sup>©</sup>, or any other designation we specify. If you do not receive written or oral approval of any materials submitted within 30 days from the date we receive the materials, the materials are disapproved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. We must make this requirement in writing, and you have 5 days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising. Your submission of advertising for our approval does not affect your right to determine the prices at which you sell your services.

You may have as many telephone numbers and telephone directory listings for the franchised business as you choose; however, you acknowledge and agree that we will own all rights and interest in each telephone number (regardless of whether such telephone number pre-existed any Franchise Agreement) and telephone

directory listing, email address, domain name, social media platform, and comparable electronic identity that is associated in any manner with your Franchise and/or with any Mark (“Listing”). You acknowledge and agree that all goodwill arising from or in connection with the use of each Listing will inure to our benefit. Promptly after expiration, termination, repurchase or transfer of the Franchise, you will notify each telephone or Internet Service Provider (“ISP”) with whom you have any Listing and direct them to transfer the Listing to us, or any persons we designate, at your expense; and you agree to execute all documents necessary to complete these transfers.

You must include in any significant display advertisements, and in marketing materials for your Salty Paws Business, a notice that your Salty Paws Business is individually owned and operated. Subject to any legal restrictions, you also are required to display or make available in your Salty Paws Business’s reception area, marketing materials that we may provide to you about the purchase of Salty Paws franchises, but you have no responsibility or authority to act for us in franchise sales.

You may not solicit business outside your Territory through the use of a toll-free number, direct mail, website, social media platform, or other advertising method without our prior written approval. You may not establish your own website or social media platforms without approval. If we approve, we will require access to the platform.

We do not require you to participate in a local or regional advertising program.

### System Website

At our option, we may establish one or more websites to advertise, market and promote the System and the franchise opportunity. We currently maintain the website [www.saltypawsicecream.com](http://www.saltypawsicecream.com); however, we are not obligated to continue to maintain that website, and are not barred from (or required to) creating additional or replacement websites. In any website now in existence or hereinafter-created, we may provide you with a listing for your location, or a web page or website to promote your business, if you provide us with the information that we request to develop your web page. Our system standard will apply to any website advertising. We may provide a secure intranet for our franchisees, but do not currently have one.

### Computer System and Internet Access

You must purchase and use the complete computer software services and electronic cash register/point-of-sale system (i.e., the “POS System”) we require, which we have the right to change at any time. Currently, our designated POS System is the Clover point-of-sale (POS) system; however, this POS System is subject to change at any time. The approximate annual cost to you for the POS System and other required equipment is \$900-\$2000 if leased or can be purchased upfront in initial start up costs, plus a monthly fee of \$125 for POS updating, support, programs and maintenance. These costs are subject to change by the vendor. Any maintenance, repair, or updates related to the computer system are your responsibility. (See Section 7.3.8 of the Franchise Agreement).

**Independent Access to Information.** We have a right and you are required to provide us with independent access to the information that will be generated or stored in your computer systems, which includes, but is not limited to, customer, transaction, and operational information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and

electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business.

You must have broadband Internet access, which will permit you to use web-based technology, gather information, exchange ideas and transfer data. You may use any independent Internet Service Provider of your choosing that provides broad-band access. You must maintain a functioning email address so that we can communicate with you electronically. We have the right to access and do periodic corporate posting on all social media platforms.

We may upgrade our minimum computer system requirements at any time in order to keep pace with technology. There are no contractual limitations on the frequency or cost of this obligation, but we expect you will need to upgrade at least every five (5) years. If we modify or impose a requirement, we will notify you in our manuals or other written communications, and will give you a reasonable time in which to comply at your expense. We estimate that the cost of upgrading and replacing a computer system is approximately \$750-\$1,000 annually.

We may assist you in obtaining the computer system and related services, but we are not obligated to do so. We may, in the future, designate an approved supplier for computer components.

We disclaim all implied warranties to the extent permitted by law. Neither we nor any affiliate is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system. You should determine for yourself whether or not any third-party supplier from whom you purchase any component of your computer system is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system, and determine the additional cost for the services.

### Artificial Intelligence

You will not, without our written consent, utilize any generative artificial intelligence software, tools, or technologies, including natural language processing, deep learning algorithms, or machine learning models (“Generative AI”) directly or indirectly in the operation of the Franchised Business, including without limitation, in advertising, promotion, or marketing of the Franchised Business, communications with customers, business planning, analysis or optimization, or in any social media. You acknowledge and agree not to upload or share any Confidential Information (including any inputs of information containing trade secrets, sensitive confidential information, or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized in writing by us. In addition, you shall prohibit your employees from using any Confidential Information in Generative AI. In the event you utilize any Generative AI, with or without prior approval from us, you shall comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and shall not infringe upon or use intellectual property of a third party without appropriate authorization and attribution.

### Manuals

After you sign your Franchise Agreement, and prior to initial training, we will give you electronic access to or lend you a paper or read-only online version of a single copy of our manuals. The manuals contain proprietary information, and you must keep this information confidential as described in Item 14. A copy

of the Table of Contents for the Operations Manual, as of June 18, 2025, is attached hereto as Exhibit D, which reflect that the manual contains 218 pages.

Initial Training Program

You will receive the following training before you open your Salty Paws Business:

**TRAINING PROGRAM**

Subject	Hours of Classroom Training/Remote	Hours of On-the-Job Training	Location
The Salty Paws System, Standards, Culture, and Creating the Experience	2 hours	2 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.
Introduction and Set Up to Vendors and Suppliers	2 hours	2 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.
Start Up Purchasing Strategies and Inventory	4 hours	0 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.
Product Knowledge	2 hours	4 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.

Subject	Hours of Classroom Training/Remote	Hours of On-the-Job Training	Location
Merchandising Strategies	0 hours	4 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <b><i>your remote location</i></b> , and your Salty Paws Business, at our Discretion.
Pricing Guidelines for all Products	2 hours	2 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <b><i>your remote location</i></b> , and your Salty Paws Business, at our Discretion.
Product Preparation, Recipes, and Presentation	0 hours	3 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <b><i>your remote location</i></b> , and your Salty Paws Business, at our Discretion.
Breed Knowledge, Dog Etiquette, Safety, and Dog Behavior	3 hours	1 hour	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <b><i>your remote location</i></b> , and your Salty Paws Business, at our Discretion.
Onsite and Offsite Events	2 hours	2 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <b><i>your remote location</i></b> , and your Salty Paws Business, at our Discretion.
Cleanliness and Shop Appearance Requirements	0 hours	2 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <b><i>your remote location</i></b>

Subject	Hours of Classroom Training/Remote	Hours of On-the-Job Training	Location
			<i>location</i> , and your Salty Paws Business, at our Discretion.
Hiring	2 hours	0 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.
POS Training	1 hour	1 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.
Marketing, Social Media, Promoting your Business, and Press	2 hours	1 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.
Administrative, Payroll, and Bookkeeping Responsibilities	2 hours	0 hours	Corporate headquarters in Rehoboth Beach, Delaware or as we otherwise specify, including <i>your remote location</i> , and your Salty Paws Business, at our Discretion.
<b>Totals</b>	<b>24 hours</b>	<b>24 hours</b>	

The hours devoted to each subject are estimates only and may vary based on how quickly trainees grasp the material, their prior experience, and scheduling needs. Our training program lasts up to two ( 2) days at our headquarters or on site, including up to two (3) days of pre-opening training and up to two (1) days of post-opening training. This training is a combination of remote and on site training. Upon request and in our sole discretion, we may conduct training at your location or another mutually agreed location.

We will train up to three (3) individuals, including you (or your Operating Principal), your manager, and up to one additional staff members. Prior to scheduling training, key pre-opening requirements must be met, including securing and fitting out your Business, obtaining business licenses, and hiring key personnel. We typically schedule training sessions ten (10) to twelve (12) times per year, spaced approximately three (3) to four (4) weeks apart, based on demand.

Suzanne Tretowicz will oversee initial training and he has fifteen-plus years of industry experience. We expect that all other trainers will have at least two years' of industry experience. Trainees are expected to read and have reviewed the Operations Manual prior to attending training. Supplemental training will be provided in a review of the material along with hands-on, observational and visual instruction on our daily procedures and best practices for operating the Business . If you are an individual, you and your original manager, if any, must attend and complete our initial training program to our satisfaction. If you are a legal entity, your Operating Principal and your original manager, if any, must attend and successfully complete initial training. We recommend that you plan to attend training before you sign a lease for your business.

We do not currently conduct, but may in the future, regional and/or national conferences. If and when we do, you (or your Operating Principal) must attend a regional or national conference, which shall not occur more than one time per year. At our option, we may charge you a conference fee or a proportionate share of our out-of-pocket costs for each annual conference.

You (or your Operating Principal) and any previously-trained manager must attend any refresher or follow-up training that we designate. We will not charge you a fee for this training, however, you may incur out-of-pocket costs in attending same.

Training for replacement managers or employees is required and provided on the same terms as the initial training provided to you, except that there may be a fee. Training for replacement managers will occur at a time we schedule on a space-available basis, and may not be available immediately after the replacement manager (or employee) is hired. You will be responsible for all expenses incurred by you and your employees in connection with attending all training programs, including the cost of transportation, lodging, meals and wages.

Training for transferees of your franchised business is required and provided on the same terms as the initial training provided to you, except that there may be a fee. Training for transferees will occur at a time we schedule on a space-available basis, but must be completed before the transfer takes place.

You must pay our travel, lodging, and meal expenses during training. You must also pay travel, lodging, and meal expenses for trainees and any compensation or benefits due trainees during initial training, or during any regional or national conferences, or any additional or refresher training.

#### Site Selection - Salty Paws Business

If you have not selected a site when you sign your Franchise Agreement, we will approve a Territory within which you can locate a site for your business. We will assist you in evaluating proposed sites based on information that you provide to us and on other information that we deem relevant. The factors that we consider relevant are square footage, a storefront location, and traffic patterns. We may, but we are not required to, visit proposed sites with you. We will approve or disapprove a proposed site within 15 days after

you propose it in writing with appropriate documentation as stated in our manuals. If we disapprove a site, you must locate another site. If you do not, we may terminate the Franchise Agreement.

We must approve your site before you open your Salty Paws Business franchise. You must open for business within 270 days after signing your Franchise Agreement, subject to our opening schedule availability. If you are delayed from opening within the 270 days, you must provide us with a written request to delay opening. Your request must state: (1) that a delay is anticipated; (2) the reasons that caused the delay; (3) the efforts that you are making to proceed with the opening; and (4) an anticipated opening date. In considering the request, we will not unreasonably withhold our consent to delay, up to a maximum of 14 days, if you have been diligently pursuing the opening. If, for any reason (including your failure to locate a site acceptable to us), you do not open your business within one year (or any longer period to which we have consented), we may terminate your franchise without refunding any of the initial franchise fee.

### Opening Business

For a Salty Paws Business, you are required to obtain a site (via a signed letter of intent or lease agreement) within one hundred and twenty (120) days of the Effective Date. The maximum time to open, after the Effective Date, is 270 days. The typical length of time between the signing of a Franchise Agreement and the opening of a business is 90 to 180 days. Factors that may affect this time include your ability to obtain business licenses and permits, receive delivery of supplies, when you complete training, select a site, negotiate a lease and complete any construction or renovation of your facility.

### Other Assistance

We do not provide assistance with providing equipment, signs, fixtures, opening inventory, and supplies. We do not provide assistance with conforming the premises to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training employees. We generally do not own the premises that you lease. We are not required to, but may in our sole discretion, spend money on advertising in your Territory.

## **ITEM 12** **TERRITORY**

Under the Franchise Agreement, you have the right to establish and operate one (1) Salty Paws retail store within a territory that will be defined after the location of your Salty Paws is identified and approved by us (the “Territory”). You are required to find and obtain possession of a specific location for your Franchised Business that meets our site selection criteria and is approved by us.

Your Territory is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes. The Territory is determined on an individual basis taking into account minimum numbers of households, average home prices, household incomes, and/or daytime/nighttime populations. The franchise is for a specific location, not a specific area. The Territory will be identified in an attachment to the Franchise Agreement.

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

from outside your Territory, you may not solicit customers outside your Territory or use any method of distribution targeting customers outside your Territory, such as s the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside its territory.


We will not grant another franchise or open a company-owned or affiliate-owned outlet within your designated Territory. There is no specified size or population for a Territory. Each Territory is determined case-by-case based on market size, demographics, shopping patterns, venue, and other location-specific factors.

If the Territory has not been designated when you sign the Franchise Agreement, we will designate a Territory shortly thereafter, and a Territory Attachment will be included at that time. If you do not yet have a location at the time of signing, you will receive a non-exclusive site search area list as Exhibit A.

**ITEM 13**  
**TRADEMARKS**

Under the Franchise Agreement, we grant you the nonexclusive right to use the Marks in connection with the operation of your Franchise. Our principal trademark is “Salty Paws” as it appears on the first page of this Disclosure Document. We have the right to use and to license others to use the Marks and under any other trade name, trademarks, service marks and logos currently used or that may hereafter be used in the operation of the Business. You must use the Marks only for the operation of your Franchise and in the manner authorized by us.

The following trademark is owned by our affiliate, Stay Salty IP, LLC. It is registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Date	Registration Number	Principal or Supplemental Register
	December 31, 2019	5948042	Principal

You must follow our rules when you use the Marks. You cannot, under any circumstances, use any Mark with modifying words, designs or symbols, except for those which we license to you or have expressly approved in writing. You cannot modify a Mark in any way without our express written consent. You may not use any Mark in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

You may not, under any circumstances, use any of the Marks, including “Salty Paws,” in any manner, in the name of your corporation, limited liability company, partnership, or other legal entity. We intend to file all affidavits and other documents required to maintain our interest in and to the Marks.

The confidentiality provisions of the Franchise Agreement apply to all uses of electronic media.

No registrations have been renewed as of the date of this Disclosure Document.

### Determinations

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the above-described Marks which are relevant to your use of these Marks.

No currently effective material determinations or agreements limit our right to use or license the use of the trademarks listed in this section in a manner material to the franchise.

We do not know of any pending material state or federal court litigation regarding our use or ownership rights in the trademarks.

### Protection of Rights

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademarks. We will take the action we think is appropriate in these situations, and we have exclusive control over any settlement or proceeding concerning any Mark. You must take actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks. While we are not required to defend you against a claim arising from your use of our Marks, we will indemnify and hold you harmless from all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark in accordance with the Franchise Agreement and the Operations Manual, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

You must promptly notify us in writing of any claim, demand, or suit against you or your principals in connection with your use of the Marks. We have the right to select legal counsel and to control the proceedings. In certain cases, as described in Section 8.5 of the Franchise Agreement, we will indemnify and hold you harmless.

### Modification of Trademarks

You must modify or discontinue the use of a trademark if we modify or discontinue it at your own cost. Because your telephone listings and email addresses will be associated with our trademarks, we will own all rights to the telephone listings, and all goodwill generated from the use of the telephone listings will inure to our benefit.

We may acquire or develop additional trademarks, and may use those trademarks ourselves, make those trademarks available for use by you and other Salty Paws franchisees or make those trademarks

available for use by other persons or entities. You may not directly or indirectly contest our rights in our trademarks. We may require you to use and display a notice in a form we approve that you are a franchisee under the System using the trademarks under a Franchise Agreement.

You may not directly or indirectly contest our rights to our trademarks, trade secrets or business techniques that are part of our business.

#### Superior Prior Rights or Infringing Uses

We do not know of any superior rights of infringing uses that could materially affect your use of our principal trademarks.

### **ITEM 14** **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

#### Patents

No patents are material to the franchise.

#### Copyrights

We have not registered any copyrights with the United States Copyright Office (Library of Congress), but various marketing, sales, training, management and other materials that we have created are and will be protected under the U.S. Copyright Act, whether or not we have obtained registrations. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of promoting your franchised business.

There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

There are no agreements currently in effect that significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise. All of the provisions in Item 13 under the heading “Protection of Rights” also apply to copyrights; provided, however, that you must modify or discontinue use of any subject matter covered by a copyright if directed by us.

We do not know of any superior rights in or any infringing uses of our copyrighted materials that could materially affect your use of the copyrighted materials.

#### Proprietary Information

We have a proprietary, copyrighted manual that includes guidelines, standards and policies for the operation of your business, and other proprietary, copyrighted materials. Item 11 and Exhibit D to this Franchise Disclosure Document describe the manuals and the manner in which you may use them. All proprietary manuals and materials provided to you are for your exclusive use during the term of the franchise,

and may not be reproduced, copied, loaned to, used by or shown to any person outside the System without our permission.

Each Operating Principal, manager, supervisory employee, independent contractor, or other person attending initial training must sign an agreement in which he or she agrees to the confidentiality of the System, agrees not to use any information about the system for his or her own benefit, and agrees not to compete in certain respects with your business and other franchisees' businesses. Each of these persons must sign the confidentiality agreement (see Exhibit E to the Franchise Agreement), before you grant him or her access to our manuals or any other confidential information.

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

We strongly believe that the success of your franchised business will depend to a large extent on your personal and continued efforts, supervision and attention. If you are an individual, you or a trained manager must personally manage the franchised business at all times. You and your manager, if any, must attend and successfully complete initial training.

If you are a legal entity, you must designate a managing shareholder, partner, or member ("Operating Principal"). If you are a legal entity, your Operating Principal or a trained manager must personally manage the franchised business at all times. Your Operating Principal and your manager, if any, must attend and successfully complete initial training.

Any replacement manager must attend and successfully complete initial training. Neither an original manager nor a replacement manager needs to have an equity interest in the franchised business. Each Operating Principal, manager, supervisory employee, independent contractor, or other person attending initial training must sign an agreement in which he or she agrees to the confidentiality of System, agrees not to use any information about the system for his or her own benefit, and agrees not to compete in certain respects with your business and other franchisees' businesses. Each of these persons must sign the confidentiality agreement (see Exhibit E to the Franchise Agreement), before you grant him or her access to our manuals or any other confidential information.

If you are a legal entity, each shareholder, principal officer, partner, or member must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for breach of, the Franchise Agreement (see Exhibit C to the Franchise Agreement).

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must only offer the products and services that we authorize. You may not offer or sell products or services not authorized by us. You must offer all goods and services that we designate for your Franchised Business. We may also periodically set maximum or minimum prices for services and products that your Business offers. We may periodically change the required and/or authorized products and services, and there are no limits on our right to do so. You must promptly implement these changes and must discontinue selling

any products or services that we at any time decide to disapprove in writing. Items 8, 9 and 12, as well as the Manual, provide additional information regarding your specific obligations and limitations.

You must use the Franchised Business premises only for operation of the Franchised Business and for no other unrelated purpose. You may not offer for sale or sell products or services related to the Franchised Business through alternative channels of distribution, such as the Internet. You must discontinue selling and offering for sale any services or products that we at any time decide to disapprove in writing.

There are no other limitations imposed by us on the persons to whom a franchisee may provide goods and services, except those imposed by the nature of the system itself.

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

**THE FRANCHISE RELATIONSHIP**

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.6.1	Ten (10) years from the Effective Date of the Franchise Agreement.
b. Renewal or extension of the term	Section 4.6.2	If you are in good standing, and have met the conditions set forth in row (c), below, you have the right to renew the Franchise Agreement for one (1) consecutive ten (10) year term (or the length of your then-current lease term, whichever is shorter), with payment of any franchise renewal fee that is in effect at the time of renewal. The current renewal fee is 20% of the then-current Franchisee Fee.

<p>c. Requirements for you to renew or extend</p>	<p>Section 4.6.2</p>	<p>Good standing; timely advance notice; pay any then-current renewal fee; sign new Franchise Agreement that may contain materially different terms and conditions than the Franchise Agreement in this Disclosure Document; be current in payments; sign release; and modernize Business to meet then-current standards.</p>
<p>d. Termination by you</p>	<p>Not Applicable</p>	
<p>e. Termination by us without cause</p>	<p>Not Applicable</p>	
<p>f. Termination by us with cause</p>	<p>Section 10.2</p>	<p>We can terminate only if you default.</p>
<p>g. “Cause” defined – curable defaults</p>	<p>Section 10.2.2</p>	<p>You have 30 days to cure noticed curable defaults other than for non-payment of fees. You have five (5) days to cure non-payment of fees.</p>
<p>h. “Cause” defined – non-curable defaults</p>	<p>Section 10.2.1</p>	<p>Non-curable defaults include misuse of trademarks; breach of non-competition; unauthorized assignment or transfer of any rights of the Franchise Agreement; material misrepresentation; lack of prior consent when required; abandonment; repeated defaults even if cured; threat to public health or safety; bankruptcy; plead guilty or no contest to or conviction of a felony. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 1101, <i>et seq.</i>).</p>

i.	Your obligations on expiration, termination or non-renewal	Section 10.3	Obligations include final accounting, complete de-identification, our option to purchase assets, our option to assume your real estate lease (if any), and payment of amounts due. See row (r) below.
j.	Our transfer of Franchise Agreement	Section 9.1	No restriction on our right to assign.
k.	“Transfer” by you – definition	Section 9.2	Includes transfer of contract or assets, or any change of ownership.
l.	Our approval of your transfer	Section 9.3	We have the right to approve all transfers.
m.	Conditions for our approval of transfer	Section 9.3	New franchisee qualifies, payment of all of your outstanding debts to us, cure of any defaults, then-current agreement signed by new franchisee or assumption of existing agreement, transfer fee paid; training completed; and release signed by you and your Related Parties.
n.	Our right of first refusal to acquire your business	Section 9.4	We or our designee can match any offer for your business.
o.	Our option to purchase your business	Section 9.4	We or our designee may, but are not required to, purchase your inventory and equipment at the lesser of the fair market value or depreciated value, if franchise is terminated for any reason.
p.	Your death or disability	Section 9.5	Heirs or beneficiaries must demonstrate within 90 days ability to operate franchise. Otherwise, franchise must be assigned by estate to approved buyer within six (6) months.
q.	Non-competition covenants during the term of the franchise	Section 8.6.1	No competing business during the Term.

r.	Non-competition covenants after the franchise expires, is terminated, or is not renewed	Sections 8.6.2 and 10.3	No competing business for two (2) years: (i) at the Approved Location, (ii) within 25 miles of the Approved location, or (iii) within 25 miles of another Salty Paws Business (including after assignment).
s.	Modification of the Franchise Agreement	Section 11.4	No modification, generally, unless on consent of both parties, but Operations Manual subject to change.
t.	Integration/merger clause	Section 11.6	Only the terms of the Franchise Agreement are binding (subject to this Disclosure Document and applicable state law). Any other promises may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 11.7 and 11.8	Except for certain claims, claims must first be mediated prior to arbitration or litigation. All disputes must be litigated in Pennsylvania. The arbitration will occur with each respective party paying their own costs.
v.	Choice of forum	Section 11.2.2	Arbitration in Chester County, Pennsylvania, or, if litigated, the Court of Common Pleas, Chester County, Pennsylvania or United States District Court for the Eastern District of Pennsylvania.
w.	Choice of law	Section 11.2.1	Pennsylvania law applies.

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figures to promote any Salty Paws Business.

**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 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 Suzanne Tretowicz, 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971, 484-667-7122, 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**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets at End of Year</b>	<b>Net Change</b>
<b>Franchised</b>	2022	5	4	-1
	2023	4	8	+4
	2024	8	7	-1
<b>Company-Owned</b>	2022	2	3	+1
	2023	3	2	-1
	2024	2	2	0
<b>Total Outlets</b>	<b>2022</b>	<b>7</b>	<b>7</b>	<b>0</b>
	<b>2023</b>	<b>7</b>	<b>10</b>	<b>+3</b>
	<b>2024</b>	<b>10</b>	<b>9</b>	<b>-1</b>

**Table 2**  
**Transfers of Outlet From Franchisees to New Owners**  
**(Other than Franchisor or an Affiliate) for Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

**Table 3**  
**Status of Franchised Outlets for Years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of Year
<b>Delaware</b>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
<b>Florida</b>	2022	2	0	2	0	0	0	0
	2023	2	0	1	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>Missouri</b>	2022	0	1	1	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
<b>New Jersey</b>	2022	1	1	0	0	1	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	1	0	0	0	1
<b>Pennsylvania</b>	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<b>Virginia</b>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>Wisconsin</b>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>Total</b>	<b>2022</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>5</b>
	<b>2023</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
	<b>2024</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Delaware	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Maryland	2022	0	1	0	0	0	1
	2023	2	0	0	1	0	0
	2024	0	0	0	0	0	0
Pennsylvania	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	2	1	0	0	0	3
	2023	3	0	0	1	0	2
	2024	2	0	0	0	0	2

**Table 5**  
**Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed But Outlets Not Opened as of December 31, 2024	Projected New Franchised Outlets as of December 31, 2024 (in 2025)	Projected New Company-Owned Outlets as of December 31, 2024 (in 2025)
Florida	0	2	0
North Carolina	0	1	0
Pennsylvania	1	2	0
South Carolina	0	1	0
Virginia	1	0	0
West Virginia	1	0	0
Total	3	6	0

Attached as Exhibit C to this disclosure document is a list of the names, addresses and telephone numbers of our current franchised businesses. Also attached as Exhibit C to this disclosure document is a list of the names and city, state and last known business telephone number, of every franchisee who had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the previous fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Please note that Exhibit C is current as of the issuance date of this Disclosure Document, while the tables above reflect the status of our outlets at the end of our prior fiscal year. Any

discrepancies between Exhibit C and the Item 20 tables are due to events that have occurred in the intervening period.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses with us that would restrict them from speaking openly with you about their experience with us.

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

## **ITEM 21** **FINANCIAL STATEMENTS**

Exhibit B to this Franchise Disclosure Document includes our start-up audited financial through May 31, 2025. Because we have not been in business for three years, we are unable to provide three years' financials. Our fiscal year ends on December 31.

## **ITEM 22** **CONTRACTS**

Copies of all proposed agreements regarding the Salty Paws franchise offering are included in Exhibit A. These include:

The Franchise Agreement and the following exhibits:

- Exhibit A – Franchise Data Sheet
- Exhibit B – Statement of Ownership
- Exhibit C – Principal Owner's Guaranty
- Exhibit D – Sample Release Agreement,  
Waiver and Release of Claims
- Exhibit E – Nondisclosure, Nonsolicitation and  
Noncompetition Agreement
- Exhibit F – Sample Confidentiality Agreement
- Exhibit G – Sample Approval of Requested Assignment
- Exhibit H – Lease Addendum
- Exhibit I – ACH Payment Agreement
- Exhibit J – SBA Addendum

**ITEM 23**  
**RECEIPTS**

Exhibit H to this Franchise Disclosure Document includes detachable documents acknowledging your receipt of this disclosure document. Please sign one (1) copy of the receipt and return it to us at the following address:

Suzanne Tretowicz  
Salty Paws Franchise LLC  
43 Rehoboth Avenue  
Rehoboth Beach, Delaware 19971  
info@saltypawsicecream.com

The duplicate receipt is for your records.

**EXHIBIT A TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**



**SALTY PAWS FRANCHISE LLC  
FRANCHISE AGREEMENT**

Franchise Owner: \_\_\_\_\_

Date: \_\_\_\_\_

Franchise Location: \_\_\_\_\_

## SALTY PAWS FRANCHISE AGREEMENT

### 1. PARTIES

**THIS FRANCHISE AGREEMENT** (the “Agreement”) is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Effective Date”), by and between Salty Paws Franchise LLC, a Delaware limited liability company, with its principal business address at 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971 (“Salty Paws”, “Franchisor”, “we”, “us”, or “our”), and \_\_\_\_\_, located at \_\_\_\_\_ (collectively, “You” or “Franchisee”).

### 2. RECITALS

#### 2.1 Ownership of the System

Salty Paws has the right to license You certain intellectual property rights, trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the Salty Paws trademarks, the words “Salty Paws.” Salty Paws has spent a considerable amount of time, effort, and money to construct, and continues to develop, use, and control business methods, technical knowledge, marketing business, trade secrets, purchasing arrangements, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress, architectural designs and uniforms, and employee training techniques that, taken together, make up a proprietary system for the operation of the business, (the “System”).

#### 2.2 Objectives of Parties

You desire to enter into the business of operating a Salty Paws business under the System using the Trade Name and Marks (as those are defined in Sections 3.11 and 3.17, below), and You wish to obtain from Salty Paws, and Salty Paws wishes to grant to You, a franchise for that purpose.

### 3. DEFINITIONS

#### 3.1 Approved Location

“Approved Location” means the street address of the physical location approved in writing by Salty Paws for the operation of the Salty Paws Business, You will operate under this Agreement, which shall be set forth in Exhibit A to this Agreement.

#### 3.2 Approved Territory

“Approved Territory” or “Territory” means the area set forth in Exhibit A of this Agreement.

### **3.3 Brand Fund**

“Brand Fund” means a fund established by Salty Paws for purposes of increasing brand awareness and national advertising.

### **3.4 Salty Paws**

“Salty Paws” means Salty Paws Franchise LLC. or any person or entity to which Salty Paws allocates all or part of its rights and obligations under this Agreement.

### **3.5 Salty Paws Business**

“Salty Paws Business” or the “Business” or the “Franchise Business” means the single “Salty Paws” business that Salty Paws authorized You to conduct under the Trade Name, Marks, and System within the Approved Territory, at the Approved Location, under this Agreement.

### **3.6 Expiration**

“Expiration” means expiration of the Term of this Agreement, the non-renewal of this Agreement.

### **3.7 Franchise Network**

“Franchise Network” means the interdependent network composed of Salty Paws Business, all Salty Paws franchisees, Salty Paws’s Related Parties, any other persons or business entities that Salty Paws has licensed to use the Trade Name, Marks, System, or any of them.

### **3.8 Good Standing**

“Good Standing” means timely compliance by You and Your Related Parties with all provisions of this Agreement and the Manual, specifically including provisions for timely payment of amounts You owe to Salty Paws and its Related Parties.

### **3.9 Gross Revenues**

“Gross Revenues” means the total selling price of all services and products sold at or from your Salty Paws Business (not adjusted for credit card fees), including the full value of any gift certificate redeemed at your Salty Paws Business or coupon sold for use at your Salty Paws Business (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from calculation), and all income and revenue of every other kind and nature related to the Salty Paws Business operation, whether for cash or credit.

### **3.10 Manual**

“Manual” means the confidential Operations Manual and all other manuals that Salty Paws will lend to You, or authorize You to use, during the term of this Agreement and that contains information, forms and requirements for the establishment and operation of the Salty Paws

Business, and for use of Salty Paws’s Trade Name and Marks, along with communications from Salty Paws to You, including, but not limited to, bulletins, e-mails, and text messages.

### **3.11 Marks**

“Marks” means selected trademarks, service marks, trade dress, logotypes, slogans, and other commercial symbols licensed by Salty Paws to You under this Agreement.

### **3.12 Operating Principal**

“Operating Principal” means the managing shareholder, partner, or member that You must designate if you are a legal entity.

### **3.13 Proprietary Service**

“Proprietary Service” means any product or service that is composed of or in accordance with Salty Paws’s specifications or that bears or has been labeled with any of the Marks.

### **3.14 Related Party**

“Related Party” or “Related Parties” means persons and companies affiliated with Salty Paws or You, as the context indicates, including, but not limited to, owners (as defined herein), general partners, limited partners, shareholders, or members, owning an interest in (i) Salty Paws or in You; (ii) corporations or limited liability companies in which Salty Paws or You have an interest; (iii) corporations or limited liability companies in which any person or entity owning an interest in You also has an interest; or (iv) officers, directors, members, or agents of Salty Paws or of You

### **3.15 Termination**

“Termination” means the termination of this Agreement under the circumstances described in Section 10 of this Agreement before the expiration of the Term.

### **3.16 Transfer**

“Transfer” means any direct or indirect transfer, pledge, encumbrance, sale, gift, hypothecation, mortgage, sublicense, transfer through bequest or inheritance, transfer in trust, divorce or by operation of law or by any other means, or disposition of (i) any of the rights granted under this Agreement (ii) any part of this Agreement, (in) any rights or privileges incidental to this Agreement, (iv) the business or any interest therein, or (v) any ownership interest in you, including, without limitation, any arrangement whereby you sell or pledge accounts receivable or any other assets of the Franchised Business (each a “Transfer”). Without limiting the foregoing the term, “Transfer” includes any sale, resale, pledge, encumbrance transfer or assignment of: (a) any fractional partnership ownership interest if You are a partnership (b) any membership interest in you if you are a limited liability company and (c) any beneficial or economic ownership interest in you, any transfer of any fractional portion of your voting stock, or any increase in the number

of outstanding shares of your voting stock which results in a change of ownership, if you are a corporation.

### **3.17 Trade Name**

“Trade Name” means the commercial names Salty Paws, individually or collectively.

### **3.18 You**

“You” means the person or entity that is named as “You” in Section 1 of this Agreement. In addition, “You” means all persons or entities that succeed to Your interest by Transfer, other transfer, or operation of law.

**NOW, THEREFORE**, the parties agree as follows:

## **4. GRANT OF FRANCHISE**

### **4.1 Granting Clause**

Salty Paws grants to You the right and You hereby undertake the obligation upon the terms and conditions set forth in this Agreement: (a) to establish the Salty Paws Business at the Approved Location that includes the provision of such products and services as designated by Salty Paws, and (b) to use solely in connection therewith the Trade Name, Marks, and System, as they may be changed, improved and further developed from time-to-time. You shall not engage in any other business at the Approved Location without the prior written consent of Salty Paws.

### **4.2 Location**

If you have not secured an Approved Location as of the Effective Date, You shall, at your sole cost and expense, secure an approved site for the Salty Paws Business in accordance with Section 7.2 of this Agreement. It is your sole responsibility to locate and purchase and/or lease a suitable site for the Salty Paws Business. You may not establish any other business at the Approved Location. You may not sublease space at the Approved Location to a third-party without our prior written consent. You may not market to customers outside of Your Approved Territory or engage in mail order, Internet, or any other sales except with Salty Paws’s express written approval and as part of Salty Paws’s coordinated marketing effort.

### **4.3 Approved Territory**

During the term of this Agreement, and except as otherwise provided in this Agreement, Salty Paws agrees that it shall not establish, nor license any other person to establish another Salty Paws Business at any location within Your Approved Territory. Except as set forth in this Section 4.3, You have no exclusivity. You have no right to exclude development of business owned, franchised, or licensed by Salty Paws or its affiliates.

#### **4.4 Rights Reserved**

Salty Paws retains all rights that are not expressly granted to you under this Agreement. Without limiting this broad retention, and without granting You any rights therein, Salty Paws shall have the right to:

- (a) Operate a Salty Paws business at a trade show booth, or similar temporary location, within Your Approved Territory for up to fifteen (15) consecutive days;
- (b) Offer Salty Paws franchises to others for any site outside Your Approved Territory regardless of how close the site is to Your Approved Territory;
- (c) Sell, rent and distribute any Proprietary Services directly or indirectly, and/or license others to sell and distribute, any Proprietary Services, directly or indirectly, from any location to any purchaser (including, but not limited to, sales made to purchasers in the Approved Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, and on the Internet, and/or sales to delivery customers), except that Salty Paws shall not do so from a Salty Paws Business inside the Approved Territory;
- (d) Develop, operate, and franchise others to operate, any business except a Salty Paws Business at any place, including within the Approved Territory, and use the Marks or any other trademarks owned, licensed, or developed by Salty Paws or its Affiliate in connection with those businesses, even if such business sell products and services similar to, the same as or competitive with, the Proprietary Services;
- (e) In its sole discretion, approve or disprove other franchisees' requests to purchase local advertising that penetrates Your Approved Territory; and
- (f) Merge with, acquire or be acquired by, any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory.

#### **4.5 Relocation**

At Salty Paws's option, You may relocate the Salty Paws Business, with Salty Paws's prior written consent, if all of the following conditions are met:

- (a) You and Your Related Parties are in Good Standing under this Agreement and any other Agreement between Salty Paws and You, and You and Your Related Parties are in compliance with all provisions of the Manual;
- (b) You and any of Your Related Parties that have signed this Agreement have agreed to cancel this Agreement and execute a new Franchise Agreement in the form that is

currently effective at the time of relocation (with a term equal to the then-remaining term of this Agreement);

- (c) You have secured a site that is not located in another Salty Paws franchisee's approved Territory, and which meets our then-current size and demographic requirements and, if you are leasing the space, you have submitted the proposed lease agreement for our review and paid a Lease Review Fee;
- (d) You agree to equip and furnish Your new Salty Paws Business so that the business meets the standards of appearance and function applicable to new Salty Paws Business at the time of relocation;
- (e) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Salty Paws, of any and all claims against Salty Paws and its Related Parties, affiliates, successors and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants and employees in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any other agreement between You and Salty Paws or its affiliates, and federal, state, and local laws and rules; and
- (f) You may cease to operate the Salty Paws Business for no more than one (1) day only for the purposes of moving all equipment from the old Approved Location to the new approved location for the Salty Paws Business.

## **4.6 Term and Renewal**

### **4.6.1 Initial Term**

Except as otherwise provided herein the initial term of this Agreement shall commence on the Effective Date and shall expire on the date that is ten (10) years from the Effective Date (the "Term Expiration Date").

### **4.6.2 Renewal**

You shall have the option to renew this Agreement for a renewal term (the "Renewal Term"), with such Renewal Term being for a period of ten (10) years, or for the remainder of Your then-current lease term, whichever is shorter, subject to your satisfaction of the following conditions, all of which shall be met before each renewal:

- (a) You and Your Related Parties are in Good Standing under this Agreement, and any other Agreement between Salty Paws and You, and You and Your Related Parties are in compliance with the Manual;
- (b) You shall give Salty Paws written notice of Your election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the then-current term;

- (c) You and any Related Parties that have signed this Agreement shall have signed a copy of the then-current Franchise Agreement (except with respect to the renewal provisions thereof, which shall not supersede this Section 4.6.2) not less than thirty (30) days before the expiration of the then-current term, or thirty (30) days after You receive a signature-ready copy of the then-current Franchise Agreement from Salty Paws, whichever is later;
- (d) You shall have, before the beginning of the renewal term, at Your own expense, modernized the Salty Paws Business and replaced and modernized the equipment, and the signs used in the Salty Paws Business as Salty Paws may require, in order for the Salty Paws Business to meet the then-current standards of appearance and function at the time of renewal;
- (e) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Salty Paws, of any and all claims against Salty Paws and its Related Parties affiliates successors and assigns and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any other agreement between You and Salty Paws or its affiliates, and federal, state, and local laws and rules;
- (f) You shall have paid a Renewal Fee of 20% of the then-current Franchise Fee; and
- (g) You must submit a copy of the proposed lease agreement for the Premises You will occupy during the Renewal Term to Salty Paws for review and approval at least forty-five (45) days before the end of the then-current term.

The provisions of the standard Franchise Agreement in use by Salty Paws at the time of renewal may be materially different than those contained in this Agreement, including, but not limited to, provisions for increased royalties, advertising, and other fees. You hereby acknowledge and agree that Your right to renew this Agreement shall be contingent upon Your execution of the then-current form of Franchise Agreement and acceptance of the new provisions.

## **5. SERVICES TO FRANCHISEE**

Salty Paws agrees to perform the following services for You provided that You are, at the time when service is to be rendered, in Good Standing under this Agreement, any other agreement with Salty Paws, and You are in compliance with the Manual.

### **5.1 Business Layout and Interior Decoration**

Salty Paws will make available prototype or sample plans and specifications for one or more existing Salty Paws Business. You shall, at your own expense, tailor the plans and specifications provided by Salty Paws for Your individual use and then submit the customized plans and specifications to Salty Paws for written approval, which will not be unreasonably withheld.

Salty Paws's approval shall be limited to conformance with Salty Paws's prototype and sample plans, and shall not relate to Your obligations with respect to any federal, state or local laws, or codes and regulations, including the applicable provisions of the Americans with Disabilities Act (the "ADA"), regarding the construction, design and operation of the Salty Paws business, which subjects shall be Your sole responsibility.

You shall comply with all federal, state and local laws, and codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Salty Paws business. You are responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to Your location. After having obtained such approvals and clearances, You shall obtain all permits and certifications required for the lawful construction and operation of the Salty Paws business.

## **5.2 Training**

### **5.2.1 Initial Training**

Prior to the opening of the Salty Paws Business, Salty Paws will provide an initial training program designed to instruct Franchisee on the operation of the Business under the System. This training is mandatory and must be attended by the Franchisee (or the designated Operating Principal if Franchisee is a legal entity), the manager (if any), and up to three (2) additional business staff. The initial training will consist of three (3) days of onsite instruction at the Approved Location and four (4) days of remote instruction conducted through virtual conferencing platforms. The program will include, but is not limited to, training in product preparation and service, inventory and supply management, event coordination, customer service protocols, brand and marketing compliance, and point-of-sale system usage. Additional participants may attend with prior written approval from Salty Paws and are subject to a fee of up to \$250 per person, per day. Franchisee is solely responsible for all expenses related to travel, lodging, and meals for all training participants.

### **5.2.2 Continuing Training**

In addition to the initial training, Salty Paws may require Franchisee or designated personnel to attend ongoing or refresher training programs during the term of this Agreement. These programs may be offered in person or virtually, at Salty Paws' discretion, and are intended to maintain brand consistency and operational excellence. Franchisee shall attend all mandatory continuing education sessions and shall be responsible for related costs, including any program fees established by Salty Paws, as well as travel and lodging expenses. Salty Paws may charge a fee for continuing training, typically equal to the cost of the training plus an administrative fee. The Franchisee acknowledges and agrees that the Salty Paws Business may not open or continue to operate unless all training requirements, both initial and ongoing, are completed to Salty Paws' satisfaction.

### **5.3 Periodic Advisory Assistance**

During the term of this Agreement, Salty Paws may, at its discretion, provide Franchisee with periodic advisory assistance relating to the operation and promotion of the Salty Paws Business. Such assistance may be delivered through phone consultations, emails, site visits, virtual meetings, or other methods deemed appropriate by Salty Paws. The scope of advisory support may include operational guidance, marketing strategies, product development, customer service enhancements, and compliance with System standards. This assistance is provided to support consistent quality and performance across the franchise network. However, Salty Paws is not obligated to provide advisory services on any specific schedule or frequency and may limit or adjust the scope of assistance based on Franchisee's performance, compliance, and needs.

### **5.4 Manual**

Salty Paws will provide Franchisee with access to its confidential Operations Manual (the "Manual"), which contains detailed specifications, procedures, and standards for operating the Salty Paws Business. The Manual includes requirements and guidance concerning branding, customer service, inventory, pricing, marketing, approved suppliers, and the use of the Marks, among other operational matters. Salty Paws may, from time to time and in its sole discretion, update or revise the Manual to reflect changes in the System or improvements in operations. Updates may be provided in hard copy or electronic form. Franchisee is responsible for reviewing and promptly implementing all updates, and for ensuring that the Business remains in full compliance with the most current version of the Manual. The Manual remains the sole property of Salty Paws and must be returned upon expiration or termination of this Agreement. Franchisee shall treat the Manual and its contents as strictly confidential and shall not copy, share, or disclose it to any third party without the prior written consent of Salty Paws.

### **5.5 Advertising**

Salty Paws may provide Franchisee with access to certain advertising and promotional materials, which may include digital assets, print templates, social media content, signage, point-of-sale displays, and other branded collateral. These materials are intended to support local and regional marketing efforts and may be provided in formats such as PDF or digital media files. Although Salty Paws may supply these materials, Franchisee is responsible for all costs associated with printing, producing, or distributing the advertising content. Salty Paws reserves the right to change the format, availability, or content of marketing materials at any time. Franchisee must submit any independently developed advertising, promotional materials, or public communications to Salty Paws for written approval at least two weeks prior to their intended use. Salty Paws may withhold approval at its discretion to ensure brand consistency and compliance with the System's standards. Even if previously approved, Salty Paws reserves the right to later revoke such approval to maintain uniform brand presentation. Salty Paws may also post corporate posts periodically on social media platforms.

## **5.6 Approved Suppliers**

Franchisee is required to purchase all products, supplies, equipment, and services used in or sold at the Salty Paws Business exclusively from suppliers approved by Salty Paws. Approved suppliers are those that meet the quality, service, and reliability standards established by Salty Paws. A current list of approved suppliers will be made available to Franchisee and may be updated from time to time. Salty Paws reserves the right to act as the exclusive supplier of certain products and services and may impose pricing terms or markup structures. Franchisee may request approval to use an alternative supplier by submitting a formal request along with any required documentation. Salty Paws may charge a non-refundable evaluation fee of up to \$1,000 per supplier review. Salty Paws has sole discretion to approve or deny any supplier requests and may revoke supplier approval at any time. Franchisee must cease purchasing from any supplier whose approval has been withdrawn. Salty Paws may receive rebates, commissions, or other benefits from approved suppliers based on Franchisee's purchases, and Franchisee acknowledges that all such benefits belong solely to Salty Paws.

## **6. PAYMENTS BY FRANCHISEE**

### **6.1 Initial Franchise Fee**

Franchisee shall pay to Salty Paws Franchise LLC a non-refundable Initial Franchise Fee of thirty-five thousand dollars (\$35,000), due in full upon execution of this Agreement. This fee grants Franchisee the right to operate a single Salty Paws Business within the designated Territory. It includes access to proprietary branding, operational support, the initial training program, and other deliverables outlined in this Agreement. The Initial Franchise Fee is uniform for all franchisees and is deemed fully earned upon payment. No portion of this fee shall be refundable under any circumstances.

### **6.2 Royalties**

Franchisee shall pay Salty Paws Franchise LLC a recurring royalty fee equal to six percent (6%) of Gross Revenues. Gross Revenues shall include all income derived from the operation of the Salty Paws Business, including retail and event sales, gift certificates, and any other related revenue, whether collected in cash or credit, and without deduction for expenses. Royalty payments shall be made monthly by ACH transfer and are due on the fifth (5th) calendar day of each month for Gross Revenues earned during the preceding month.

### **6.3 Method and Application of Payments**

All required payments to Salty Paws, including royalties, advertising contributions, and other fees, must be made via electronic funds transfer (ACH) or any other method as designated in writing by Salty Paws. Salty Paws may revise the payment method or procedures upon notice to Franchisee. Salty Paws reserves the right to apply any payments received to any outstanding amounts owed, regardless of how Franchisee designates the payment. Franchisee shall not assign or transfer its revenue streams without prior written consent from Salty Paws.

#### **6.4 When Payments Begin**

Franchisee's obligation to make royalty and advertising payments commences on the earlier of (i) the date the Salty Paws Business opens to the public, or (ii) six (6) months from the Effective Date of this Agreement. If the Business has not opened by the six-month deadline, Franchisee shall begin paying monthly royalties and advertising fees based on the minimum royalty obligation, if any, as set forth in the Manual.

#### **6.5 Audit**

Salty Paws has the right, during normal business hours, to audit Franchisee's financial records, including sales reports, POS data, bank records, invoices, and tax returns. If an audit reveals an underpayment of more than two percent (2%) of the total fees due during any period reviewed, Franchisee shall immediately pay the underpaid amount along with accrued interest. In such case, Franchisee shall also reimburse Salty Paws for all costs associated with the audit, including reasonable attorney's fees and accounting charges.

#### **6.6 Training Fees and Costs**

Salty Paws will provide an initial training program for Franchisee (or the designated Operating Principal), the manager (if any), and up to three (3) staff members at no additional charge. Any additional participants must be pre-approved and are subject to a training fee of \$250 per person, per day. Franchisee is responsible for all related travel, lodging, and meal expenses. If Salty Paws conducts training at the Franchisee's location, Franchisee shall reimburse Salty Paws for associated costs, including business-class travel and other reasonable expenses. Continuing training or refresher programs may also be subject to a fee determined by Salty Paws, typically at cost plus an administrative charge.

#### **6.7 Consulting Fees and Costs**

In addition to the general advisory support provided under this Agreement, Salty Paws may offer optional consulting services to assist Franchisee with specific operational needs, including but not limited to site design, grand opening events, staffing, or local marketing. Such services will be offered at an hourly consulting rate determined by Salty Paws, plus reimbursement for any direct costs incurred. Franchisee shall pay for these services upon receipt of invoice and shall also reimburse Salty Paws for reasonable expenses including, but not limited to, business-class transportation, lodging, meals, and administrative charges related to the provision of consulting services.

#### **6.8 Transfer Fee**

If Franchisee requests to transfer ownership of the Salty Paws Business or any interest in the Franchise, such transfer must be approved in writing by Salty Paws and will be subject to the payment of a transfer fee. The fee shall be equal to the greater of (i) thirty percent (30%) of the then-current Initial Franchise Fee, or (ii) five percent (5%) of the total sale price of the Business or ownership interest. This fee must be paid prior to the consummation of the transfer and is non-

refundable. Salty Paws may waive or reduce the transfer fee in its sole discretion under limited circumstances, such as transfers to a spouse or an entity controlled by Franchisee.

### **6.9 Interest on Late Payments**

Any payment not received by Salty Paws on or before the due date shall bear interest from the date due until paid at the rate of one and one-half percent (1.5%) per month, or the maximum rate allowed by applicable law, whichever is lower. The assessment of interest is intended to compensate Salty Paws for the administrative costs and loss of use of funds due. The imposition of interest does not waive Salty Paws' right to declare a default or to pursue any other remedy under this Agreement.

### **6.10 Supplier and Product Evaluation Fee**

If Franchisee requests to use a product, service, or supplier not currently approved by Salty Paws, Franchisee must submit a formal request in the format provided by Salty Paws and may be required to pay a non-refundable Supplier and Product Evaluation Fee. The current evaluation fee is one thousand dollars (\$1,000) per request. This fee covers the cost of reviewing and evaluating the product, service, or supplier for compliance with brand standards. Salty Paws reserves the right to approve or deny any request in its sole discretion, and may revoke approval of any supplier or product at any time, with or without cause.

### **6.12 Priority of Payments**

All payments due to Salty Paws under this Agreement, including royalties, advertising contributions, training fees, transfer fees, and all other amounts, shall be paid on a preferred basis prior to Franchisee making payments for rent, utilities, wages, vendor obligations, owner distributions, or any other business expenses. Franchisee agrees that payments to Salty Paws take priority over all other financial obligations related to the operation of the Salty Paws Business.

## **7. OBLIGATIONS OF FRANCHISEE**

### **7.1 Use of Trade Name and Marks**

#### **7.1.1 Permitted Use**

Franchisee is granted a limited, non-exclusive license to use the Salty Paws name, logo, trademarks, and other proprietary Marks solely in connection with the operation of the Salty Paws Business at the Approved Location and within the Approved Territory. Franchisee shall not use the Marks in any manner not expressly authorized by this Agreement or by the Manual. The Marks may not be used as part of Franchisee's legal entity name or on any personal social media or digital platforms without Salty Paws' prior written approval. Franchisee shall not sublicense or otherwise permit any third party to use the Marks. Any unauthorized use of the Marks is a material breach of this Agreement and grounds for immediate termination.

### **7.1.2 Changes in Trade Names and Marks**

Franchisee acknowledges that the Marks are the sole property of Salty Paws and that Salty Paws may, in its sole discretion, modify or discontinue any Mark, trade name, slogan, design, or other branding element during the term of this Agreement. Franchisee agrees to promptly implement any such changes, at Franchisee's sole expense, including but not limited to updating signage, printed materials, uniforms, promotional assets, and online presence, to ensure conformity with the revised brand standards. Salty Paws will make reasonable efforts to limit Franchisee's costs in connection with required changes but shall not be obligated to reimburse any related expenses.

### **7.1.3 Advertising Materials**

Franchisee shall submit all independently created advertising or promotional materials to Salty Paws for written approval at least fourteen (14) days prior to use. This includes but is not limited to printed flyers, social media posts, videos, email campaigns, and signage. Salty Paws will respond within a reasonable period and shall not unreasonably withhold approval. However, Salty Paws reserves the right to revoke approval at any time if such materials later conflict with updated brand standards or legal requirements. Use of unapproved materials is strictly prohibited.

### **7.1.4 Legal Protection**

Franchisee shall promptly notify Salty Paws in writing of any suspected infringement, unauthorized use, or challenge to the Marks or the System. Franchisee shall also notify Salty Paws immediately of any claim, demand, or legal action brought against Franchisee concerning the use of the Marks. Salty Paws shall have the sole right to determine whether to take action in such matters and to control the defense or prosecution of any legal proceeding relating to the Marks. Franchisee agrees to cooperate fully with Salty Paws in any such action and to execute any documents necessary to maintain and protect Salty Paws' rights. Unless otherwise required by applicable law or Section 8.5 of this Agreement, Salty Paws shall not be obligated to indemnify Franchisee for third-party claims related to the Marks.

## **7.2 Site Selection and Approval, Lease or Purchase of Location**

### **7.2.1 Site Selection**

Franchisee is solely responsible for identifying a proposed location for the Salty Paws Business. The site must meet Salty Paws' minimum criteria, including but not limited to square footage, visibility, parking availability, demographics, and proximity to other businesses. Salty Paws must provide written approval of the proposed site prior to lease or purchase, which may not be unreasonably withheld. Franchisee may not begin construction or operation of the Business until such approval is granted.

### **7.2.2 Purchase or Lease of the Location**

Franchisee is responsible for negotiating and securing the purchase or lease of the Approved Location. All lease terms must be approved in advance by Salty Paws, and Franchisee must

submit a complete copy of the signed lease, including all amendments and exhibits. If required, Salty Paws may request the inclusion of a lease rider granting Salty Paws certain rights, including the right to assume or assign the lease in the event of termination or transfer of the Franchise.

### **7.3 Quality Control**

#### **7.3.1 Business Construction and Opening**

Franchisee shall construct or remodel the Approved Location according to Salty Paws' specifications. This includes interior and exterior branding, layout, fixtures, finishes, and equipment. Franchisee must complete construction and open the Business within the timeframe stated in this Agreement, typically within 180 days of the Effective Date. Any delays require written approval from Salty Paws.

#### **7.3.2 Compliance with Manual**

Franchisee shall operate the Salty Paws Business in strict compliance with the Manual, which sets forth detailed policies, procedures, standards, and specifications. Franchisee shall review and implement updates to the Manual as provided by Salty Paws and ensure ongoing conformity to brand and operational standards.

#### **7.3.3 Required Products and Services**

Franchisee must offer the full menu of products and services designated by Salty Paws, including all core dog-friendly ice cream products, treats, novelty items, and event services. Franchisee may not sell or promote unauthorized products or services without prior written approval from Salty Paws.

#### **7.3.4 Inspections.**

Salty Paws has the right to inspect the Salty Paws Business at any time during normal business hours, with or without prior notice, to ensure compliance with brand standards and this Agreement. Franchisee shall cooperate fully during inspections and promptly correct any deficiencies identified by Salty Paws.

#### **7.3.5 Customer Satisfaction**

Franchisee must maintain a high level of customer service and shall strive to ensure that every guest interaction reflects the quality and experience associated with the Salty Paws brand. Salty Paws may, from time to time, assess customer satisfaction through surveys or mystery shoppers and provide feedback to Franchisee.

### **7.3.6 Maintenance Requirements**

Franchisee shall maintain the premises, equipment, furnishings, and signage of the Salty Paws Business in excellent condition and in accordance with Salty Paws' current standards. Routine maintenance, cleaning, and periodic upgrades are the responsibility of the Franchisee and are essential to preserving brand consistency.

### **7.3.7 Notification of Complaints**

Franchisee must notify Salty Paws within five (5) days of receiving any written complaint from a customer, supplier, government agency, or other third party that relates to health and safety, alleged legal violations, or serious service issues. Salty Paws may provide guidance on resolving such complaints in a manner consistent with brand policies.

### **7.3.8 Computer System Requirements**

Franchisee shall install and maintain all computer systems, software, and point-of-sale technology required by Salty Paws. These systems must be compatible with Salty Paws' reporting and communication platforms. Franchisee must also ensure daily data backups, secure login protocols, and timely updates to system software.

### **7.3.9 Data Security**

Franchisee shall implement and maintain reasonable data security practices to protect customer information, payment data, and business records. Franchisee must comply with applicable privacy laws and any data security guidelines issued by Salty Paws. In the event of a data breach, Franchisee must notify Salty Paws within twenty-four (24) hours and take appropriate remedial measures.

## **7.4 Management and Personnel**

Franchisee shall be responsible for hiring, training, supervising, and compensating all personnel employed at the Salty Paws Business. All employees must be trained to deliver a consistent guest experience in accordance with the Manual. Franchisee must designate an on-site manager who has successfully completed the required training program. Franchisee must also maintain a professional work environment and comply with all federal, state, and local employment laws.

## **7.5 Advertising**

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

### **7.5.1 Grand Opening**

Franchisee shall conduct a Grand Opening marketing campaign in accordance with the guidelines provided by Salty Paws. This campaign must be approved by Salty Paws and implemented prior to or immediately upon opening. Franchisee is responsible for all expenses related to Grand Opening advertising and must coordinate with Salty Paws to ensure consistency in messaging and brand representation.

### **7.5.2 Local Advertising**

Franchisee is required to invest in local advertising to promote the Salty Paws Business within the Territory. Salty Paws may specify a minimum monthly or annual advertising spend, and Franchisee must maintain records of all advertising activities. All locally developed materials must be submitted for approval at least two (2) weeks prior to use.

### **7.5.3 Brand Fund Contribution**

Franchisee shall contribute two percent (2%) of Gross Revenues each month to the Brand Fund. Payments are due on the fifth (5th) calendar day of each month and must be made by ACH transfer. The Brand Fund supports system-wide marketing, advertising, digital media, and brand development efforts. Salty Paws controls all disbursements from the Brand Fund and is not obligated to spend funds in the Franchisee's Territory.

### **7.5.4 Websites**

Franchisee may not operate, publish, or maintain any website or domain name that uses the Marks or that references the Salty Paws Business without Salty Paws' prior written approval. Salty Paws will provide guidance regarding permitted digital presence, including social media, directory listings, and microsites, as applicable. Franchisee must comply with all online content standards established in the Manual.

#### **7.5.4.1 Salty Paws Website**

Salty Paws will provide you with a website associated with your Salty Paws Business.

#### **7.5.4.2 Changes to Technology**

Salty Paws reserves the right to introduce, modify, or require new advertising technologies, platforms, or systems as it deems appropriate. Franchisee agrees to adopt and implement such changes within the timeframe specified by Salty Paws, at Franchisee's sole expense.

### **7.5.5 Intentionally Blank.**

### **7.5.6 Signs**

Franchisee shall display only those signs, logos, window decals, and other signage approved by Salty Paws. All signage must comply with brand specifications and local laws. No unauthorized signs or alterations may be displayed inside or outside the Business. Franchisee is responsible for

the maintenance, repair, and replacement of all signage to ensure a clean and professional appearance.

### **7.5.7 Marketing Materials**

Salty Paws will make available certain marketing materials for use by Franchisee, including promotional flyers, digital content, branded graphics, and seasonal campaigns. Franchisee is encouraged to utilize these materials in its local marketing efforts to ensure brand consistency. Franchisee shall bear all costs associated with printing, distributing, or customizing such materials. Franchisee may not alter or create derivative works of Salty Paws marketing content without prior written approval.

### **7.5.8 Promotions**

Franchisee shall participate in any promotional programs or sales campaigns that Salty Paws designates as mandatory. Salty Paws may also offer optional promotional events that Franchisee is encouraged to support. For any promotion, Franchisee shall comply with all applicable terms, including required discounts, featured products, and promotional timeframes. All promotional advertising must be approved by Salty Paws and executed in accordance with brand standards.

### **7.5.9 Intentionally Omitted.**

### **7.5.10 Franchise Advisory Council**

Salty Paws may, in its sole discretion, establish a Franchise Advisory Council (“FAC”) for the purpose of fostering communication and collaboration between Salty Paws and its franchisees. The FAC may be composed of selected or elected franchisees who serve as representatives of the broader franchise system. The role of the FAC is to provide non-binding recommendations and feedback on matters such as marketing initiatives, system operations, product development, training enhancements, and other issues that affect the franchise network. Salty Paws will determine the structure, selection process, terms of service, and meeting schedule for the FAC. Participation on the FAC is voluntary, and Salty Paws is under no obligation to follow any recommendations made by the council. The FAC shall have no authority to bind Salty Paws or any franchisee and shall operate solely in an advisory capacity.

## **7.6 Financial Information**

### **7.6.1 Records**

Franchisee shall maintain accurate and complete books and records relating to the operation of the Salty Paws Business in accordance with generally accepted accounting principles and the requirements set forth in the Manual. Records shall include, but are not limited to, daily sales reports, invoices, payroll records, tax filings, POS data, bank statements, and any other documents relevant to the financial and operational aspects of the Business. These records must be preserved for at least five (5) years and be made available to Salty Paws upon request for inspection or audit.

## **7.6.2 Reports**

Franchisee shall submit to Salty Paws all periodic financial and operational reports as specified in the Manual or otherwise requested by Salty Paws. This includes, without limitation, monthly profit and loss statements, sales summaries, customer metrics, and any other key performance indicators. Reports must be submitted in the format and on the schedule required by Salty Paws. Failure to submit timely, complete, and accurate reports may be deemed a material breach of this Agreement.

## **7.7 Insurance**

### **7.7.1 Minimum Insurance Requirements**

Franchisee shall obtain and maintain, at its sole expense, insurance coverage in the types and minimum amounts specified by Salty Paws in the Manual. Required coverage includes, but is not limited to, general liability, product liability, workers' compensation, property insurance, and cyber liability coverage. All policies must be issued by insurers rated "A-" or better.

### **7.7.2 Non-Waiver**

Franchisee's failure to obtain or maintain the required insurance does not relieve Franchisee of its obligations under this Agreement. Salty Paws' approval or review of any policy shall not constitute a waiver of Franchisee's responsibility to secure and maintain adequate coverage.

### **7.7.3 Franchisor Entitled to Recover**

The required insurance policies must name Salty Paws Franchise LLC as an additional insured and must include waiver of subrogation and primary coverage endorsements. The policies shall not limit Salty Paws' right to recover under any indemnity or hold harmless provision of this Agreement. Franchisee shall ensure that Salty Paws is protected from any claims, liabilities, or damages arising from the operation of the Business.

### **7.7.4 Certificates of Insurance**

Franchisee shall provide Salty Paws with valid certificates of insurance evidencing compliance with all insurance requirements prior to opening and upon each renewal of any policy. Franchisee shall also furnish updated certificates promptly upon request. Each certificate must include a clause requiring the insurer to notify Salty Paws at least thirty (30) days prior to cancellation or material modification of coverage.

### **7.7.5 Right to Procure Insurance**

If Franchisee fails to obtain or maintain the required insurance, Salty Paws may, but is not obligated to, procure such insurance on Franchisee's behalf. If Salty Paws exercises this right, Franchisee shall reimburse all related costs, premiums, and administrative fees immediately upon demand.

## **7.8 Financial and Legal Responsibility**

### **7.8.1 Compliance with Law**

Franchisee shall operate the Salty Paws Business in full compliance with all federal, state, and local laws, ordinances, regulations, and codes. This includes, but is not limited to, labor laws, health and safety regulations, zoning ordinances, and data protection statutes. Franchisee is solely responsible for obtaining all required licenses, permits, and registrations.

### **7.8.2 Payment of Indebtedness**

Franchisee must timely pay all financial obligations incurred in connection with the operation of the Business, including rent, utilities, payroll, vendor invoices, taxes, and fees owed to Salty Paws. Franchisee shall not allow any lien, judgment, or encumbrance to be filed against the Business or the Approved Location.

## **7.9 Franchised Business Operations**

Franchisee shall personally devote, or cause a qualified and trained manager to devote, full-time efforts to the active operation of the Salty Paws Business. Franchisee must conduct the Business in accordance with the System and this Agreement, delivering a consistent customer experience aligned with Salty Paws' brand standards. Franchisee shall not operate any other business or engage in any activity that would conflict with their obligations under this Agreement without prior written consent from Salty Paws.

## **8. RELATIONSHIP OF PARTIES**

### **8.1 Interest in Marks and System**

Franchisee acknowledges that all right, title, and interest in and to the Salty Paws Marks, the System, and any goodwill associated therewith are and shall remain the sole property of Salty Paws. Franchisee shall not contest or otherwise challenge Salty Paws' ownership or validity of the Marks or the System, either during the term of this Agreement or thereafter. All use of the Marks by Franchisee shall inure to the benefit of Salty Paws, and Franchisee shall not acquire any rights in the Marks by virtue of such use.

### **8.2 Independent Status**

Franchisee is an independent business owner and not an agent, partner, joint venturer, or employee of Salty Paws. Nothing in this Agreement or the parties' relationship shall be construed to create any fiduciary, employment, or agency relationship. Franchisee shall not make any representation or take any action that may suggest otherwise. Franchisee has no authority to bind or obligate Salty Paws in any manner and shall be solely responsible for all operational and employment matters within the Business.

### **8.3 Display of Disclaimer**

Franchisee shall display a conspicuous disclaimer in a location within the Business and in any public-facing website, social media profile, or marketing material, clearly stating that the Business is independently owned and operated by Franchisee under license from Salty Paws Franchise LLC. The specific wording and format of the disclaimer must comply with guidelines provided in the Manual or by Salty Paws.

### **8.4 Confidentiality**

Franchisee agrees to maintain the confidentiality of all proprietary and confidential information disclosed or made available by Salty Paws, including but not limited to trade secrets, training materials, business methods, marketing strategies, recipes, customer data, operations manuals, vendor lists, and system technologies (“Confidential Information”). Franchisee shall not disclose, duplicate, or use such information for any purpose outside the scope of this Agreement. This obligation shall survive the expiration or termination of the Agreement. Franchisee shall ensure that all employees and agents with access to Confidential Information are bound by similar confidentiality obligations.

### **8.5 Mutual Indemnification**

Franchisee shall indemnify, defend, and hold harmless Salty Paws, its affiliates, officers, directors, employees, and agents from any and all claims, damages, liabilities, and expenses (including attorneys’ fees) arising from the operation of the Business, Franchisee’s breach of this Agreement, or Franchisee’s violation of applicable laws. Conversely, Salty Paws shall indemnify and hold harmless Franchisee against any claims arising from Salty Paws’ breach of this Agreement or infringement by the Marks, provided that Franchisee promptly notifies Salty Paws in writing of any such claim and cooperates in the defense thereof.

### **8.6 Covenants**

#### **8.6.1 In-Term Covenants**

During the term of this Agreement, neither Franchisee nor any of its principals, owners, or affiliates shall engage in, own, operate, or assist any business that competes with the Salty Paws System, whether directly or indirectly, within the United States or any other market where Salty Paws has franchise operations. This restriction includes businesses offering dog-friendly ice cream, pet-focused cafes, pet retail stores, grooming salons, or similar concepts.

#### **8.6.2 Post-Term Covenants**

For a period of two (2) years following the expiration or termination of this Agreement (whether voluntary or involuntary), Franchisee and its affiliates shall not own, operate, or assist any competing business within a twenty-five (25) mile radius of the Approved Location or any other Salty Paws franchise location. Additionally, Franchisee may not solicit or employ any employee of Salty Paws or another franchisee for a period of twelve (12) months following termination.

### **8.6.3 Miscellaneous**

Franchisee acknowledges that the restrictions set forth in this Section 8.6 are reasonable and necessary to protect the legitimate business interests of Salty Paws and its franchise system. Franchisee agrees that violation of these covenants may result in irreparable harm and entitle Salty Paws to injunctive relief in addition to any other remedies available under law. If any portion of this section is found unenforceable, the remainder shall continue in full force and effect to the extent permitted by law.

## **9. TRANSFER OF FRANCHISE**

### **9.1 Franchisor's Right to Transfer**

Salty Paws shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Salty Paws shall become solely responsible for all obligations of Salty Paws under this Agreement from the date of assignment. You shall execute such documents, as Salty Paws may request, that are reasonably necessary to permit Salty Paws to transfer or assign this Agreement and all or any part of its rights or obligations herein.

### **9.2 Franchisee's Conditional Right to Transfer**

You understand and acknowledge that the rights and duties set forth in this Agreement are personal to You, and that Salty Paws has granted this franchise in reliance of Your (or, if You are a corporation, partnership, or limited liability company, your principals) business skill, financial capacity and personal character. Accordingly, neither You nor any immediate or remote successor to any part of Your interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity, which directly or indirectly owns any interest in You, shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") this Agreement, any direct or indirect interest in You, or in all or substantially all of the assets of the Franchise without prior written consent of Salty Paws. Any purported assignment or transfer not having the written consent of Salty Paws, required by Section 9.3, shall be null and void and shall constitute a material breach of this Agreement, for which Salty Paws may immediately terminate without opportunity to cure pursuant to Section 10.2.1 of this Agreement. The foregoing remedies shall be in addition to any other remedies Salty Paws may have under this Agreement or at law or in equity.

### **9.3 Conditions of Transfer**

Any proposed transfer by Franchisee, whether of this Agreement, the Franchisee's ownership interest, or a controlling interest in the Business, is subject to Salty Paws' prior written approval. As a condition to granting such approval, Salty Paws may require that: (i) the transferee demonstrate satisfactory financial capability, relevant business experience, and operational competence; (ii) the transferee successfully complete the initial training program and execute the then-current form of Franchise Agreement, which may contain terms materially different from this Agreement; (iii) all monetary obligations owed by Franchisee to Salty Paws or any affiliated

entity are fully paid; (iv) the transferring Franchisee and all affiliates execute a general release in favor of Salty Paws, in a form acceptable to Salty Paws; and (v) the transferee pay the applicable transfer fee as outlined in Section 6.8.

In addition, Franchisee must provide Salty Paws with prior written notice of the proposed transfer, along with all documents and information Salty Paws may reasonably request to evaluate the transferee. Any attempted transfer without full compliance with these conditions shall be null and void. Salty Paws may withhold approval at its sole discretion if the proposed transferee fails to meet the required qualifications or if the transfer is not in the best interest of the Salty Paws system.

#### **9.4 Franchisor's Right of First Refusal**

If any party holding any direct or indirect interest in this Agreement, in You, or in all or substantially all of the assets of the outlet desires to accept any bona fide offer from a third party to purchase such interest, You shall notify Salty Paws as provided in Section 9 hereof, and shall provide such information and documentation relating to the offer as Salty Paws may require. Salty Paws shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Salty Paws intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Salty Paws elects to purchase the seller's interest, closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Salty Paws. If Salty Paws elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Salty Paws as in the case of the third party's initial offer. Failure of Salty Paws to exercise the option afforded by this Section 9 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 9, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that Salty Paws may not reasonably be required to furnish the same consideration, terms and/or conditions, then Salty Paws may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Salty Paws at Salty Paws's expense, and the appraiser's determination shall be binding.

#### **9.5 Death or Mental Incapacity**

Upon the death, physical or mental incapacity of any person with an interest in this Agreement, in You, or in all or substantially all of the assets of the Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Salty Paws within six (6) months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 9, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Salty Paws within a reasonable time, which disposition shall be subject to all the

terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 10 hereof.

#### **9.6 Non-Waiver**

Salty Paws's consent to a transfer of any interest in this Agreement, in You, or in all or substantially all of the assets of the business, shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Salty Paws's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

### **10. TERMINATION OF FRANCHISE**

#### **10.1 Termination by Consent of the Parties**

This Agreement may be terminated upon the mutual consent of the parties.

#### **10.2 Termination by Salty Paws**

##### **10.2.1 Immediate Termination upon Notice of Default**

Salty Paws may terminate this Agreement immediately upon written notice to Franchisee if Franchisee commits any material breach or default that, by its nature, cannot be cured, or if Franchisee fails to cure a curable default within the time period specified in Section 10.1. Without limitation, grounds for immediate termination include: (i) use of unapproved products or suppliers; (ii) repeated failure to comply with System standards; (iii) unauthorized use or disclosure of confidential information; (iv) failure to operate the Business for three (3) consecutive days without Salty Paws' consent; (v) abandonment of the Business; (vi) misrepresentation or omission in this Agreement or any required report; (vii) unauthorized transfer of interest in the Franchise; or (viii) conduct that, in Salty Paws' reasonable judgment, damages the reputation, goodwill, or integrity of the Salty Paws brand. Termination under this section is effective immediately upon delivery of notice and does not require additional opportunity to cure.

##### **10.2.2 Termination after Five Days' Notice to Cure**

Salty Paws may terminate this Agreement if Franchisee fails to cure any of the following defaults within five (5) days after receiving written notice: (i) failure to pay royalties, advertising contributions, or other amounts due under this Agreement; (ii) failure to submit required reports or financial information; or (iii) failure to obtain or maintain required insurance coverage. If such defaults are not fully cured within the five-day period, termination will be effective immediately without further notice.

### **10.2.3 Termination after Thirty Days' Notice to Cure**

Salty Paws may also terminate this Agreement if Franchisee fails to cure any other breach or default not specifically covered in Sections 10.2.1 or 10.2.2 within thirty (30) days after written notice. This includes, but is not limited to, operational deficiencies, repeated customer complaints, or failure to comply with System standards. If the breach is not cured to Salty Paws' satisfaction within the thirty-day period, the Agreement may be terminated upon written notice, effective immediately.

### **10.3 Rights and Obligations After Termination or Expiration**

Upon termination or expiration of this Agreement, all rights granted to Franchisee shall immediately cease. Franchisee shall (i) stop using the Salty Paws Marks and System; (ii) remove all signage, branding, and trade dress associated with Salty Paws; (iii) return the Manual and all proprietary materials; (iv) pay all outstanding amounts owed to Salty Paws; and (v) cancel all business listings and digital properties referencing Salty Paws. Franchisee shall also cooperate in transferring customer communications and business-related data as directed by Salty Paws. All social media accounts immediately transferred back to franchisor. Any post-termination covenants, including non-compete and confidentiality obligations, shall remain in full effect.

### **10.4 No Limitation of Remedies**

Termination of this Agreement shall not limit Salty Paws' right to pursue any and all other remedies available at law or in equity. Salty Paws shall be entitled to seek damages, injunctive relief, and recovery of attorneys' fees and costs associated with enforcement of this Agreement. The remedies set forth herein are cumulative and may be exercised concurrently or separately at Salty Paws' discretion.

## **11. MISCELLANEOUS PROVISIONS**

### **11.1 Construction of Contract**

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires.

### **11.2 Governing Law, Venue and Jurisdiction**

**11.2.1** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws principles. Franchisee agrees that any legal action, suit, or proceeding arising out of or relating to this Agreement must be brought exclusively in either the state courts located in Chester County, Pennsylvania or the United States District Court for the Eastern District of Pennsylvania. Franchisee irrevocably submits to the personal jurisdiction of such courts and waives any objection based on improper venue or forum non conveniens. The parties agree that service of process may be made by certified mail or any method permitted under Pennsylvania law.

Franchisee acknowledges that entering into this Agreement in Pennsylvania constitutes sufficient contact with the state for jurisdictional purposes.

**11.2.2** Franchisee acknowledges that any breach of its obligations under this Agreement relating to the use of the Marks, confidential information, or post-term covenants would cause irreparable harm to Salty Paws, for which monetary damages may be inadequate. Accordingly, Salty Paws shall be entitled, without the requirement of posting a bond, to seek temporary, preliminary, and permanent injunctive relief, as well as specific performance, from any court of competent jurisdiction, in addition to any other remedies available at law or in equity.

### **11.3 Notices**

The parties to this Agreement shall direct any notices to the other party at the Delivery Address specified below that party's name on the final page of this Agreement, or at another address if advised in writing that the address has been changed. The parties shall notify each other in writing of any Delivery Address changes. Notices may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), by electronic mail (with simultaneous mailing of a copy by certified mail), courier, federal express, or first class mail. Notice by facsimile and electronic mail will be considered delivered upon submission, by courier, upon delivery, and by certified mail three days after posting. Any notice by a means which affords the sender evidence of delivery or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

### **11.4 Amendments**

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

### **11.5 No Waivers**

No delay, waiver, omission or forbearance on the part of Salty Paws to exercise any right, option, duty, or power arising out of any breach of default by You under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against You or as to subsequent breach or default by You. Subsequent acceptance by Salty Paws or any payments due to it hereunder shall not be deemed to be a waiver by Salty Paws of any preceding breach by You of any terms, provisions, covenants, or conditions of this Agreement.

### **11.6 Integration**

This Agreement and all exhibits to this Agreement, constitute the entire agreement between the parties. This Agreement supersedes any and all prior negotiations, understandings representations and agreements. No representations have induced You to execute this Agreement with Salty Paws Except for those permitted to be made unilaterally by Salty Paws hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require You to waive reliance on any representation that Salty Paws made in the most recent disclosure document (including its exhibits and amendments) (the “FDD”) that Salty Paws delivered to You or your representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

You acknowledge that you are entering into this Agreement as a result of your own independent investigation and not as a result of any representations (with the exception of those representations made in the FDD) made by Salty Paws, its members, managers, officers, directors, employees, agents, representatives or independent contractors that are contrary to the terms set forth in this Agreement. You acknowledge that the FDD you received contained a copy of this Franchise Agreement and that you reviewed the FDD and Franchise Agreement at least fourteen (14) days (or such other time as applicable law requires) before you signed this Agreement. You further understand acknowledge and agree that any information you obtain from any Salty Paws franchisee, including relating to their sales, profit, cash flows, and/or expenses, does not constitute information obtained from Salty Paws, nor does Salty Paws make any representation as to the accuracy of any such information.

## **11.7 Negotiation and Mediation**

### **11.7.1 Agreement to Use Procedure**

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation or arbitration. Other than an action by Salty Paws under Section 11.9 of this Agreement, the parties agree that if any dispute arises between them, before beginning any legal action or arbitration to interpret or enforce this Agreement, they will first follow the procedures described in this section. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

### **11.7.2 Initiation of Procedures**

The party that initiates these procedures (“Initiating Party”) must give written notice to the other party, describing in general terms the nature of the dispute, specifying the Initiating Party’s claim for relief including the damages sought, and identifying one or more persons with authority to settle the dispute for him, her, or it. The party receiving the notice (“Responding Party”) has seven (7) days within which to designate by written notice to the Initiating Party one or more persons with authority to settle the dispute on the Responding Party’s behalf (the “Authorized Persons”).

### **11.7.3 Direct Negotiations**

The Authorized Persons may investigate the dispute as they consider appropriate but agree to meet in-person at a location designated by Salty Paws within seven (7) days from the date of the

designation of Authorized Persons to discuss resolution of the dispute. The Authorized Persons may meet at any times and places, and as often as they agree. If the dispute has not been resolved within ten (10) days after their initial meeting, either party may begin mediation procedures by giving written notice to the other party that it is doing so.

#### **11.7.4 Selection of Mediator**

The Authorized Persons will have seven (7) days from the date on which one party gives notice that he, she or it is beginning mediation within which to submit to one another written lists of acceptable mediators who are not associated with either of the parties. Within seven (7) days from the date of receipt of any list, the Authorized Persons must rank all the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking one of these will be designated the mediator. If this process does not result in selection of a mediator, the parties agree jointly to request the arbitral organization designated in Section 11.8 to supply a list of qualified potential mediators. Within seven (7) days after receipt of the list, the parties must again rank the proposed mediators in numerical order of preference and must simultaneously exchange their lists. The mediator having the highest combined ranking shall be appointed as mediator. If the highest ranking mediator is not available to serve, the parties must go on to contact the mediator who was next highest in ranking until they are able to select a mediator.

#### **11.7.5 Time and Place for Mediation**

In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place for the mediation. Unless circumstances make it impossible, the time may not be later than thirty (30) days after selection of the mediator.

#### **11.7.6 Exchange of Information**

If either party to this Agreement believes he, she, or it needs information in the possession of another party to this Agreement to prepare for the mediation, all parties must attempt in good faith to agree on procedures for an exchange of information, with the help of the mediator, if required.

#### **11.7.7 Summary of Views**

At least seven (7) days before the first scheduled mediation session, each party must deliver to the mediator, and to the other party, a concise written summary of its views on the matter in dispute and on any other matters that the mediator asks them to include. The mediator may also request that each party submit a confidential paper on relevant legal issues, which may be limited in length by the mediator, to him or her.

#### **11.7.8 Representatives**

In the mediation, each party must be represented by an Authorized Person, who must physically attend mediation, and may be represented by counsel. In addition, each party may, with

permission of the mediator, bring with him, her or it any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

### **11.7.9 Conduct of Mediation**

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful, after reviewing the position papers, the mediator shall give both himself or herself and the Authorized Persons an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the Authorized Persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties.

All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

### **11.7.10 Termination of Procedure**

The parties agree to participate in the mediation procedure to its conclusion as set forth in this section. The mediation may be concluded (1) by the signing of a settlement agreement by the parties, (2) by the mediator's declaration that the mediation is terminated, or (3) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

### **11.7.11 Fees of Mediator, Disqualification**

The fees and expenses of the mediator must be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute, or any related or similar matter in which either of the parties is involved.

### **11.7.12 Confidentiality**

The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator, is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties.

However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

## **11.8 Arbitration**

Except as provided in Section 11.9, and if not resolved by the negotiation and mediation procedures described in Section 11.7 above, any dispute, controversy, or claim between you and/or any of your Related Parties, on the one hand, and Salty Paws and/or any of Salty Paws's Related Parties, on the other hand, including, without limitation, any dispute, controversy, or claim arising under, out of in connection with or related to: (a) this Agreement; (b) the relationship of the parties; (c) the events leading up to the execution of this Agreement; (d) any loan or other finance arrangement between you and Salty Paws or its Related Parties; (e) the parties' relationship; (f) any System standard; (g) any claim based in tort or any theory of negligence; and/or (j) the scope or validity of the arbitration obligation under this Agreement, shall be determined in Chester County, Pennsylvania, before the American Arbitration Association ("AAA"). This arbitration clause will not deprive Salty Paws of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction.

**11.8.1** The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one (1) arbitrator. The arbitrator shall be an attorney with substantial experience in franchise law. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

**11.8.2** In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred.

**11.8.3** Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational action, or otherwise to join or consolidate any claim with any claim or any other proceeding involving third-parties. If a court or arbitrator determines that this limitation on joinder of, or class action certification of claims is unenforceable then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts in accordance with Section 11.8. The arbitration must take place in Chester County, Pennsylvania, or at such other location as Salty Paws designates.

**11.8.4** The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Salty Paws. The arbitrator may not, under any circumstance, (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement, or any reasonable standard of business performance that Salty Paws sets. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted

to make in the state in which the main office of Salty Paws is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to, any decision as to whether Section 11.8 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

**11.8.5** The arbitrator can issue summary orders disposing of all or part of a claim, and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

**11.8.6** The arbitrator will have subpoena powers limited only by the laws of the Commonwealth of Pennsylvania.

**11.8.7** The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute will otherwise have the same discovery rights as are available in civil actions under the laws of the Commonwealth of Pennsylvania.

**11.8.8** All other procedural matters will be determined by applying the statutory common laws and rules of procedure that control a court of competent jurisdiction in the Commonwealth of Pennsylvania.

**11.8.9** Other than as may be required by law, the entire arbitration proceedings (including but not limited to, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

**11.8.10** The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

**11.8.11** Salty Paws reserves the right, but has no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Salty Paws's right to seek recovery of those costs against you.

**11.8.12** The Arbitrator shall render a reasoned award unless otherwise requested by the parties. If Salty Paws requests a more detailed award, i.e. "findings of fact and conclusions of law," the parties shall evenly split the excess cost above the cost required for a reasoned award. However, if You request an award more detailed than a reasoned award, i.e. "findings of facts and conclusions of law," You shall bear the entire additional cost required for such award, which cost is above the cost for a reasoned award.

**11.8.13** Should Salty Paws prevail in any arbitration, the Arbitrator shall require You to pay all expenses of Arbitration, as well as Salty Paws's attorneys' fees and costs.

## **11.9 Exceptions to Arbitration and Mediation**

**11.9.1** Notwithstanding the provisions of Sections 11.7 and 11.8 of this Agreement, Salty Paws shall be entitled, with a bond of not more than \$10,000, to the entry of temporary, preliminary and permanent injunctions, and orders of specific performance, enforcing the provisions of this Agreement in any court of competent jurisdiction relating to: (a) Your, and/or any of Your Related Party's use of the Marks; (b) Your confidentiality and non-competition covenants (Section 8); (c) Your obligations upon termination or expiration of the franchise; or (d) Transfer or assignment by You. If Salty Paws secures any such injunction (i.e. temporary restraining order, preliminary injunction, or permanent injunction) or order of specific performance, you agree to pay to Salty Paws an amount equal to the aggregate of Salty Paws's costs of obtaining such relief including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages incurred by Salty Paws as a result of the breach of any such provision.

**11.9.2** Further, at the election of Salty Paws or its affiliate, the mediation and arbitration provisions of Sections 11.7 and 11.8, inclusive of all subparts, shall not apply to: (a) any claim by Salty Paws relating to your failure to pay any fee due to Salty Paws under this Agreement; and/or (b) any claim by Salty Paws or its affiliate relating to use of the Proprietary Marks and/or the System, including, without limitation, claims for violations of the Lanham Act; and/or (c) any claim by Salty Paws relating to a breach of your confidentiality and/or non-competition obligations under this Agreement.

## **11.10 Injunctive Remedy for Breach**

You recognize that You are a member of a Franchise Network and that Your acts and omissions may have a positive or negative effect on the success of other businesses operating under Salty Paws's Trade Name and in association with its Marks. Failure on the part of a single franchisee to comply with the terms of its Franchise Agreement is likely to cause irreparable damage to Salty Paws and to some or all of the other franchisees of Salty Paws. For this reason, You agree that if Salty Paws can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of Your breach or threatened breach of any of the terms of this Agreement, Salty Paws will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage and without the necessity of posting bond or other security, any bond or other security being waived hereby. Franchisor has the exclusive right to seek relief pursuant to this section in a court of competent jurisdiction as defined in section 11.2.2 of this Agreement or any other court of competent jurisdiction. Notwithstanding, if any Court of competent jurisdiction, as described herein, determines that a bond or other security is required, You agree that you will not seek bond or security in excess of \$10,000 and, in fact, will oppose any effort by a Court to impose a bond or security in excess of \$10,000.

## **11.11 Limitations of Actions**

You may not maintain an arbitration against the Franchisor or its Related Parties unless: (a) You deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to You, or when you should have known of said event

had you been reasonably diligent; (b) thereafter, You must follow the negotiation and mediation procedures described above; and (c) You file an arbitration within one (1) year after the notice is delivered. While this Section 11.11 may limit the applicable statute of limitations, it is not intended to extend any applicable statute of limitation in any way. The limitations set forth in this Section 11.11 shall not apply to Salty Paws, its affiliates or its Related Parties.

#### **11.12 Attorneys' Fees and Costs**

If legal action or arbitration is necessary, including any motion to compel arbitration, or action on appeal, to enforce the terms and conditions of this Agreement, or for violation of this Agreement, Salty Paws will be entitled to recover reasonable compensation for preparation, investigation costs, court costs, arbitral costs, and reasonable accountants, attorneys, attorneys' assistants, and expert witness fees incurred by Salty Paws. Further, if Salty Paws is required to engage legal counsel in connection with any failure by You to comply with this Agreement, You shall reimburse Salty Paws for any of the above-listed costs and expenses incurred by Salty Paws, regardless of whether Salty Paws files or compels mediation, arbitration or litigation.

#### **11.13 Severability**

Except as expressly provided to the contrary herein, each portion, section, part term, and/or provision of this Agreement shall be considered severable, and if for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of or have any other effect upon, such other portions sections parts terms, and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

#### **11.14 Individual Dispute Resolution – No Class Action or Multi-Party Actions**

Any legal action between or among the parties to this Agreement and any of their Related Parties shall be conducted on an individual basis and not on a consolidated or class-wide basis.

#### **11.15 Waiver of Rights**

THE PARTIES HERETO AND EACH OF THEM KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

**11.15.1 Jury Trial. The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR**

**FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 11.8 is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.**

**11.15.2 Damages Waiver.** The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES, *except that* this waiver and limitation shall not apply with respect to (a) your obligation to indemnify Salty Paws pursuant to any provision of this Agreement, and/or (b) any claims Salty Paws brings against you and/or your guarantors for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of the non-competition covenant and any other cause of action under the Lanham Act and Salty Paws shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

**11.15.3** The parties hereto and each of them EXPRESSLY AGREE(S) THAT IN THE EVENT OF ANY FINAL DETERMINATION ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, *except that* SALTY PAWS may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

**11.15.4.** You hereby expressly waive any and all rights, actions or claims for relief under the Federal Act entitled "Racketeer Influenced and Corrupt Organizations," 18 U.S.C. § 1961, *et seq.* ("RICO").

**11.15.5** You hereby expressly agree that the existence of any claims You may have against Salty Paws or its Related Parties, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Salty Paws of the covenants contained in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' fees, incurred by Salty Paws in connection with the enforcement of any covenant contained in this Agreement.

#### **11.16 Approval and Guaranty Provision**

If You are a corporation, all officers and shareholders, or, if You are a partnership, all Your general partners, or, if You are a limited liability company, all Your members, shall approve this Agreement, permit You to furnish the financial information required by Salty Paws, and agree to the restrictions placed on them including restrictions on the transferability of their interests in the franchise and the Salty Paws business and limitations on their rights to compete, and sign separately a Guaranty, guaranteeing Your payments and performance. Where required to satisfy our standards of creditworthiness, or to secure the obligations made under this Agreement, Your

spouse or the spouses of Your Related Parties, may be asked to sign the Guaranty. Our form of Guaranty appears as Exhibit C to this Agreement.

#### **11.17 Acceptance by Salty Paws**

This Agreement will not be binding on Salty Paws unless and until an authorized management officer of Salty Paws has signed it.

#### **11.18 Disclaimer of Representations**

NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT OUR AUTHORIZED MANAGEMENT OFFICER BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY US OR ON OUR BEHALF WHICH HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND OUR CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT WE HAVE MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE. YOU UNDERSTAND THAT SALTY PAWS IS NOT A FIDUCIARY AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

#### **11.19 Receipt**

The undersigned acknowledges receipt of this Agreement and the Franchise Disclosure Document, with exhibits, at least fourteen (14) calendar days (unless otherwise required by applicable law) before execution of this Agreement or Your payment of any monies to us refundable or otherwise.

#### **11.20 Opportunity for Review by Your Advisors**

You acknowledge that we have recommended, and that You have had the opportunity to obtain a review of this Agreement, and our Franchise Disclosure Document, by Your lawyer, accountant or other business advisor before execution hereof.

#### **11.21 Execution of Agreements**

Each of the undersigned parties warrants that it has the full authority to sign this Agreement. If You are a partnership, limited liability company or corporation, the person executing this agreement on behalf of such partnership, limited liability company or corporation warrants to us, both individually and in his capacity as partner member, manager or officer, that all of the partners of the partnership all of the members or managers of the limited liability company, or all of the shareholders of the corporation, as applicable, have read and approved this Agreement, including

any restrictions which this Agreement places upon rights to transfer their interest in the partnership limited liability company or corporation.

**11.22 Independent Investigation**

You acknowledge that You have conducted an independent investigation of the franchised business contemplated by this Agreement and recognize that it involves business risks which make the success of the venture largely dependent upon Your business abilities and efforts. You acknowledge that You have been given the opportunity to clarify any provision of this Agreement that You may not have initially understood and that we have advised You to have this Agreement reviewed by an attorney.

**11.23 No Guarantee of Earnings**

You understand that neither Salty Paws nor any of our representatives and/or agents with whom You have met have made and are not making any guarantees express or implied, as to the extent of Your success in Your franchised business, and have not and are not in any way representing or promising any specific amounts of earnings or profits in association with Your franchised business.

**11.24 No Personal Liability**

You agree that fulfillment of any and all of our obligations written in this Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be Salty Paws's sole responsibility and none of its agents, representatives, nor any individuals associated with it shall be personally liable to You for any reason

**11.25 Non-Uniform Agreements**

Salty Paws makes no representations or warranties that all other agreements with Salty Paws System franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. You recognize, acknowledge and agree that Salty Paws may waive or modify comparable provisions of other Franchise Agreements granted to other System franchisees in a non-uniform manner.

[REMAINDER OF PAGE INTENTIONALLY BLANK]  
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS TO THE PROVISIONS OF THIS FRANCHISE AGREEMENT, the undersigned have signed this Agreement on the date set forth in Section 1 hereof.

FRANCHISOR:

FRANCHISEE:

SALTY PAWS FRANCHISE LLC  
doing business as Salty Paws

By: \_\_\_\_\_  
Name: Suzanne Tretowicz  
Title: Managing Member  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Delivery Addresses for Notices:

Delivery Address for Notices:

Salty Paws Franchise LLC  
43 Rehoboth Avenue  
Rehoboth Beach, Delaware 19971

Evan M. Goldman, Esquire  
The Franchise Firm LLP  
225 Wilmington West Chester Pike, Suite 200  
Chadds Ford, Pennsylvania 19317

**EXHIBIT A TO SALTY PAWS FRANCHISE AGREEMENT**

**FRANCHISE DATA SHEET**

1. The Effective Date set forth in the introductory Paragraph of the Franchise Agreement is: \_\_\_\_\_, 20\_\_.

2. The Franchise Owner set forth in the introductory Paragraph of the Franchise Agreement is: \_\_\_\_\_.

3. The address for notice and payments to Franchise Owner under Section 11.3 of the Franchise Agreement is:

\_\_\_\_\_  
\_\_\_\_\_

4. Your Approved Location is located at:

5. Your Approved Territory is the following geographic area:

If map is attached, check here: \_\_\_\_\_

6. You have elected to purchase the following license type:

\_\_\_\_\_ Salty Paws Traditional Business with an initial franchise fee of \$35,000;

**EXHIBIT B TO SALTY PAWS FRANCHISE AGREEMENT**

**STATEMENT OF OWNERSHIP**

Franchise: \_\_\_\_\_

Trade Name (if different than above): \_\_\_\_\_

Form of Ownership  
(Check One)

Individual    Partnership    Corporation    Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation: \_\_\_\_\_

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners:

Name	Title	Percentage

**Principal Manager.** The following individual is hereby designated the “Principal” of the Franchise business. Salty Paws Franchise LLC, and all of its vendors, suppliers, and associates may rely entirely on instructions from said Principal on behalf of the aforesaid franchise, to the exclusion of, and overriding, instructions from anyone else purporting to represent the franchise.

The only accepted method to change the identification of the Principal is to produce a signed statement to that effect, signed by 100% of the owners of the Franchise.

Name of Principal: \_\_\_\_\_

Franchisee acknowledges that this Statement of Ownership applies to the Salty Paws Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must reported to Franchisor in writing.

**FRANCHISEE:**

Business Entity Name (if any):

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT C TO SALTY PAWS FRANCHISE AGREEMENT

### PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by each of the principal owners, and their spouses, (referred to as “you” or “your” for purposes of this Guaranty only) of \_\_\_\_\_ (the “Business Entity”) under the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”) with Salty Paws Franchise LLC, an Delaware limited liability company (“we,” “us,” or “our”).

1. **Incorporation of Terms.** Each term of the Agreement is incorporated into this Guaranty.

2. **Guaranty.** In consideration of and as an inducement to us signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: guarantee to us and our successors and assigns that (a) the Business Entity will punctually pay and perform every obligation and obey every restriction and covenant set forth in the Agreement and (b) each of you agrees to be personally bound by, and personally liable for the breach of, each and every obligation, restriction and covenant in the Agreement.

3. **Payment.** If the Business Entity fails to make any payment when due or otherwise defaults under any of the terms of the Agreement, immediately upon demand, you will pay to us the full amount owed, plus any interest or penalty allowed under the Agreement. All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of you, except the defense that the Business Entity has paid all obligations in full.

4. **Waivers.** Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

5. **Consents and Agreements.** Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may periodically grant to the Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this

Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

6. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

7. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Pennsylvania law and we may enforce our rights regarding it in the courts of Chester County, Pennsylvania. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now signs and delivers this Guaranty effective as of the date of the Agreement regardless of the actual date of signature. Each of the undersigned Guarantors represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is not married.

<b>Signature of Each Guarantor</b>	<b>Percentage of Ownership in Franchisee</b>
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

**EXHIBIT D TO SALTY PAWS FRANCHISE AGREEMENT**

**SAMPLE GENERAL RELEASE AGREEMENT  
WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims (“Release”) is made as of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Salty Paws Franchise LLC, an Delaware limited liability company (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Salty Paws business (as defined in the Agreement);

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, (enter into a successor Franchise Agreement) and Franchisor has consented to such transfer (agreed to enter into a successor Franchise Agreement); and

WHEREAS, as a condition to Franchisor’s consent to the transfer (Franchisee’s ability to enter into a successor Franchise Agreement), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent to the transfer (Franchisor entering into a successor Franchise Agreement), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties.** Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release.** Releasor and its subsidiaries, affiliates, parents, divisions, renewals and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, renewals and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor

may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business or their reputation.

4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the Commonwealth of Pennsylvania.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorney fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, renewals, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

IN WITNESS WHEREOF Releasor has executed this Release as of the date first written above.

Dated: \_\_\_\_\_, 20\_\_

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

FRANCHISEE’S OWNERS:

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

## **EXHIBIT E TO SALTY PAWS FRANCHISE AGREEMENT**

### **NONDISCLOSURE, NONSOLICITATION AND NONCOMPETITION AGREEMENT**

This Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of Salty Paws Franchise LLC, a Delaware limited liability company, and its renewals and assigns (“us”), upon the terms and conditions set forth in this Agreement.

#### 1. Definitions.

“*Competitive Business*” shall mean any and all businesses that are competitive with Salty Paws business, including, without limitation, any (a) business that offers dog-friendly ice cream, ice cream flavors, dog-friendly toppings, and/or dog-friendly frozen treats and snacks, (b) business offering Approved Products and Services of a similar nature to those of the business, or (c) business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses described in subparts (a)-(c) of this Section. Furthermore, the Restricted Parties shall not divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Salty Paws business, whether now in existence or created in the future.

“*Franchisee*” means the Salty Paws franchisee for whom you are an officer, director, employee or independent contractor.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Salty Paws business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Salty Paws business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Salty Paws business, including “Salty Paws”, and any other trademarks, service marks or trade names that we designate for use by a Salty Paws business. The term “Marks” also includes any distinctive trade dress used to identify a Salty Paws business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant,

shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

*“Restricted Period”* means the two (2) year period after you cease to be a manager of Franchisee’s Salty Paws business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the *“Restricted Period”* means the one (1) year period after you cease to be a manager or officer of Franchisee’s Salty Paws business.

*“Restricted Territory”* means the geographic area within: (i) a 25 mile radius from Franchisee’s Salty Paws business (and including the address of primary operation); and (ii) a 25 mile radius from all other Salty Paws Business that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the *“Restricted Territory”* means the geographic area within a 15 mile radius from Franchisee’s Salty Paws business (and including the premises of the business).

*“System”* means our system for the establishment, development, operation and management of a Salty Paws business, including Know-how, proprietary programs and products, confidential operations manuals and operating system.

2. **Background.** You are an officer, director, or manager of Franchisee. As a result of this relationship, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than Salty Paws Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time-to-time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager of Franchisee’s Salty Paws business. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. **Unfair Competition During Relationship.** You agree not to unfairly compete with us at any time while you are a manager of Franchisee’s Salty Paws business by engaging in any Prohibited Activities.

5. **Unfair Competition After Relationship.** You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply regarding a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. **Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (*i.e.*, spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member

7. **Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

8. **Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Salty Paws franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. **Miscellaneous.**

a. If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

b. This Agreement will be governed by, construed and enforced under the laws of Pennsylvania and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

## EXHIBIT F TO SALTY PAWS FRANCHISE AGREEMENT

### SAMPLE CONFIDENTIALITY AGREEMENT

This Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of Salty Paws Franchise LLC, a Delaware limited liability company, and its renewals and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. **Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“*Salty Paws business*” means a business that offers dog-friendly ice cream, ice cream flavors, dog-friendly toppings, and/or dog-friendly frozen treats and snacks.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Salty Paws Business, whether now in existence or created in the future.

“*Franchisee*” means the Salty Paws franchisee for whom you are an officer, director, employee or independent contractor.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Salty Paws business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Salty Paws business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Salty Paws business, including “Salty Paws”, and any other trademarks, service marks or trade names that we designate for use by a Salty Paws business. The term “Marks” also includes any distinctive trade dress used to identify a Salty Paws business, whether now in existence or hereafter created.

“*System*” means our system for the establishment, development, operation and management of a Salty Paws business, including Know-How, proprietary programs and products, confidential operations manuals and operating system.

2. **Background.** You are an employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that

you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Know-How and Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than Salty Paws Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time-to-time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. **Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (*i.e.*, spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

5. **Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

6. **Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Salty Paws franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. **Miscellaneous.**

- a. If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.
- b. This Agreement will be governed by, construed and enforced under the laws of Pennsylvania and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.
- c. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

## **EXHIBIT G TO SALTY PAWS FRANCHISE AGREEMENT**

### **SAMPLE APPROVAL OF REQUESTED ASSIGNMENT**

This Approval of Requested Assignment (“Agreement”) is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, between Salty Paws Franchise LLC (“Franchisor”), \_\_\_\_\_ (“Former Franchisee”), and \_\_\_\_\_ (“New Franchisee”).

#### **RECITALS**

WHEREAS, Franchisor and Former Franchisee entered into that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_ (“Franchise Agreement”), in which Franchisor granted Franchisor the right to operate a Salty Paws franchise with a primary operating address of \_\_\_\_\_ (“Franchised Business”); and

WHEREAS, Former Franchisee desires to assign (“Requested Assignment”) the Franchised Business to New Franchisee from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto covenant, promise and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“Franchisor’s Assignment Fee”).

2. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement.

3. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all of Former Franchisee’s rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the termination, expiration or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor’s current form of General Release Agreement, which is attached to this Agreement as Attachment A.

4. New Franchise Agreement. New Franchisee shall execute Franchisor’s current form of Franchise Agreement and attachments for the Franchised Business (as amended by the

form of Addendum prescribed by Franchisor, if applicable), which is attached to this Agreement as Attachment B, and any other required contracts for the operation of a Salty Paws franchise as stated in Franchisor's Franchise Disclosure Document.

5. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three (3) year period following the execution of this Agreement.

6. Acknowledgment by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("Transaction") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee and shall not involve Franchisor.

7. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

8. Notices. Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered.

9. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Franchise Agreement.

10. Affiliate. When used in this Agreement, the term "Affiliate" has the meaning as given in Rule 144 under the Securities Act of 1933.

11. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed, as of the day and year first above written.

Dated: \_\_\_\_\_, 20\_\_

FRANCHISOR:

SALTY PAWS FRANCHISE LLC

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

FORMER FRANCHISEE:

\_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

NEW FRANCHISEE:

\_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT G TO SALTY PAWS FRANCHISE AGREEMENT**  
**Attachment A**

**(INSERT Termination and Release Agreement)**

**EXHIBIT G TO SALTY PAWS FRANCHISE AGREEMENT**  
**Attachment B**

**(INSERT New Franchise Agreement to be Signed)**

## EXHIBIT H TO SALTY PAWS FRANCHISE AGREEMENT

### LEASE ADDENDUM

This Addendum to Lease, dated \_\_\_\_\_, 20\_\_\_\_, is entered into by and between \_\_\_\_\_ (“Lessor”), and \_\_\_\_\_ (“Lessee”).

A. The parties hereto have entered into a certain Lease Agreement, dated \_\_\_\_\_, 20\_\_\_\_, and pertaining to the premises located at \_\_\_\_\_ (“Lease”).

B. Lessor acknowledges that Lessee intends to operate a Salty Paws franchise from the leased premises (“Premises”), pursuant to a Franchise Agreement (“Franchise Agreement”) with Salty Paws Franchise LLC (“Franchisor”) under the name “Salty Paws” or other name designated by Franchisor (hereinafter referred to as “Franchised Business” or “Franchise Business”).

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. **Assignment.** Lessee shall have the right to assign all of its right, title and interest in the Lease to Franchisor or its parent, subsidiary, or affiliate (including another franchisee) at any time during the term of the Lease, including any extensions or renewals thereof, without first obtaining Lessor’s consent in accordance with the Collateral Assignment of Lease attached hereto as Attachment 1. However, no assignment shall be effective until the time as Franchisor or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor thereof, and shall not create any liability or obligation of Franchisor or its parent unless and until the Lease is assigned to, and accepted in writing by, Franchisor or its parent, subsidiary or affiliate. In the event of any assignment, Lessee shall remain liable under the terms of the Lease. Franchisor shall have the right to reassign the Lease to another franchisee without the Landlord’s consent in accordance with Section 3(a).

2. **Default and Notice.**

a. In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall give Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. If Lessor gives Lessee a default notice, Lessor shall contemporaneously give Franchisor a copy of the notice. Franchisor shall have the right, but not the obligation, to cure the default. Franchisor will notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee’s interest as provided in \_\_\_\_\_

Paragraph 4(a). Franchisor will have an additional 15 days from the expiration of Lessee's cure period in which it may exercise the option, but it is not obligated, to cure the default or violation.

b. All notices to Franchisor shall be sent via registered or certified mail, postage prepaid, to the following addresses:

Salty Paws Franchise LLC  
43 Rehoboth Avenue  
Rehoboth Beach, Delaware 19971

Evan M. Goldman, Esquire  
The Franchise Firm LLP  
225 Wilmington West Chester Pike, Suite 200  
Chadds Ford, Pennsylvania 19317

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent.

c. Following Franchisor's approval of the Lease, Lessee agrees not to terminate, or in any way alter or amend the same, during the Term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent, and any attempted termination, alteration or amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

### **3. Termination or Expiration.**

a. Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest and at any time thereafter to re-assign the Lease to a new franchisee without Landlord's consent and to be fully released from any and all liability to Landlord upon the reassignment, provided the franchisee agrees to assume Lessee's obligations and the Lease.

b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Landlord will cooperate with and assist Franchisor in securing possession of the Premises and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Salty Paws or Salty Paws trademarks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its option to purchase assets of Lessee, Lessor shall permit Franchisor to remove all the assets being purchased by Franchisor.

4. **Consideration; No Liability.**

a. Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its Franchised Business and Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by Attachment 1.

b. Lessor further acknowledges that Lessee is not an agent or employee of Franchisor and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.

5. **Amendments.** No amendment or variation of the terms of the Lease or this Addendum to the Lease shall be valid unless made in writing and signed by the parties hereto.

6. **Reaffirmation of Lease.** Except as amended or modified herein, all of the terms, conditions and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

7. **Beneficiary.** Lessor and Lessee expressly agree that Franchisor is a third party beneficiary of this Addendum.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto as of the day, month and first year written above.

LESSOR:

LESSEE:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENT 1 TO LEASE ADDENDUM  
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_ (“Effective Date”), the undersigned, \_\_\_\_\_, (“Assignor”) hereby assigns, transfers and sets over unto Salty Paws Franchise LLC (“Assignee”) all of Assignor’s right, title and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (“Lease”) regarding the premises located at \_\_\_\_\_.

This Collateral Assignment of Lease (“Assignment”) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain Franchise Agreement for a Salty Paws franchise between Assignee and Assignor (“Franchise Agreement”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in the event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to exercise the extension or renewal options

**IN WITNESS WHEREOF**, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first written above.

**[SIGNATURE PAGES TO FOLLOW]**

ASSIGNOR:

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

ASSIGNEE:

SALTY PAWS FRANCHISE LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT I TO SALTY PAWS FRANCHISE AGREEMENT**

**ACH PAYMENT AGREEMENT**

ACCOUNT NAME: \_\_\_\_\_  
CUSTOMER NUMBER: \_\_\_\_\_  
FRANCHISE NAME: \_\_\_\_\_  
\_\_\_\_\_

**AUTHORIZATION AGREEMENT FOR ACH Payments:**

(I/we) do hereby authorize Salty Paws Franchise LLC, hereinafter named the “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 \$75.00 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 J TO SALTY PAWS FRANCHISE AGREEMENT**

**SBA ADDENDUM**



## ADDENDUM TO FRANCHISE<sup>1</sup> AGREEMENT

**THIS ADDENDUM** (“Addendum”) is made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Franchisor”), located at \_\_\_\_\_, and \_\_\_\_\_ (“Franchisee”), located at \_\_\_\_\_.

Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, (such Agreement, together with any amendments, the “Franchise Agreement”). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

### CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor’s consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

### FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

<sup>1</sup> While relationships established under license, jobber, dealer and similar agreements are not generally described as “franchise” relationships, if such relationships meet the Federal Trade Commission’s (FTC’s) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

Effective Date: January 1, 2018

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renewals) for fair market value.

**COVENANTS**

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee’s real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

**EMPLOYMENT**

- Franchisor will not directly control (hire, fire or schedule) Franchisee’s employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

**Authorized Representative of FRANCHISOR:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Authorized Representative of FRANCHISEE:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Note to Parties:** This Addendum only addresses “affiliation” between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

Effective Date: January 1, 2018

**EXHIBIT B TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**FINANCIAL STATEMENTS**



Divine  
Blalock  
Martin  
Sellari  
LLC  
Est. in 1932

# **SALTY PAWS FRANCHISE, LLC**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**MAY 31, 2025**

*(With Independent Auditors' Report Thereon)*

**SALTY PAWS FRANCHISE, LLC**  
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Divine  
Blalock  
Martin  
Sellari  
LLC  
Est. in 1932

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<sup>1</sup>REGULATED BY THE STATE OF FL  
<sup>2</sup>REGULATED BY THE STATE OF FL  
AND THE STATE OF NY  
<sup>3</sup>REGULATED BY THE STATE OF FL  
AND THE STATE OF NJ  
<sup>4</sup>REGULATED BY THE STATE OF NY  
<sup>5</sup>REGULATED BY THE STATE OF NJ

## INDEPENDENT AUDITORS' REPORT

To the Member of  
Salty Paws Franchise, LLC  
355 W Market St  
West Chester, PA, 19382

### Opinion

We have audited the accompanying financial statements of Salty Paws Franchise, LLC (a Delaware limited liability company), which comprise the balance sheet as of May 31, 2025, and the related statements of income, changes in members' equity, and cash flows for the period from inception (February 1, 2024) to May 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Salty Paws Franchise, LLC as of May 31, 2025, and the results of its operations and its cash flows from inception (February 1, 2024) to May 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Salty Paws Franchise, LLC 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Salty Paws Franchise, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

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

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

*Divine, Blalock, Martin & Sellari, LLC*

West Palm Beach, FL  
June 18, 2025

**SALTY PAWS FRANCHISE, LLC  
BALANCE SHEET  
AS OF MAY 31, 2025**

---

*Assets*

<b>Current Assets</b>	
Cash and cash equivalents	<u>\$ 100,000</u>
<b>Total Current Assets</b>	<u>100,000</u>
<b>Total Assets</b>	<u><u>\$ 100,000</u></u>

*Liabilities and Members' Equity*

<b>Current Liabilities</b>	
Accounts payable	<u>\$ -</u>
<b>Total Current Liabilities</b>	<u>-</u>
<b>Members' Equity</b>	
Members' equity	<u>100,000</u>
<b>Total Members' Equity</b>	<u>100,000</u>
<b>Total Liabilities and Members' Equity</b>	<u><u>\$ 100,000</u></u>

*The accompanying notes are an integral part of these financial statements.*

**SALTY PAWS FRANCHISE, LLC**  
**STATEMENT OF INCOME**  
**FOR THE PERIOD ENDED MAY 31, 2025**

---

<b>Revenue</b>	
Initial franchise fees	\$ -
Royalty fee	-
	<hr/>
<b>Total Revenue</b>	<hr/> -
<b>Operating Expenses</b>	
Advertising	-
Computer & software	-
Contract labor	-
Filing fees	-
Membership & subscriptions	-
Professional fees	-
Telephone services	-
	<hr/>
<b>Total Operating Expenses</b>	<hr/> -
<b>Net Income</b>	<hr/> <hr/> \$ -

*The accompanying notes are an integral part of these financial statements.*

**SALTY PAWS FRANCHISE, LLC  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
FOR THE PERIOD ENDED MAY 31, 2025**

---

Members' Equity @ February 1, 2024	\$ -
Member Contributions/Draw, net	100,000
Net Income	<u>-</u>
Members' Equity @ May 31, 2025	<u><u>\$ 100,000</u></u>

*The accompanying notes are an integral part of these financial statements.*

**SALTY PAWS FRANCHISE, LLC  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED MAY 31, 2025**

---

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income	\$ -
<i>Adjustments to reconcile Net income to net cash used by operating activities:</i>	
<i>(Increase) Decrease in Operating Assets</i>	
Accounts receivable	-
<i>Increase (Decrease) in Operating Liabilities</i>	
Accounts payable	-
	<hr/>
Total Adjustments	-
	<hr/>
Net Cash Used in Operating Activities	-
	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Member contribution/draw, net	<u>100,000</u>
	<hr/>
Net Cash Provided by Financing Activities	<u>100,000</u>
	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>100,000</b>
	<hr/>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>-</b>
	<hr/>
<b>CASH AND CASH EQUIVALENTS, ENDING OF PERIOD</b>	<b><u><u>\$ 100,000</u></u></b>

*The accompanying notes are an integral part of these financial statements.*

**SALTY PAWS FRANCHISE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MAY 31, 2025**

---

**NOTE 1 – BUSINESS ACTIVITY**

Salty Paws Franchise, LLC was formed in the state of Delaware on April 3, 2025; the Company is in the business of offering franchises for the operation of a dog ice cream shop, offering a variety of dog-friendly ice cream flavors, toppings, frozen treats, and snacks, along with select retail items. Unless otherwise indicated, the terms “we,” “us,” “our,” and “Company” refer to Salty Paws Franchise, LLC. The Company is in its initial start-up phase and is currently in the process of acquiring franchisees to operate in various states.

**Affiliates**

*Salty Paws RB, LLC*, is a Delaware limited liability company that operates a company-owned Salty Paws® shop in Rehoboth Beach, Delaware. It began operations in May 2018.

*Salty Paws Distribution, LLC*, is a Delaware limited liability company is a manufacturer and distributor of branded pet products, including powder ice cream mixes, dehydrated treats, and dog-friendly baked goods. Franchisees are required to purchase certain items from Salty Paws Distribution, LLC.

Neither affiliate has offered franchises in any line of business.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Company’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

**Concentrations of Credit Risk**

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are non-interest-bearing obligations due under normal trade terms carried out at the amount management expects to collect. Account balances are delinquent if payments have not been received by the Company for 90 days. Included in accounts receivable are initial franchise fees, monthly royalties and related fees due from franchisees. At May 31, 2025, the amount due was \$0.

Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks. For the period ended May 31, 2025, no allowance for credit losses was recorded.

**SALTY PAWS FRANCHISE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MAY 31, 2025**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)**

***Property and Equipment***

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years. At May 31, 2025, the Company did not own any fixed assets.

***Long-Lived Assets***

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets for the period ended December 31, 2024, no impairment of the carrying values of its long-lived assets existed at December 31, 2024. There can be no assurance, however, that demands for the Company's products or market conditions will not change which could result in impairment losses in the future.

***Advertising***

Advertising costs are expensed as incurred. Advertising expense amounted to \$0 for the period ended May 31, 2025.

***Income Taxes***

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements. As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended May 31, 2025.

The Company follows the generally accepted accounting guidance for uncertainty in income taxes, which prescribes when to recognize and how to measure the financial statement effects, if any, of income tax positions taken or expected to be taken on its income tax returns, including the position that the Company continues to be qualify to be treated as an S Corporation for federal income tax purposes. The guidance requires management to evaluate the likelihood that, upon examination by relevant taxing authorities, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% likely that a material amount of income tax would be imposed at the Company level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from the assessment. Should any such penalties and interest be incurred, the Company's policy would be to recognize them as operating expenses.

Based on management's evaluation at May 31, 2025, the Company had no such liabilities resulting from uncertain tax positions.

**SALTY PAWS FRANCHISE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MAY 31, 2025**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)**

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company’s management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

**Revenue Recognition**

The Company’s revenue recognition policies are in compliance with accounting standards ASC Topic 606, Revenue from Contracts with Customers. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient. This new practical expedient will allow franchisors that are not public business-entities to account for pre-opening services provided to a franchise as a single performance obligation in the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalty and system advertising fees on a monthly basis, as well as local advertising fees on a quarterly basis, which are generally based upon a percentage of sales made by the Company’s franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- Site selection criteria and guidelines.
- A list of our required items and approved suppliers.
- Initial training program and up to five days of either pre-opening or grand opening assistance.
- Operational website
- Access to operations manual.

**SALTY PAWS FRANCHISE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MAY 31, 2025**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)**

**Fair Value of Financial Assets and Liabilities**

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

**Recently Issued and Adopted Accounting Pronouncements**

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company adopted the standard effective February 1, 2024. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of May 31, 2025.

**SALTY PAWS FRANCHISE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MAY 31, 2025**

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**NOTE 3 – DEFERRED REVENUE**

Deferred revenue represents an allocated amount of the initial franchise fee for the license portion, which is amortized over the term of the agreement, and the unearned portion of the initial franchise fee for the contractual obligations of the Company that have not yet been performed. At May 31, 2025, the Company recognized \$0.

**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

**NOTE 5 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through June 18, 2025, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

**EXHIBIT C TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF CURRENT AND FORMER FRANCHISEES**

## **List of Franchised Business**

### **Florida**

Steven Jacob and Leigh Jacob  
10473 S. Highway 441/27  
Bellevue, Florida 34420  
Tel: 352-454-8526

### **New Jersey**

Kim Johnson and Robert Johnson  
276 96th Street  
Stone Harbor, New Jersey 08247  
Tel: 856-237-9018

### **Pennsylvania**

Karla Shanesy  
211 S. 17th Street  
Philadelphia, Pennsylvania 19103  
Tel: 304-780-9037

Jessica Kury  
4125 Butler Street  
Pittsburgh, Pennsylvania 15201  
Tel: 586-243-0976

### **Virginia**

Dustin Jones and Cami Best-Jones  
2104 Pleasure House Road, Suite F  
Virginia Beach, Virginia 23455  
Tel: 703-307-1132

Juliet Seymour  
2436 Old Brick Road  
Glen Allen, Virginia 23060  
Tel: 973-229-6479

### **Wisconsin**

Linda Smith  
121 N. Jefferson Street  
Milwaukee, Wisconsin 53202  
Tel: 414-810-0015

## **List of Corporate or Affiliate-Owned Business**

Suzanne Tretowicz  
43 Rehoboth Avenue  
Rehoboth Beach, Delaware 19971  
Tel: 484-667-7122

Suzanne Tretowicz  
27 W. Gay Street  
West Chester, Pennsylvania 19380  
Tel: 484-667-7122

## **Former Franchisees**

None.

**EXHIBIT D TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**



**OPERATIONS MANUAL**

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**Total Pages in Operations Manual: 281**

**EXHIBIT E TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

**State Administrators**

**California**

Commissioner of Financial  
Protection and Innovation  
2101 Arena Boulevard  
Sacramento, California 95834  
(916) 445-7205  
(Toll Free) (866) 275-2677  
Ask.DFIP@dfpi.ca.gov  
www.dfpi.ca.gov

**Hawaii**

Commissioner of Securities  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

**Illinois**

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

**Indiana**

Indiana Chief Deputy Commissioner  
Secretary of State  
Franchise Section – Securities Division  
301 W. Washington Street, Room E-111  
Indianapolis, Indiana 46204  
(317) 232-6681

**Maryland**

Office of the Attorney General  
Securities Division  
2000 Saint Paul Place  
Baltimore, Maryland 21202  
(410) 576-7044

**State Agents for Service of Process**

**California**

Department of Financial  
Protection and Innovation  
2101 Arena Boulevard  
Sacramento, California 95834  
Ask.DFIP@dfpi.ca.gov  
www.dfpi.ca.gov

**Hawaii**

Commissioner of Securities  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

**Illinois**

Illinois Franchise Development  
Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706

**Indiana**

Indiana Chief Deputy Commissioner  
Secretary of State  
Franchise Section – Securities Division  
301 W. Washington Street, Room E-111  
Indianapolis, Indiana 46204

**Maryland**

Office of the Attorney General  
Securities Division  
2000 Saint Paul Place  
Baltimore, Maryland 21202

**Michigan**

Michigan Franchise Administrator  
Consumer Protection Division  
Attention: Franchise Examiner  
670 Law Building  
Lansing, Michigan 48913  
(517) 373-7117

**Minnesota**

Minnesota Franchising Examiner  
Minnesota Department of Corporations  
133 East Seventh Street  
St. Paul, Minnesota 55101  
(612)295-6328

**New York**

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

**North Dakota**

North Dakota Securities Department  
600 East Boulevard State Capitol  
Fifth Floor, Dep't 414  
Bismarck, North Dakota 58505  
(701) 328-4712

**Rhode Island**

Rhode Island Securities Examiner  
Division of Securities  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9500

**South Dakota**

South Dakota Franchise Administrator  
Division of Securities  
Department of Labor & Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605)773-4013

**Michigan**

Not Applicable

**Minnesota**

Minnesota Franchising Examiner  
Minnesota Department of Corporations  
133 East Seventh Street  
St. Paul, Minnesota 55101

**New York**

Secretary of State  
99 Washington Avenue  
Albany, New York 12231

**North Dakota**

North Dakota Securities Department  
600 East Boulevard State Capitol  
Fifth Floor, Dep't 414  
Bismarck, North Dakota 58505

**Rhode Island**

Rhode Island  
Department of Business Regulation  
Division of Securities  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920

**South Dakota**

Director, Division of Securities  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501

**Virginia**

Virginia Chief Examiner  
State Corporation Commissioner  
Division of Securities and Retail Franchising  
1220 Bank Street  
Richmond, Virginia 23219  
(804)786-7751

**Washington**

Washington Securities Administrator  
Securities Division  
P.O. Box 9033  
Olympia, Washington 98507  
(360)902-8760

**Wisconsin**

Wisconsin Commissioner of Securities  
Registration Division  
P.O. Box 1768  
Madison, Wisconsin 53101  
(608)266-8559

**Virginia**

Clerk of the State Corporation Commissioner  
P.O. Box 1197  
Richmond, Virginia 23219

**Washington**

Director of Licensing  
Securities Division  
150 Israel Road  
Turnwater, Washington 95801

**Wisconsin**

Wisconsin Commissioner of Securities  
Office of the Commissioner of Securities  
101 East Wilson Street  
Madison, Wisconsin 53702

**EXHIBIT F TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**

## FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Salty Paws Franchise LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of Salty Paws Business (as defined in this Franchise Disclosure Document). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your Initial Franchise Fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

1.    Yes \_\_\_      No \_\_\_      Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?
  
2.    Yes \_\_\_      No \_\_\_      Have you received and personally reviewed the Franchise Disclosure Document we provided?
  
3.    Yes \_\_\_      No \_\_\_      Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
  
4.    Yes \_\_\_      No \_\_\_      Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
  
5.    Yes \_\_\_      No \_\_\_      Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor or have you had the opportunity for such review and chosen not to engage such professionals?
  
6.    Yes \_\_\_      No \_\_\_      Have you discussed the benefits and risks of developing and operating a Salty Paws Business with an existing Salty Paws franchisee?
  
7.    Yes \_\_\_      No \_\_\_      Do you understand the risks of developing and operating a Salty Paws Business?
  
8.    Yes \_\_\_      No \_\_\_      Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?

9. Yes \_\_\_ No \_\_\_ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated, mediated, and/or arbitrated in Pennsylvania, if not resolved informally or by mediation?
10. Yes \_\_\_ No \_\_\_ Do you understand that you must satisfactorily complete the initial training course before we will allow your outlet to open or consent to a transfer?
11. Yes \_\_\_ No \_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Salty Paws Business, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes \_\_\_ No \_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes \_\_\_ No \_\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Salty Paws Business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes \_\_\_ No \_\_\_ Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Salty Paws Business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?
15. Yes \_\_\_ No \_\_\_ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

**YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE**

REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

EXPLANATION OF ANY NEGATIVE RESPONSE  
(REFER TO QUESTION NUMBER)

Questionnaire Number	Explanation of Negative Response

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT G TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**STATE ADDENDA AND AGREEMENT RIDERS**

**ADDENDUM TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF ILLINOIS**

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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.

**ADDENDUM TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND**

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

2. Item 17.u. is modified to also provide, “This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

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.

**ADDENDUM TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF NEW YORK**

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 RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is to be added at the end of Item 3:  
Except as provided above, the following applies 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 that is 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 ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934,

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

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a 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; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

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

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and 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.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**AMENDMENT TO THE FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and the regulations promulgated thereunder (N.Y. Comp. Code R. § Regs. tit 13, §§ 200.1 through 201.16), the parties to the attached Salty Paws Franchise LLC Franchise Agreement (the “Agreement”) agree as follows:

1. Under Section 4.6.2 of the Agreement, under the heading “Renewal,” the subsection 4.6.2(e) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

4.6.2(e) You shall execute a general release, in a form satisfactory to Us, with respect to any and all claims, known or unknown, that You might have against Us or our subsidiaries, or affiliates, or their respective officers, directors, agents, or employees, provided, however, that all rights enjoyed by You and any causes of action arising in Your favor from the provisions of New York General Business Law Sections 680-695, and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of New York General Business Law Sections 687.4 and 687.5 be satisfied.

2. Under Section 9.3 of the Agreement, under the heading “Conditions of Transfer,” the subsection 9.3(c) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(c) That the transferor shall have executed a general release, in a form prescribed by Salty Paws, of any and all claims against Salty Paws and its affiliates, and their respective officers, directors, agents, shareholders, and employees, provided, however, that all rights enjoyed by Franchisee/transferor, and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695, and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of New York General Business Law Sections 687.4 and 687.5 be satisfied.

5. There are circumstances in which an offering be made by Salty Paws Franchise LLC, would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed in New York if Franchisee is domiciled in New York or the Salty Paws Business will be opening in New York. Salty Paws Franchise LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed this New York Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

SALTY PAWS FRANCHISE LLC  
doing business as Salty Paws

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Delivery Addresses for Notices:

Salty Paws Franchise LLC  
43 Rehoboth Avenue  
Rehoboth Beach, Delaware 19971

Evan M. Goldman, Esquire  
The Franchise Firm LLP  
225 Wilmington West Chester Pike, Suite 200  
Chadds Ford, Pennsylvania 19317

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Delivery Address for Notices:

**ADDENDUM TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

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

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

**EXHIBIT H TO SALTY PAWS FRANCHISE LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

**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:

<b><u>State</u></b>	<b><u>Effective Date</u></b>
California	N/A
Hawaii	N/A
Illinois	Pending
Indiana	N/A
Maryland	Pending
Michigan	N/A
Minnesota	N/A
New York	Pending
North Dakota	N/A
Rhode Island	N/A
South Dakota	N/A
Virginia	Pending
Washington	N/A
Wisconsin	N/A

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

**EXHIBIT I TO SALTY PAWS FRANCHISE LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**RECEIPT**

**RECEIPT  
(RETURN ONE COPY TO US)**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Salty Paws Franchise 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 payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Salty Paws Franchise 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, DC 20580 and the appropriate state agency listed on Exhibit F.

The franchisor is Salty Paws Franchise LLC, located at 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971. Its telephone number is (800) 388-8892.

Issuance Date: June 18, 2025

The name, principal address and telephone number of the franchise seller for this offering is Suzanne Tretowicz, 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971, (800) 388-8892.

Salty Paws Franchise LLC authorizes the agents listed in Exhibit F to accept service of process for it.

I have received a disclosure document, dated June 18, 2025, that included the following Exhibits:

- A Salty Paws Franchise Agreement (with exhibits)
- B Financial Statements
- C List of Current and Former Franchisees
- D Confidential Operations Manual Table of Contents
- E List of State Administrators/Agents for Service of Process
- F Franchise Disclosure Questionnaire
- G State Addenda and Agreement Riders
- H Receipt

Date: \_\_\_\_\_  
(Do Not Leave Blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

You may return the signed receipt either by signing, dating and mailing it to Salty Paws Franchise LLC, located at 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971, or by emailing a copy of the signed and dated receipt to Salty Paws Franchise LLC at [info@saltypawsiccream.com](mailto:info@saltypawsiccream.com).

**RECEIPT  
(KEEP ONE COPY FOR YOURSELF)**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Salty Paws Franchise 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 payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Salty Paws Franchise 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, DC 20580 and the appropriate state agency listed on Exhibit F.

The franchisor is Salty Paws Franchise LLC, located at 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971. Its telephone number is (800) 388-8892.

Issuance Date June 18, 2025

The name, principal address and telephone number of the franchise seller for this offering is Suzanne Tretowicz, 43 Rehoboth Avenue, Rehoboth Beach, Delaware 19971, (800) 388-8892.

Salty Paws Franchise LLC authorizes the agents listed in Exhibit F to accept service of process for it.

I have received a disclosure document, dated June 18, 2025, that included the following Exhibits:

- A Salty Paws Franchise Agreement (with exhibits)
- B Financial Statements
- C List of Current and Former Franchisees
- D Confidential Operations Manual Table of Contents
- E List of State Administrators/Agents for Service of Process
- F Franchise Disclosure Questionnaire
- G State Addenda and Agreement Riders
- H Receipt

Date: \_\_\_\_\_  
(Do Not Leave Blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name