

FRANCHISE DISCLOSURE DOCUMENT



PetSmart Veterinary Services, LLC
A Delaware limited liability company
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Phoenix, AZ 85027
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We offer franchises for veterinary practices under the name PETS^MART VETERINARY SERVICES. The franchised veterinary practices are located in PETS^MART[®] retail stores and offer full-service veterinary care and related products and services to the public, including urgent care, preventive care, general pet health management, and treatment for pets of PETS^MART[®] customers.

The total investment necessary to begin operation of a PETS^MART VETERINARY SERVICES franchise is \$206,150 to \$316,000. This includes \$10,000 that must be paid to the franchisor.

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 us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure Document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our President – PetSmart Veterinary Services at 19601 N. 27th Ave., Phoenix, AZ, tel. 623-587-2030 or vetownership@petsmart.com.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

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

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: **May 19, 2025**

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or <u>Exhibit E</u> .
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 <u>Exhibit G</u> 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 PETS^{SMART} VETERINARY SERVICES business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a PETS^{SMART} VETERINARY SERVICES franchisee?	Item 20, <u>Exhibit E</u> and <u>Exhibit F</u> list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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 C](#).

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with us by litigation only in the judicial district in which we have our principal place of business at the time the action is commenced, which is currently Maricopa County, Arizona. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with us in Arizona than in your own state.
2. **Short Operating History.** This franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.
4. **Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.
5. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
6. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" pages for your state in Exhibit D.

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EXHIBITS

- A. Franchise and Premises License Agreement
- B. Table of Contents of Brand Standards Manual
- C. State Franchise Administrators and Agents for Service of Process
- D. Additional State-Required Information and State-Required Contract Addenda
- E. Franchisees as of February 2, 2025
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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “**Franchisor**”, “**PVS**”, “**we**” or “**us**” means PetSmart Veterinary Services, LLC, the franchisor; “**You**” or “**Franchisee**” means the individual or business entity that signs a franchise agreement with us; “**Owner**” means the person(s) identified in the franchise agreement as owners of the Franchisee and all other persons whom we may subsequently approve to acquire an interest in the franchise; “**Operating Partner**” means a natural person designated by Franchisee (or an entity controlled by that person) that: (a) owns at least 10% of the equity interest in Franchisee (equity interest may include equity-like equivalents such as RSUs, phantom-equity, etc.), or (b) has at least 20% individual production, revenue, or profits interest; or (c) is otherwise approved by PVS in its sole and absolute discretion; “**Hospital**” means the specific PETS^{SMART} VETERINARY SERVICES hospital you operate under the franchise agreement with us, if you become our franchisee; and “**PVS Hospitals**” means, collectively, all veterinary hospitals operating under the PETS^{SMART} VETERINARY SERVICES name.

PVS is a Delaware limited liability company formed on March 25, 2022. We do business only under the “PetSmart Veterinary Services” name and our legal name. Our principal place of business is at 19601 N. 27th Avenue, Phoenix, AZ 85027. Exhibit C to this disclosure document lists our agents for service of process, to the extent we have appointed them.

Our sole business activity is franchising PETS^{SMART} VETERINARY SERVICES hospitals. We do not operate any PVS Hospitals. We began offering franchises on May 27, 2022. Our affiliate, PetSmart Puerto Rico, LLC (“**PPRL**”), is the franchisor of PETS^{SMART} VETERINARY SERVICES franchises in Puerto Rico. Neither we nor our affiliates have ever offered franchises in any other line of business.

Our parent company is PetSmart LLC (f/k/a PetSmart, Inc.), a Delaware limited liability company with its principal place of business at 19601 N. 27th Avenue, Phoenix, AZ 85027. PetSmart LLC is the leading specialty provider of products, services and solutions for the lifetime needs of pets, operating 1,683 retail stores throughout the United States, Canada and Puerto Rico as of our fiscal year end on February 2, 2025. PetSmart LLC does not operate veterinary hospitals or offer veterinary medical services; however, PetSmart LLC does license space in its stores for full-service veterinary hospitals, owned and operated by third parties. As of our fiscal year end on February 2, 2025, 38 of those veterinary hospitals were franchised PVS Hospitals operated by our PVS franchisees; 3 were PVS Hospitals operated by franchisees of PPRL; approximately 720 ^[MK1] were BANFIELD hospitals operated or franchised by Medical Management International d/b/a Banfield, The Pet Hospital (“**MMI**”); and the remaining 18 were independent veterinary operators (“**I**VOs”) operating in PETS^{SMART}® stores under various practice names.

We launched the PETS^{SMART} VETERINARY SERVICES franchise program to ensure in-store access to veterinary services for customers of PETS^{SMART}® stores not already served by a BANFIELD hospital or an IVO. Each PETS^{SMART} VETERINARY SERVICES franchisee is an IVO, but unlike other IVOs operating in PETS^{SMART}® stores, PVS Hospitals operate under a common trade name, standards, and operating procedures.

Our affiliate, PetSmart Home Office, Inc., owns the PETS^{SMART} VETERINARY SERVICES marks and certain other trademarks, service marks, logos and commercial symbols and has licensed us to use them and to sublicense PETS^{SMART} VETERINARY SERVICES franchisees to use them. We do not have a predecessor as franchisor of the PETS^{SMART} VETERINARY SERVICES

business. None of our affiliates operate company-owned units similar to the franchises we offer. We do not currently have any affiliates that sell products or services to our franchisees. However, we have the right to require that you purchase from affiliates in the future.

The PetSmart Veterinary Services Franchise

Franchisees of PVS are independent owners of veterinary practices who establish hospitals to provide full-service veterinary care (including urgent care) and related products and services within PETSMART® retail stores. Franchisees operate according to the system of operation we have developed (the “**PVS System**”). The distinctive elements of the PVS System include, but are not limited to, our design and appearance criteria for the hospital facilities; the Equipment package that we provide (described below in this Item); our specifications for equipment, products and services to be provided to franchisees by third parties; our quality assurance program; our marketing and brand development programs; our mandatory and recommended standards and procedures for business operations and coordination with the host PETSMART® Store; our training programs; and other policies and practices that reflect PVS’s business judgment and accumulated trial and error experience.

You are not eligible for a franchise if you are a person or entity, or a subsidiary or affiliate of a person or entity, that owns or operates veterinary hospitals or other veterinary facilities at more than 50 locations within the United States and Puerto Rico (excluding vaccination clinics and other temporary facilities, such as mobile clinics) (the “**Size Restriction**”).

If you apply for a franchise and we approve you, you will sign a Franchise and Premises License Agreement (“**Franchise Agreement**”) with us. Our current form of Franchise Agreement appears in Exhibit A to this disclosure document. The Franchise Agreement authorizes you to operate one PETSMART VETERINARY SERVICES hospital occupying a designated space within a specific PETSMART® retail store.

PVS will construct the Hospital at PVS’s expense, including interior and exterior signage, in the manner described in our Brand Standards Manual. You will accept the Hospital in its “AS-IS” condition when we deliver occupancy to you. Responsibility for maintenance and repairs will be allocated between PVS and you in accordance with the Brand Standards Manual. PVS will also arrange for or provide certain veterinary medical equipment and/or fixtures, technology systems, cages or kennels, and other equipment and furnishings for the Hospital (the “**Equipment**”), which will be licensed to you but remain our property. As part of your premises license, PVS will make available to the Hospital water, electricity, sewer, and trash service (other than for hazardous materials and medical wastes, for which you will be responsible).

The Franchisee must be qualified as a veterinary business and provide Veterinary Services either personally or through employees or independent contractors of the Franchisee who are licensed and qualified to practice veterinary medicine in the state where the Hospital is located. “**Veterinary Services**” means those services that may only be administered or provided by, or under the supervision, direction or control of, a currently licensed veterinarian or, if required by applicable laws, a currently licensed or registered veterinary technician, in either case in good standing in the jurisdiction in which such services are provided. You must maintain accreditation of the Hospital by one or more veterinary accreditation associations as required by PVS, at your own expense. You must apply for and obtain accreditation within 36 months after the Commencement Date (defined in Item 5) as a PETSMART VETERINARY SERVICES hospital. If you are unable to obtain accreditation due to limitations outside of your control, PVS will work with you to determine appropriate exceptions to the accreditation standards. All veterinarians providing

Veterinary Services in or through the Hospital (“**Hospital Veterinarians**”) must hold a valid veterinary license and accreditation to practice in the applicable state or otherwise be qualified under the laws of the applicable state. Similarly, if required by the laws of the applicable state, all veterinary technicians and/or support personnel also must hold appropriate licenses and accreditations. You must provide PVS, promptly upon request, evidence of all required veterinary licenses and accreditations.

We have described our mandatory and recommended standards and operating procedures in our Brand Standards Manual, or in other writings designated by us as part of the standards for the PVS System (collectively with the Brand Standards Manual, the “**System Standards**”). If you become our franchisee, we will provide you with electronic access to the Brand Standards Manual. We have the right to change the System Standards and the Brand Standards Manual at any time.

Notwithstanding the foregoing, you will be solely and exclusively in control of all aspects of the practice of veterinary medicine and the delivery of veterinary care and related services at the Hospital. You will retain full authority to direct the veterinary, professional, and ethical aspects of the Hospital. If you and/or the Hospital Veterinarians determine, in your or their professional judgment, that the conditions and restrictions of the Franchise Agreement or the System Standards conflict with applicable statutory, regulatory, or professional ethical obligations in a particular way or situation, then you may deviate from the Franchise Agreement and System Standards to the extent you deem necessary to satisfy the applicable statutory, regulatory, or ethical obligations. We refer to these situations as “**Professional Conflicts**.” You must promptly notify us of any Professional Conflicts so that we can assess them and communicate with you (and, if applicable, other franchisees) about them. Except in cases of a Professional Conflict, you must follow the Franchise Agreement and System Standards, which may exceed the minimum standard of care in your geographic region.

Industry-Specific Laws

The veterinary industry is highly regulated in all states. States have formal licensing procedures for veterinarians, veterinary technicians, and other support personnel. In addition, certain states have restrictions on who may own a veterinary hospital. You are responsible for knowing and following the veterinary practice laws and regulations in your area. If you are not a licensed veterinarian, you should thoroughly review all applicable laws to determine if it will be necessary for you to enter into an agreement with a qualified third party in order to operate a veterinary practice. You are solely responsible for obtaining all licenses and permits required for your business and personnel. The laws generally give the regulatory agencies broad discretion, and violations could result in the imposition of fines and penalties and the issuance of orders prohibiting your operation of the Hospital.

You must also comply with general business laws and regulations applicable to the operation of your Hospital. These include laws such as the Americans with Disabilities Act and employment laws. Local, state or federal laws could affect your business, financial condition and results of operations. You are solely responsible for compliance, at your own expense, with all local, state and federal laws that apply to your business operations, despite any information or advice that we may offer.

You should consult with your attorney concerning these and other laws and ordinances that may affect your operations.

Market and Competition

The market for veterinary services is well-established and very competitive. The business operates year-round and is not seasonal. The target audience is pet owners, primarily of dogs and cats. You will compete with both local, independent veterinary practices and units of regional and national chains, possibly including other PETS^{SMART} VETERINARY SERVICES franchisees, Banfield Hospitals, IVOs, and mobile vaccination and microchipping clinics operating within other PETS^{SMART}® stores.

Although we carefully evaluate persons who wish to become our franchisee, no screening process that we implement can conclusively determine whether you will succeed as a PETS^{SMART} VETERINARY SERVICES operator. Similarly, completion of our training program does not provide assurance of success. You must rely on your own assessment of your suitability (in terms of energy, business skill, desire, temperament, people skills, and financial capability, among other things) and your own advisors in deciding whether to become a PETS^{SMART} VETERINARY SERVICES franchisee.

ITEM 2

BUSINESS EXPERIENCE

Rob Pace, *President*

Mr. Pace has been President of PVS since January 2025. He is also Senior Vice President of PetSmart LLC. From April 2019 to January 2025, Mr. Pace was the Chief Operating Officer of Physical Rehabilitation Network (PRN) headquartered in Frisco, Texas.

Alan M. Schnaid, *Executive Vice President and Chief Financial Officer*

Mr. Schnaid has been our Executive Vice President and Chief Financial Officer since April 2024. From April 2022 to April 2024, he was our President and CEO. Since April 2017, Mr. Schnaid has been the Executive Vice President and Chief Financial Officer of PetSmart LLC.

David Redfield, *Executive Vice President and Chief Operating Officer*

Mr. Redfield has been our Executive Vice President and Chief Operating Officer since April 2022. Mr. Redfield is also the Executive Vice President and Chief Operating Officer of PetSmart LLC. Mr. Redfield was appointed to this position in February 2022. From August 2011 until February 2022, Mr. Redfield served as the Business Unit President of Wal-Mart's South region in Bentonville, Arkansas.

Lacey J. Bundy, *Executive Vice President, Chief Legal Officer and Secretary*

Ms. Bundy has been our Executive Vice President, Chief Legal Officer and Secretary since April 2022. Ms. Bundy was appointed Senior Vice President, General Counsel and Secretary of PetSmart LLC in August 2018 and appointed Executive Vice President, Chief Legal Officer, and Secretary of PetSmart LLC in February 2023.

Jeff Keiser, Vice President and Treasurer

Mr. Keiser has been our Vice President and Treasurer since April 2024. He has been Vice President, Corporate Controller of PetSmart Home Office LLC since January 2015.

Michael J. Kuehn, Vice President, Vet Health Services

Mr. Kuehn has been our Vice President, Vet Health Services since April 2024. From January 2016 to April 2024, he was Senior Counsel in the Legal Department of PetSmart LLC.

ITEM 3

LITIGATION

PetSmart LLC v. Medical Management International, Inc. d/b/a Banfield, The Pet Hospital

In 2007, our parent, PetSmart LLC (PetSmart) and Medical Management International, Inc. d/b/a Banfield, The Pet Hospital (Banfield), entered into a Master Operations Agreement (as amended from time to time, the “MOA”), pursuant to which PetSmart agreed to provide space within its retail stores to Banfield for the operation of veterinary clinics. In December 2021, PetSmart notified Banfield that Banfield was in default of its obligations under the MOA, and on February 1, 2022, PetSmart notified Banfield that the MOA expired due to Banfield’s continued material default under the MOA. On May 27, 2022, PetSmart and Banfield each initiated an arbitration proceeding against the other party asserting various claims, including breach of contract under the MOA. On July 17, 2024, the parties agreed to a non-monetary global resolution of the dispute, with Banfield agreeing to refrain from certain activity that PetSmart contended was in breach of the MOA and the MOA remaining in full force and effect.

Vanzant, et al. v. Hill’s Pet Nutrition, Inc., et al. – Case No. 17 cv 2535

In March 2017, certain consumers filed a putative class action lawsuit on behalf of Illinois purchasers of therapeutic pet food, alleging violations of the Illinois Consumer Fraud and Deceptive Business Practices Act and unjust enrichment in connection with the sale of therapeutic pet food. In addition to Hill’s Pet Nutrition, Inc. and others, the suit named our parent and predecessor, PetSmart, Inc. n/k/a PetSmart LLC, as a defendant. On September 29, 2023, the court denied class certification as to PetSmart. On March 21, 2024, PetSmart filed a motion for summary judgment on the plaintiff’s individual claims.

In the Matter of Alan M. Schnaid, File No. 3-16071

On September 10, 2014, Alan Schnaid, who was then an executive with Starwood Hotels & Resorts Worldwide, Inc. (Starwood), together with Starwood, entered into separate Cease and Desist Orders with the Securities and Exchange Commission to resolve allegations relating to a failure to timely file Section 16 reports of holdings and transactions in Starwood’s securities. *In the Matter of Starwood Hotel & Resorts Worldwide, Inc.*, File No. 3-16070 and *In the Matter of Alan M. Schnaid*, File No. 3-16071. As separately disclosed by Starwood in its definitive Proxy Statement filed on April 18, 2013, the failure to file resulted from Starwood’s failure to timely advise Mr. Schnaid that he was subject to the reporting requirements of Section 16. Without admitting or denying the Commission’s findings: (a) Mr. Schnaid agreed to cease and desist from any violations of Section 16(a) of the Exchange Act and Rule 16a-3 promulgated thereunder and

agreed to pay a civil penalty of \$25,000; and (b) Starwood agreed to cease and desist from any violations and any future violations of Section 13(a) of the Exchange Act and Rule 13a-1 promulgated thereunder and agreed to pay a civil penalty of \$75,000.

Other than these actions, 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

The initial franchise fee ("**Start-Up Fee**") for a PETSMART VETERINARY SERVICES franchise is \$10,000 and must be paid in full upon execution of the Franchise Agreement. The Start-Up Fee is non-refundable. We may elect to waive part or all of the fee. Our decision to waive all or part of the initial fee is based on our discussions with each franchise candidate. Because we sometimes waive all or part of the fee, the initial franchise fees paid are not uniform. In our last fiscal year, initial fees ranged from \$0 to \$5,000 (the maximum fee was \$5,000 in the last fiscal year).

There are no required pre-opening purchases or leases from us or our affiliates. As described in Item 1, we construct the Hospital for you at our own expense, including interior and exterior signage, and we also provide certain of the veterinary medical equipment and/or fixtures, technology systems, cages or kennels, and other equipment and furnishings you will need for the Hospital (the "**Equipment**"). The Equipment will be licensed to you but remains our property. This is not all of the equipment and supplies you will need (see Item 7).

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ITEM 6

OTHER FEES

Type of Fee ⁽¹⁾	Amount	Date Due	Remarks
Premises License Fee	\$10.00 per sq. ft. of Hospital GFA per year	1/12 th Due Monthly	See Note 2 for the definition of “ Hospital GFA ” and other details. You do not begin paying the Premises License Fee until the Ramp-Up Period ends. The “ Ramp-Up Period ” is the first 365 days after the Commencement Date. The “ Commencement Date ” is the <u>earlier</u> of (a) the date the Hospital opens for business, or (b) 60 days after we deliver possession of the Hospital to you. If we do not deliver the Hospital within 180 days after signing the Franchise Agreement (the “ Outside Delivery Date ”), you can terminate the Franchise Agreement on 30 days’ notice, but your notice will be null and void if we then deliver the Hospital within the 30-day period.
Franchise Royalty	<p>2% of the first \$750,000 of Hospital Revenue during the Fiscal Year; then</p> <p>2.5% of Hospital Revenue above \$750,000 and up to \$1 Million during the Fiscal Year; then</p> <p>3% of Hospital Revenue above \$1 Million and up to \$1.25 Million during the Fiscal Year; then</p> <p>3.5% of Hospital Revenue in excess of \$1.25 Million in the Fiscal Year.</p> <p>The royalty rate reverts to 2% at the start of the next Fiscal Year.</p>	Monthly	The Franchise Royalty begins after the Ramp-Up Period. “ Hospital Revenue ” means all revenues generated from services and products sold by or through the Hospital and all other income of every kind related to the Hospital, net of any discounts or refunds to customers. “ Fiscal Year ” means the 52- or 53-week period ending on the Sunday closest to January 31st, and “ Fiscal Month ” means each 4-week or 5-week accounting period in PVS’s retail calendar. PVS will provide its fiscal calendar to you before the start of each Fiscal Year. We can estimate your Hospital Revenue if you fail to report it (see Note 3).

Type of Fee ⁽¹⁾	Amount	Date Due	Remarks
Brand Fund Contribution	Up to 2.5% of Hospital Revenue (currently 1.5%)	Same as Royalty Fee	Beginning on the Commencement Date, you must contribute to a Brand Fund we have established to support general development and recognition of the PETSMART VETERINARY SERVICES brand. We can designate any amount up to 2.5% of Hospital Revenue.
Local Marketing Expense	0.5% of Hospital Revenue	Annually	Not payable to us. For Local Marketing, you will pay vendors, media outlets, etc. directly.
Technology Fee	Currently \$750 per month	Same as Royalty Fee	Beginning on the Commencement Date, you must pay this fee to PVS for IT services and infrastructure, related equipment provided by PVS, and routine IT support, as detailed in the Brand Standards Manual. We can revise the Technology Fee at any time on reasonable notice, which need not be more than 30 days.
Training Fees	Currently \$500 per day (plus travel and living expenses incurred by our trainers if training is conducted at your location and by your trainees regardless of where training is conducted)	Before training begins	We provide training at no charge for the maximum number of trainees we designate, which is currently two trainees for initial training. We may charge a training fee: (a) for additional trainees in excess of the maximum number PVS designates for a training program; (b) if PVS requires additional training as a result of your failure to comply with our quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that PVS makes optional for franchisees.
Conference Fee	Not to exceed \$1,000 per person	As incurred	If we decide to hold a franchise convention, you must attend.
Reimbursement for Examination or Audit	Actual cost of audit, including travel, lodging, wages and reasonable accounting and legal costs	Upon demand	Payable only if examination or audit reveals an understatement of Hospital Revenue of more than 2%. This is in addition to applicable interest and late fees.

Type of Fee⁽¹⁾	Amount	Date Due	Remarks
Proposed Supplier Inspection	Reasonable cost of the inspection and the actual cost of the test	As incurred	You must reimburse us whether or not we approve the proposed supplier.
Indemnification	Our actual losses and expenses	As incurred	You must reimburse us if we incur any expense, including attorney fees and other costs, or are held liable for claims arising out of your franchise operations.
Interest	4% per annum over the prime rate of interest announced by JP Morgan Chase & Co.	As incurred	Payable if any amount due PVS is not received within 10 days after the due date. The interest rate will not exceed the maximum rate allowed by law in your state.
Late Fee	Currently \$150	With payment of overdue amount	Payable if any amount due PVS is not received within 10 days after the due date. We can charge a late fee to compensate us for our administrative costs incurred in enforcing your obligation to pay us.
Transfer Fee	Up to \$5,000	At time of Transfer	Payable if you transfer the Franchise Agreement and/or substantially all of the assets of the Hospital, or if there is a transfer of direct or indirect ownership interest in the Franchisee that results in a change of control of the Franchisee.
Renewal Fee	Up to \$5,000	At time of renewal	If you exercise your option for an Extension Period and you otherwise qualify, we can charge a fee for the extension.
Withholding Taxes	Actual amount of tax we owe plus any penalties, interest, and expenses (including legal and accounting fees) that we incur	As incurred	Payable only if you are obligated by law to withhold non-resident income taxes assessed against PVS and you fail to do so.
Step-In Management Fee	Greater of 10% of Hospital Revenue or \$500 per day	As determined by management company	Payable only if you have failed to cure a default and we appoint a management company to run the Hospital. You will pay directly to the management company.

Type of Fee ⁽¹⁾	Amount	Date Due	Remarks
Holding Over Fee	150% of then-current Premises License Fee and Royalty Fee	On demand	Payable only if you remain in possession of the Hospital after your Franchise Agreement expires and without execution of a new agreement.
Estoppel Certificate	\$250	As incurred	Payable only for the second or subsequent estoppel certificate you request from us during any 365-day period. See Note 4.
Prevailing Party Fees	Our reasonable attorneys' fees and expenses, as determined by the court	Upon demand	Payable if PVS is the prevailing party in a trial or other dispute resolution proceeding between us.

NOTES TO CHART:

- (1) Unless otherwise noted, all fees and charges described in this Item derive from the Franchise Agreement. Unless otherwise noted, all fees are non-refundable, payable to us, and charged uniformly to franchisees who received this disclosure document. For all amounts payable to PVS and affiliates, you must use the payment method we designate. If we require payment by electronic funds transfer (EFT), such as an automated clearing house transfer (ACH), you will designate an account at a commercial bank of your choice (the “**Account**”) and furnish the bank with authorizations as necessary to permit PVS to make direct debit withdrawals from the Account. If funds in the Account are insufficient to cover the amounts payable at the time PVS makes a direct debit withdrawal, the amount of the shortfall will be deemed overdue.
- (2) As described in Item 1, our parent, PetSmart LLC, licenses space inside PetSmart retail stores to PVS and others for the operation of veterinary hospitals. PVS in turn licenses the space to independently-owned PetSmart Veterinary Services franchisees. The Premises License Fee is calculated on the “**Hospital GFA**”, which means the number of square feet within the retail store that have been licensed to PVS for the operation of a veterinary hospital. The Premises License Fee currently includes “**Hospital Occupancy Costs**,” which means the Hospital’s proportionate share, based on square footage, of the total occupancy-related costs, including but not limited to property insurance, liability insurance, common area expenses, electric and water/sewer charges, and real property taxes. In the future, we may elect to charge separately for Hospital Occupancy Costs.
- (3) If you don’t provide a Hospital Revenue report to us when due, we will have the right to estimate Hospital Revenue for the period and to withdraw by direct debit draft from the Account the estimated amount due for any charges that are calculated based on Hospital Revenue. When you provide the delinquent Hospital Revenue report, we will reconcile any difference between the estimated amount and the actual charges due for the period.
- (4) You may request we provide you with an estoppel certificate, which does the following: (a) certifies the Franchise Agreement is in effect and unmodified (except for any modifications described in the certificate); (b) specifies the date payments have been

made; (c) states whether or not you are in default; (d) states the Commencement Date; and (e) states which Extension Periods have been exercised, if any.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Start-Up Fee	\$10,000	Lump Sum	Upon Execution of Franchise Agreement	Us
Initial Training Expenses ⁽¹⁾	\$500 to \$10,000	As Arranged	As Incurred	Hotels, Airlines, etc.
Medical Equipment ⁽²⁾	\$70,500 to \$84,000	As Arranged	As Arranged	Designated Supplier
Pharmacy Supplies ⁽³⁾	\$13,500 to \$16,000	As Arranged	As Arranged	Third-party Suppliers
Surgical Supplies ⁽⁴⁾	\$6,000 to \$7,000	As Arranged	As Arranged	Third-party Suppliers
Hospital Supplies ⁽⁵⁾	\$6,000 to \$6,500	As Arranged	As Arranged	Third-party Suppliers
Office Equipment and Supplies ⁽⁶⁾	\$1,000 to \$1,200	As Arranged	As Arranged	Third-party Suppliers
Opening Supplies ⁽⁷⁾	\$800 to \$1,400	As Arranged	As Arranged	Third-party Suppliers
Professional Fees	\$3,000 to \$25,000	As Arranged	As Arranged	Your attorney, CPA, etc.
Insurance ⁽⁸⁾	\$3,000 to \$18,000	As Arranged	As Arranged	Insurance company
Business Licenses and Permits	\$1,100 to \$1,900	As Incurred	As Incurred	Government agencies
Accreditation	\$750 to \$5,000	As Incurred	As Incurred	Accrediting agencies
Grand Opening Marketing	\$5,000	As Arranged	As Arranged	Vendors, media outlets, etc.
Additional funds - 3 months ⁽⁹⁾	\$85,000 to \$125,000	As Incurred	After Opening	Employees, vendors, suppliers, etc.
Total	\$206,150 to \$316,000			

Notes:

1. The initial training expense estimate is based on two trainees over a course of seven days. Initial training will be conducted at the Phoenix headquarters of PVS and at the Hospital. You must pay for the travel and lodging expenses of your trainees, if applicable. Please see Item 11 for further details on training.
2. The estimated medical equipment represents items needed to fully operate a general practice veterinary hospital. Medical equipment includes items such as anesthesia machines, dental machines, microscopes, and centrifuges.
3. The estimated pharmacy supplies represents a range of potential pharmacy items needed to operate a general practice veterinary hospital. Pharmacy supplies include items such as parasiticides, antibiotics, pain management drugs, and allergy medicine.
4. The estimate represents a range of potential surgical supply items needed to operate a general practice veterinary hospital. Surgical supplies include items such as surgical gloves, spay packs, and suture packs.
5. The estimated hospital supplies represents a range of potential hospital items needed to operate a general practice veterinary hospital. Hospital supplies include items such as gauze, x-ray aprons, leashes, and collars.
6. Office equipment and supplies include items such as paper, pens, highlighters, tape, and office chairs.
7. Opening supplies include items that do not traditionally fall under one of the other categories above.
8. You must procure and maintain throughout the term of the Franchise Agreement insurance of the types and amounts described in Item 8 of this disclosure document. The estimate in the table is for the likely cost of premiums for the first 12 months of coverage. The actual premiums could be higher or lower than the range in particular circumstances, depending on the insurance carrier (including the availability of several carriers), your location, prior loss history, and other uncontrollables that are difficult to anticipate.
9. This is an estimate of the additional funds you may need during the initial period of operation, which we define as 3 months from the opening of the Hospital. Additional funds may be needed to support on-going expenses such as payroll, marketing expenditures, inventory, utilities, and business licenses, to the extent that aggregate costs are not covered by your Hospital revenue. The estimate does not include any compensation that you may choose to pay yourself. We cannot guarantee that you will not have additional expenses starting your business. In formulating this estimate, we have relied on our experience with opening new franchises since starting the PVS franchise program in May 2022.

All payments to us in this Item are non-refundable. Whether payments made to others are refundable will depend on your arrangements with them. We or an affiliate may offer financing in connection with your initial investment. See Item 10 for details.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To maintain high standards of quality, to promote uniformity and efficiency, and to control costs for all PVS Hospitals, PVS has the right to require that all current and future pharmaceuticals, medical equipment, information technology systems, supplies, office equipment, furnishings, retail merchandise, promotional items, credit card processing services, and other products and services that you purchase for operation of or sale in the Hospital: (a) meet specifications that PVS establishes from time to time; (b) be purchased only from suppliers that PVS has expressly approved; and/or (c) be purchased only from a particular manufacturer, wholesaler, distributor or other source that PVS has designated for the particular product or service (“**Designated Supplier**”).

We reserve the right to name ourselves or our affiliates as an approved supplier or the Designated Supplier for any item, at any time. However, we and our affiliates are not currently an approved supplier or Designated Supplier for any item except the Equipment, as described in Item 1 and below in this Item. Most of the required technology systems are included within the Equipment package that PVS provides for the Hospital (see Item 1).

The purchasing specifications, approved supplier requirements, and/or Designated Suppliers for particular items will be set out in the Brand Standards Manual from time to time. If we have named a Designated Supplier for a product or service, you must obtain the product or service from that Designated Supplier. As of the date of this disclosure document, our Designated Suppliers are IDEXX for medical diagnostic equipment; Rhapsody for the required practice information management (PIM) system (but there is no purchase of this system - it is cloud-based and included within the package that PVS provides for the Hospital); Intuit’s QuickBooks for financial management and accounting; and the American Animal Hospital Association (“**AAHA**”) for Hospital accreditation. Elanco is the recommended (but not required) supplier of pharmacy supplies, and Covetrus is the recommended (but not required) supplier of surgical and hospital supplies.

We may earn a profit on products and services we sell to you and other franchisees, and we may receive rebates or other consideration from unaffiliated suppliers with respect to their sales of products or services to you or other franchisees, whether or not the product or service is presently mentioned in this Item. In our fiscal year ending February 2, 2025, we did not sell any products or services to franchisees, but we received \$273,830^[SM2] in rebates from unaffiliated suppliers, which was 6.0% of our total revenue for the fiscal year. None of our officers or directors owns a material direct or indirect interest in any existing unaffiliated supplier.

If you desire to purchase any items from a source that has not been approved by PVS, and if we have not named a Designated Supplier for the item, you can submit a written request for approval of your proposed supplier, or you can have the supplier itself do so. We will have the right to inspect the proposed supplier’s facilities and require that samples from the supplier be delivered to us or to an independent laboratory for testing. We will also have the right to require that the supplier satisfy certain standards, including data protection and data breach requirements. We may require you to pay us a fee, not to exceed the reasonable cost of the inspection and the actual cost of the test, whether or not we approve the proposed supplier. We generally will approve or disapprove the proposed supplier within 30 days after receiving all requested information and completing evaluation and testing, if required. We reserve the right to revoke any approval of proposed suppliers by written notice.

We negotiate purchasing arrangements, including price terms, on behalf of franchisees and we have established strategic alliances or preferred vendor programs with certain suppliers to provide equipment, products or services to PVS Hospitals. These types of alliances or programs may limit the number of approved suppliers with whom you may deal. We can refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in the best interests of the System.

In addition to the Designated Suppliers named above, the following specific restrictions on your purchasing are in effect as of the issuance date of this disclosure document (but we can impose other restrictions at any time):

Premises License. You must license the occupancy rights for the Hospital from us.

PVS-Provided Equipment. We will provide certain veterinary medical equipment (e.g., surgery lights, cages or kennels, etc.), technology systems, and other equipment and furnishings for use in the Hospital (the “**Equipment**”). We license the Equipment to you, but it remains our property. This is included within your premises license and is covered by the Premises License Fee in Item 6. We will also arrange for IT services and infrastructure, including telephone and internet service.

Digital Marketing. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Hospital must be requested through us. We will register them in PVS’s name and provide you with administrative access only, retaining ownership and ultimate control for PVS.

Insurance. You must obtain insurance coverage meeting our requirements, at your expense. We currently require the following:

- A commercial general liability insurance policy with full limits, achieved either by primary or excess/umbrella insurance, for bodily injury and property damage of not less than \$1,000,000 per occurrence, with an aggregate limit of not less than \$2,000,000, to include products liability and contractual liability and contain no exclusion related to your compliance with mandatory or voluntary safety standards of the United States;
- If you use one or more vehicles in your Hospital operations, an automobile liability insurance policy with limits of not less than \$1,000,000 combined single limit;
- Workers’ compensation insurance, including coverage for occupational disease, in the benefit amounts required by applicable laws, and employer’s liability insurance, with limits of bodily injury by accident of not less than \$1,000,000 each accident, bodily injury by disease of not less than \$1,000,000 policy limit, and bodily injury by disease of not less than \$1,000,000 each employee. This coverage must also include coverage for temporary and contingent workers;
- Property insurance coverage in an amount equal to the full replacement value of your property, including but not limited to fixtures, furniture, equipment, machinery, goods, supplies, wares, or merchandise in the Premises;

- Veterinary malpractice insurance for Franchisee, the Hospital Veterinarians, employees, agents, and staff in an amount not less than \$1,000,000 per incident with a \$3,000,000 annual aggregate; and
- A crime insurance bond with policy coverage limits of not less than \$250,000 per Occurrence. "Occurrence" means each criminal act giving rise to an event of coverage and not to each individual claim based on a criminal act.

Any retention or policy deductible cannot exceed \$25,000. The amount of retention or deductible must be shown on the certificate of insurance, and any retention or deductible in excess of \$25,000 must be approved by PVS in writing at its sole discretion. Additionally, if your commercial general liability, umbrella, or excess liability policy annual aggregate limit applicable to any policy year becomes exhausted, you must immediately replace the coverage and liability limits for that policy year.

The insurance policies must be provided on a primary and non-contributory basis and, with the exception of the worker's compensation and employers liability coverage, must name "PetSmart Veterinary Services, LLC.," "PetSmart LLC," and any other affiliates designated by PVS (including their parents, subsidiaries, affiliates, officers, directors, employees, agents, and other representatives) as additional insureds (the "Additional Insureds"). The insurance policies must also include: (i) separation of insureds (otherwise known as a cross-liability clause); (ii) a waiver of subrogation in favor of the Additional Insureds; and (iii) for the general liability policy, cover for PVS's property that is in your care, custody or control. You must provide to PVS a certificate of insurance or similar binder for each policy evidencing compliance with these requirements upon execution of the Franchise Agreement, on each anniversary thereafter, and within 10 days after written request from PVS. If any of the above policies are canceled before the expiration date, notice will be delivered in accordance with the applicable policy provisions. The required insurance coverage will not act to limit your liability. PVS reserves the right to adjust coverage limits depending on the risks inherent in the operation of your Hospital.

* * *

We estimate that 50% to 100% of your total purchases and leases in establishing the Hospital and 50% to 100% of your total purchases and leases in operating the Hospital will be subject to at least one of the restrictions described in this item.

There are no purchasing cooperatives or distribution cooperatives in our franchise system. We do not provide material benefits to franchisees based on their purchase of particular products or services or use of particular suppliers.

Notwithstanding the restrictions described in this item, as discussed in Item 1, you will be solely and exclusively in control of all aspects of the practice of veterinary medicine and the delivery of veterinary care and related services at the Hospital. You will retain full authority to direct the veterinary, professional, and ethical aspects of the Hospital. If you and/or the Hospital Veterinarians determine, in your or their professional judgment, that there is a Professional Conflict (as defined in Item 1), then you may deviate from the Franchise Agreement and System Standards to the extent you deem necessary to satisfy the applicable statutory, regulatory, or ethical obligations. Except in cases of a Professional Conflict, you must follow the Franchise Agreement and System Standards.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	None	Item 11
b. Pre-opening purchases/ leases	14.1, 17	Items 5, 7, and 8
c. Site development and other pre-opening requirements	None	Items 5, 7, 8, and 11
d. Initial and ongoing training	7	Items 6, 7 and 11
e. Opening	6.1, 12.2	Item 11
f. Fees	13	Items 5, 6 and 7
g. Compliance with standards and policies/Operations Manual	8.2 - 8.4	Items 11 and 14
h. Trademarks and proprietary information	8.25 – 8.27, 24, 25	Items 13 and 14
i. Restrictions on products/ services offered	8.14	Items 8 and 16
j. Warranty and customer service requirements	None	Item 16
k. Territorial development and sales quotas	8.22	Item 12
l. Ongoing product/service purchases	8.15 – 8.20, 9	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	14, 15	Item 11
n. Insurance	17	Items 7 and 8
o. Advertising	12	Items 6 and 11
p. Indemnification	18	Item 6

Obligation	Section in Franchise Agreement	Disclosure Document Item
q. Owner's participation/management/staffing	8.5, 8.9, 8.10	Item 15
r. Records and reports	8.32, 30	Item 11
s. Inspections and audits	8.21, 27, 30.5	Items 6 and 11
t. Transfer	26	Item 17
u. Renewal	5.2	Item 17
v. Post-termination obligations	21	Item 17
w. Non-competition covenants	29	Item 17
x. Dispute resolution	32.9 – 32.16	Item 17
y. Other – Personal Guarantee	None	N/A

ITEM 10

FINANCING

As a standard practice, PetSmart Veterinary Services, LLC does not offer direct financing for any portion of your investment or operating expenses. However, in limited instances, PetSmart LLC or another affiliate of PVS (the "Lender") may offer financing for equipment, inventory, payroll, and working capital for the operation of your Hospital. The financing also covers a Loan Origination Fee equal to 5% of the loan amount or \$5,000, whichever is less. The Loan Origination Fee is reimbursed if you repay the loan within 30 months. The chart below summarizes the typical financing terms that the Lender may offer. You should not expect that the Lender would be willing to offer financing to you.

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Item Financed	Amount Financed	Term	Interest Rate	Prepayment	Personal Guaranties Required	Potential Liability Upon Default	Loss of Legal Rights on Default
Loan Origination Fee, Equipment, Inventory, Payroll & Working Capital	Between \$50,000 and \$200,000	5 years	7.99% per annum during the first 30 months of the loan and 12.99% per annum thereafter through the fifth-year anniversary of the Promissory Note.	Allowed without penalty; Loan Origination Fee waived if loan is paid in full within 30 months of the origination date	One or more owners of debtor (if a corporation, limited liability company, or other legal entity) and their spouses, as determined by Lender.	5% late fee, acceleration of entire amount due, court costs and attorney's fees for collection, cross-default under Franchise and Premises License Agreement	You waive presentment, demand, notice of nonpayment, notice of intent to accelerate, notice of acceleration, diligence in collection, and all other notices and acts to which borrower might otherwise be entitled under any applicable law; you consent to jurisdiction of and venue in Arizona courts and waive right to jury trial.

If our affiliate offers you financing, you must sign the standard form of Promissory Note shown in Exhibit I to this offering circular and, if applicable, guarantors must sign the form of Guaranty shown in that Exhibit. The Promissory Note and your Franchise Agreement for the financed Hospital will be cross-defaulted; in other words, if you default on the loan, we can treat it as a breach of your Franchise Agreement, and if you default on the Franchise Agreement, the Lender can treat it as a loan default.

The Lender has no practice or present intent to sell, assign or discount any financing arrangement to any third party, but the Lender has the right to do so under the Promissory Note. You agree not to assert any claim or defense against an assignee that you would have had against the Lender, except defenses applicable to a holder in due course of a negotiable instrument.

We do not guarantee any note, lease or financial obligation you may incur to others in setting up and operating your Hospital.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before the Hospital opens to the public, we will perform the following obligations:

1. We will jointly determine with you the PETSMART® store in which you will have the right to operate. We will license you to use a defined space within the PETSMART® store for the veterinary practice. (Franchise Agreement, Section 2)

2. We will construct the Hospital at our expense, including interior and exterior signage, in the manner consistent with the Brand Standards Manual unless otherwise agreed between us. We will deliver it to you, and you must accept it, in its “AS-IS” condition, with all faults, and without warranty, express or implied. (Franchise Agreement, Section 14.1)
3. We will provide certain Equipment, as described in Item 8. (Franchise Agreement, Section 8.13)
4. We will provide you with electronic access to the Brand Standards Manual. We can modify the Brand Standards Manual as we think fit to reflect changes in the methods, standards, specifications and services we approve for the PVS System. (Franchise Agreement, Section 8.2).
5. We will provide initial training to your Operating Partner and any other Hospital personnel we designate. (Franchise Agreement, Section 7.1). Please see the “Training” section below in this Item.
6. We will arrange for IT services and infrastructure and related equipment, as specified in the Brand Standards Manual. You will pay us a Technology Fee for these services, as described in Item 6. (Franchise Agreement, Section 13.6)

We deliver and/or install the items noted in #2, #3 and #6 above.

Continuing Obligations

After your Hospital opens, we will:

1. If you are unable to obtain Hospital accreditation through AAHA due to limitations outside of your control, we will work with you in good faith to determine appropriate exceptions to the accreditation standards. (Franchise Agreement, Section 8.1)
2. We will continuously develop, update and maintain the System Standards and notify you of changes via the Brand Standards Manual or otherwise. (Franchise Agreement, Section 8.2).
3. We will manage the sourcing of current and future pharmaceuticals, medical equipment, information technology systems, software, SaaS, supplies, office equipment, furnishings, retail merchandise, promotional items, credit card processing services, and other products and services that you will purchase for operation of or sale in the Hospital. We will notify you when we establish specifications, approve or revoke approval of products or vendors, or designate specific vendors for particular items. If you submit a written request for approval of an alternative source, we will review your proposed supplier (unless we have named a Designated Supplier for the item). (Franchise Agreement, Section 8.15)
4. We will coordinate with PetSmart regarding shelf and/or racking space for Therapeutic Pet Foods in close proximity to the Hospital, so that it is efficient for the Hospital Veterinarians and other Hospital team members to help customers find the food that is best for their pet. “**Therapeutic Pet Foods**” means pet foods which are or have been labeled or marketed as “prescription” or “therapeutic” products (e.g., Hill’s Prescription

Diet). In addition, we will have the right (but no obligation) to implement an incentive program with respect to the sale of Therapeutic Pet Foods at the Premises. We will give you 60 days written notice before the start of any such program (Franchise Agreement, Section 8.14.4)

5. We will arrange for PetSmart to use the Hospital for all veterinary care of pets at the Premises (“**PetSmart Pets**”), including those in the PetsHotel®, day care, or grooming, those held for sale, and those injured in the store or parking lot. However, PetSmart may obtain veterinary care from other providers on a case by case basis if: (a) the Hospital is closed when the services are needed; (b) the Hospital Veterinarian on duty is engaged in any urgent medical case(s) that require direct veterinarian supervision; or (c) there is no Hospital Veterinarian on duty whom you have certified to provide services with respect to the type of pet requiring the services. We will pay you for your services to PetSmart Pets as described in the Franchise Agreement. (Franchise Agreement, Sections 10.1 and 10.2)
6. We will administer the Brand Fund, as described below in this Item. (Franchise Agreement, Section 12.3)
7. We will review and approve or disapprove your proposed advertising and promotional plans and materials. (Franchise Agreement, Section 12.6). However, we have no obligation to assist you with establishing prices for your Hospital services.
8. We will maintain the IT services and infrastructure provided by PVS, and continue to develop, as we deem appropriate, websites, email accounts, mobile applications, social media, software, databases, portals, other technology and communications channels, and related equipment. You will pay us a Technology Fee for these services. (Franchise Agreement, Section 13.6)
9. We will provide additional or refresher training as we deem necessary. (Franchise Agreement, Section 7.2).
10. We will arrange for you and your employees and agents to have access, without additional charge, to the break rooms, restrooms, and other employee amenities within the Premises, as designated by PVS, and to use the loading docks of the Premises with commercially reasonable coordination with PVS. (Franchise Agreement, Section 6.3)
11. We will share responsibility for maintenance and repairs of the Hospital, according to an allocation of responsibilities set out in the Brand Standards Manual. PVS will provide, at its cost, the maintenance and repair services allocated to PVS. (Franchise Agreement, Section 15.2)
12. We will maintain water, electricity, sewer, and trash service to the Hospital (other than services for removal of hazardous materials and medical wastes, which you will dispose of at your own cost in accordance with applicable laws) (“**Utilities**”). The cost of the Utilities is currently included in the Premises License Fee. (Franchise Agreement, Section 16)
13. We will provide after-hours access to the Hospital as reasonably needed during hours when the Premises are closed to the public, solely for purposes of maintaining the

standard of care and subject to policies we PVS may institute for the purpose of security. (Franchise Agreement, Section 8.8)

14. We may establish, but have no obligation to establish, a program under which employees of the Hospital and employees of the PETSMART® store will receive discounts on services and product offerings provided by the other. (Franchise Agreement, Section 11)

Site Selection

The Hospital will be located in a PETSMART® store. We will provide information on PETSMART® stores that are available for establishing a PVS Hospital. You will identify a specific store from that list in which you wish to license space. There is no specific time limit for PVS to approve your request. If you and we cannot agree on a store location, no Franchise Agreement will be signed.

Time Between Signing and Opening

We expect that a new Hospital generally will open within 12 to 25 weeks after you sign the Franchise Agreement. The actual time will vary depending on several factors, including the time needed by PVS to build out and deliver the Hospital and the Equipment, the time needed by you to hire staff and to obtain operating permits and licenses for the Hospital, and the timing of initial training.

Training

Following the execution of the Franchise Agreement but prior to the opening of the Hospital, Franchisee (or the Operating Partner, if Franchisee is a company) is required to attend in-person training at PVS's home office in Phoenix, Arizona. The purpose of the training is to provide a high-level overview of the on-boarding process and discuss best practices for the operation of the Hospital.

In the weeks/months prior to the opening of the Hospital, Franchisee (or the Operating Partner, if Franchisee is a company) is required to attend weekly training and informational sessions to ensure that all tasks are completed prior to the opening of the Hospital (e.g., obtaining business licenses and insurance, hiring of staff, opening of bank accounts, etc.).

Before the Hospital opens, Franchisee (or the Operating Partner, if Franchisee is a company) and any other Hospital personnel we designate must successfully complete training at the Hospital. The training will focus on: (a) operation of the information technology systems and equipment provided by us and our designated vendors; and (b) policies and procedures relating to occupancy of the Hospital and coordination with the PETSMART® store at the Premises. We have the right to reduce the duration and content of initial training if the trainee has prior experience with PVS Hospitals.

After the Hospital opens for business, we may require that any new Hospital Veterinarian successfully complete initial training before starting his or her duties. Each Hospital Veterinarian and any other Hospital personnel we designate must attend and successfully complete any additional training programs or refresher courses we require from time to time. We may offer

optional training programs. If we require a program, we have the right to designate the personnel from your organization who must attend.

We have the right to judge whether a person has successfully completed our training program. If any person fails to complete our training program to our satisfaction, he or she may repeat the session or you may send a substitute to the next available scheduled training session. Except for the initial training, we have the right to provide training programs in person, by video, via the Internet, or by other means, as we determine.

There is no training fee for the number of trainees we designate for initial training. We may charge a training fee: (a) for additional trainees that you request in excess of the maximum number we designate for a training program; (b) if we require additional training as a result of your failure to comply with our quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that we make optional for franchisees.

For all training, including initial training, you are responsible for all travel expenses, living expenses, wages, phone and internet charges, and other expenses incurred by your trainees. If we conduct training at the Hospital, you will pay, in addition to any applicable training fee, the reasonable travel, meal and lodging expenses of our trainer(s).

The chart below summarizes our initial training program:

TRAINING PROGRAM

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
PVS Training			
Overview of PVS - Mission and Vision Meeting the support team	1	0	Phoenix Home Office
Keys to a Successful Hospital Opening Leadership and Essential Skills	1.5	0	Phoenix Home Office
Planning for the Opening of Your Hospital Onboarding Plan Construction Details Equipment and Inventory	2	0	Phoenix Home Office
PETSMART® Store Relationship	1	2	Phoenix Home Office and Hospital
Financial Management and Business Success	2	5	Videoconference and On Site – Phoenix Home Office

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
PVS Consulting Support and VBC Relationships	2	1	Phoenix Home Office
Creating a Successful Business Model	1	2	Videoconference and On Site – Phoenix Home Office
Managing a P&L	1.5	2	Videoconference and On Site – Phoenix Home Office
Foundations of a Successful Hospital	1	.5	Phoenix Home Office
Marketing	2	4	Videoconference and On Site – Phoenix Home Office
Therapeutic Pet Food	1	1	Phoenix Home Office
Technology Training	5	5	Videoconference and On Site – Phoenix Home Office and Hospital
Medical Operations Keeping Pets Sae AAHA	1	1	Phoenix Home Office
Human Resources and Employment Issues – Avoiding Joint Employment	1	0	Phoenix Home Office and Hospital
Total - PVS Training	23	23.5	
Vendor Training			
Idexx – Lab and X-Ray	0	5	Videoconference or On-Site
Midmark – Dental X-Ray	0	1	Videoconference or On-Site
Gateway – Afterlife Service	.5	0	Videoconference or On-Site

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
Telephone System	0	1	Videoconference or On-Site
Covetrus – Account Ordering System	2	0	Videoconference or On-Site
Rhapsody – PIM System	5	5	Videoconference or On-Site
Total - Vendor Training	7.5	12.0	

We will schedule initial training as needed for new franchisees to be completed within 30 days before opening the Hospital. The instructional materials may include the Brand Standards Manual, quizzes, videos, and checklists, as well as online learning materials. Our training instructors on average have more than 10 years of experience with veterinary services and, in most instances, more than a year of experience with our brand. Currently, PVS’s Vice President – Veterinary Health Services supervises our franchisee training program.

You must attend all meetings, seminars and conferences that we designate as mandatory, including but not limited to annual conferences, marketing meetings for the marketing area in which the Hospital is located, and meetings related to new products, revised operating procedures or programs, financial management, sales or sales promotion, or similar topics. If the Operating Partner is not able to attend the meeting, seminar or conference, you must notify us in advance and substitute another person from your organization to attend.

Advertising

Grand Opening. You will conduct grand opening activities within 30 days after the Commencement Date. You must spend at least \$5,000 for grand opening marketing approved by us.

Brand Fund. We have established a fund to support development and recognition of the PETSMART VETERINARY SERVICES brand and the network of PVS Hospitals (the “**Brand Fund**”). You must contribute the amount we specify, not to exceed 2.5% of Hospital Revenue (the “**Brand Fund Contribution**”) to the Brand Fund. As of the date of this disclosure document, the required contribution is 1.5% of Hospital Revenue. Unless otherwise specified by PVS, the Brand Fund Contribution will be paid monthly based on Hospital Revenue for the preceding Fiscal Month.

We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over strategic direction, creative concepts, materials, endorsements, and geographic, market and media allocation. We may use the Brand Fund to pay costs and expenses as we determine in its sole discretion, including but not limited to: preparation and production of video, audio, written, online, digital and mobile marketing materials; search engine optimization; purchasing promotional items; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of websites, social media, mobile applications and other digital marketing; implementation of advertising programs and in-Hospital promotions, including purchasing direct mail and media advertising; employing advertising agencies; implementing quality assurance programs;

conducting other public relations, marketing, consumer research, and promotional activities, including product or service testing and test marketing programs; the development, testing, and implementation of trade dress and design prototypes; administrative costs and overhead incurred in activities reasonably related to the administration and activities of the Brand Fund, including reasonable salaries and expenses of employees, agents, representatives, and consultants working for or on behalf of the Brand Fund; reasonable fees and expenses of accounting firms, design firms, public relations firms, consultants and ad agencies; legal fees for advertising pre-clearance, defense of false advertising claims, and defense of any claims challenging our administration of the Brand Fund; and interest on any monies borrowed by the Brand Fund. We do not use the Brand Fund principally to solicit new franchise sales.

In our fiscal year ending February 2, 2025, we allocated \$303,358 of our total brand marketing expenditures to the Brand Fund. Sixty-one percent of the expenditures allocated to the Brand Fund were for Paid Search, 24% were for Paid Social, 14% were for Agency Fees, and 1% were for Other.

We are not obligated, in administering the Brand Fund, to make expenditures for you that are equivalent or proportional to your contributions, or to ensure that any particular franchisee or PVS Hospital benefits directly or pro rata from expenditures by the Brand Fund. You have no right to reduce or withhold contributions based on any alleged lack of benefits to the Hospital or based on failure by any other franchisee (with or without our permission) to make its contributions to the Brand Fund.

We prepare an annual unaudited statement of contributions to and expenditures of the Brand Fund, which will be provided to you on written request. We have no obligation to have the Brand Fund independently audited. Any expenditures for independent accounting services in connection with the annual statement are charged to the Brand Fund. Any unspent contributions remaining in the Brand Fund at the end of the year remain in the Brand Fund for use in subsequent periods. We may, but we have no obligation to, loan money to the Brand Fund from time to time and may charge reasonable interest for any such loans.

Local Marketing. You will spend at least 0.5% of Hospital Revenue annually on local marketing of the Hospital ("**Local Marketing**"), in a format and using materials and designs approved by us. All Local Marketing must be approved by us. At our request, you will provide invoices and other documentation to verify the type and amount of spending for Local Marketing. Unless specifically approved by PVS, you may not place advertising or promotional materials within the Premises or within the common areas of the shopping center in which the Premises are located. PVS has no obligation to spend any amount on advertising in the area of your Hospital.

Joint Marketing Programs. We have the right to establish, and thereafter modify: (1) co-marketing programs in which we and franchisees join with suppliers or other third parties to cross-promote products and services; (2) joint marketing efforts in which multiple franchisees contribute to a specific ad or event; and/or (3) local or regional marketing cooperatives that pool funds of franchisees on an ongoing basis to jointly promote the Marks and the Hospitals of the members. You will participate in each applicable joint marketing program and comply with the rules of the program.

Advertising Council. We currently do not have a council of franchisees that advises us on advertising policies.

Approval. You must obtain prior written approval from us for all advertising and promotional materials you intend to use. You will submit all proposed advertising and promotional materials to us at least 30 days before their intended use, except that you are not required to submit materials that were prepared by us or that we have approved within the prior six months. Proposed advertising materials are deemed to be disapproved unless we have approved them in writing within 15 days after submission. Neither the approval of your advertising and promotional material nor the provision of any such materials by us will, directly or indirectly, require us to pay for any such advertising or promotion.

Digital Marketing. Unless we have agreed to it in writing, you will not use, register, maintain, or sponsor any website, URL, social media, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or Internet presence that uses or displays any of the Marks (or any derivative thereof) or that promotes any products or services of the Hospital. Your use of any electronic medium constitutes advertising and promotion subject to our approval. You will not post or transmit, or cause any other party to post or transmit, advertisements or solicitations by telephone, e-mail, text message, instant message, website, social media, mobile apps, VoIP, streaming media, or other electronic media that are inconsistent with our brand advertising guidelines and standards. The brand advertising standards may include the use of disclaimers, warnings, and other statements that we prescribe. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Hospital must be requested through us. We will register them in PVS's name and provide you with administrative access only, retaining ownership and ultimate control for PVS.

Technology Requirements

We have the right to specify the point-of-sale (POS) system, practice information management system (PIMS), back-office system, financial management and accounting system, software applications, audio/visual equipment and programs, electronic payment devices, and other hardware and software that you must install and use in the operation of the Hospital. If the vendor requires a standard license agreement or user terms to use a system we specify, you must accept those terms. You may not install any unrelated software or connect any unauthorized devices to the PIMS or any other required information systems. You must keep the information systems in good working order at all times and, if requested by PVS, promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, and other information system components, at your expense. You are responsible for ensuring that your Hospital personnel are adequately trained to use the information systems and that they comply with the related policies and procedures. We will have independent access to your systems and you must configure security settings and/or provide PVS with any usernames and passwords necessary for that purpose.

Most of the required technology systems are included within the Equipment package that PVS provides for the Hospital (see Item 1). For example, Rhapsody is the required practice information management (PIM) system, but you do not have to purchase this system because it is cloud-based and included within the package that PVS provides for the Hospital. We are not affiliated with the vendors of the technology systems. We license the technology systems to you, but they remain our property. We also arrange for IT services and infrastructure, including telephone and internet service. The cost is included in the Premises License Fee. We do not require that you purchase a separate maintenance agreement for the technology systems. However, you may have to purchase two credit card machines directly from the designated vendor at a cost of approximately \$500 per machine to utilize touchless pay or Apple Pay type services. You must obtain a subscription for the QuickBooks financial management and accounting system,

which costs approximately \$100 per month which may increase or decrease in Quickbooks discretion.

Upon notice from us, you must implement, update or upgrade technology systems in the Hospital, at your expense unless PVS provided the system. There is no contractual limitation on the frequency and cost of this obligation. You must pay all amounts charged by any vendor of the systems and programs you use, including charges for maintenance and support. Our specifications may evolve over time and, in some cases, required items may only be available through us and/or Designated Suppliers.

You must implement industry-standard administrative, physical, and technical security measures and devices to protect data from unauthorized access, acquisition, loss, destruction, disclosure or transfer. You must use best efforts to secure the Hospital systems, including, but not limited to, use of firewalls, access code protection, anti-virus systems, and backup systems. If you accept payment from customers by credit and/or debit card, you must comply with the then-current PetSmart Veterinary Services and Payment Card Industry Data Security Standards (PCI-DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization and complete PCI-DSS audits as and when required by the standards.

Brand Standards Manual

The table of contents of the Brand Standards Manual appears in Exhibit C of this disclosure document. It currently has 259 pages, including its appendices.

ITEM 12

TERRITORY

Each franchise is granted for a specific PETS^{SMART}® store that we approve. You must operate the Hospital only at the approved location. You may not relocate the Hospital without our prior written approval to relocate. In general, we will not approve relocation unless the store lease expires or PetSmart decides to close the store in which you are currently operating the Hospital. You may relocate only to another available PETS^{SMART}® store.

You do not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Competitors could include local, independent veterinary practices and units of regional and national chains, possibly including Banfield Hospitals and IVOs operating within other PETS^{SMART}® stores.

PVS and its affiliates retain all rights with respect to the Marks, PETS^{SMART}® stores, and the sale of products and services, anywhere in the world, including but not limited to: (a) the right to operate, and grant others the right to operate, PVS Hospitals anywhere in the world (including virtually); (b) the right to operate, and grant others the right to operate, veterinary hospitals under other names at any location, whether or not using the PVS System, on the terms and conditions that PVS and its affiliates deem appropriate; and (c) the right to develop, manufacture, market, distribute and sell, and to grant others the right, to develop, manufacture, market, distribute and/or sell, products and services through any channel of distribution whatsoever, whether at wholesale, retail or otherwise, including but not limited to the Internet and any means of e-commerce, under

or in association with the Marks or any other marks, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate. PVS and its affiliates can engage in these or any other business activities regardless of the proximity to or effect on your Hospital. PVS and its affiliates, in exercising their rights to sell products through any channel of distribution, have no obligation to compensate franchisees. In addition, PVS and its affiliates can acquire, be acquired by, or merge with other businesses that have veterinary hospitals or other businesses at any location and convert those businesses to the Marks or to any other name.

You are prohibited from using the PETS^{SMART} VETERINARY SERVICES name to sell products or services through e-commerce or any other distribution channel. Unless we have expressly authorized it, you may not sell products through any website, mobile app, or third-party platform. We may permit you to market through the Internet, social media, mobile apps, and other electronic means, but we have the right to approve and control any such channel that uses or displays any of the Licensed Marks.

Your Hospital must achieve minimum annual thresholds for Hospital Revenue as set forth below (the “**Minimum Performance Requirements**”). The Minimum Performance Requirements for each Hospital are:

	Franchise Year 1	Franchise Year 2	Franchise Year 3	Franchise Year 4	Franchise Year 5 and each Remaining Franchise Year of the Term
Minimum Hospital Revenue	None	\$500,000	\$550,000	\$650,000	\$750,000

“**Franchise Year**” in the chart means a period of 12 successive calendar months beginning on the Commencement Date; except that, if the Commencement Date is a day other than the first day of a calendar month, the first Franchise Year will include the initial fractional month, together with the next succeeding 12 calendar months, and the first Franchise Year will expire at 11:59 p.m. on the last day of the calendar month in which the first anniversary of the Commencement Date occurs. If the Hospital does not achieve the Minimum Performance Requirements, PVS will notify you of default and PVS will have the right to: (i) require you to implement a revenue improvement program approved by PVS, which may include, among other things, engaging in specified marketing activities; and (ii) terminate the franchise if you fail to comply with the terms of the revenue improvement program or fail to achieve, in the first six months of the succeeding Franchise Year, 50% of the Minimum Performance Requirement for the succeeding Franchise Year. The Minimum Performance Requirements do not predict or project the Hospital’s revenue and they are not a representation or guarantee of any financial results of the Hospital.

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

As noted in Item 1, PetSmart LLC licenses space in PETS^{SMART}® stores for full-service veterinary hospitals owned and operated by third parties. As of the end of the fiscal year on February 2, 2025, there were veterinary hospitals in 778 of its stores, including franchised PVS Hospitals, BANFIELD hospitals franchised or operated by MMI, and IVOs operating under their own respective practice names. Neither we nor PetSmart LLC is the operator or franchisor of the non-

PVS veterinary practices. Other than controlling which veterinary practices operate in which PETS^{SMART}® stores, PetSmart does not have policies to resolve conflicts between the veterinary practices regarding territory, customers, and franchisor support.

ITEM 13

TRADEMARKS

The principal trademark that you will use is PETS^{SMART} VETERINARY SERVICES®. We may also authorize you to use other current or future trademarks to operate your Hospital. By trademark, we mean trade names, trademarks, service marks and logos we use to identify PVS Hospitals and the products and services sold in them.

Our affiliate, PetSmart Home Office, Inc. (“**IP Affiliate**”), is the owner of the Marks. IP Affiliate has granted us a license to use the Marks and to sublicense our franchisees to use them. IP Affiliate has registered the following mark on the Principal Register of the United States Patent and Trademark Office:

Mark	Registration Number	Registration Date
<p>PETS^{SMART} VETERINARY SERVICES</p>	<p>6969122</p>	<p>January 31, 2023</p>
	<p>7059399</p>	<p>May 23, 2023</p>
	<p>7222409</p>	<p>November 21, 2023</p>
	<p>7207191</p>	<p>October 31, 2023</p>

We have filed all affidavits required to date for the marks shown above. We intend to renew these registrations when required by law.

IP Affiliate has also applied for registration of the following mark on the Principal Register of the United States Patent and Trademark Office:

Mark	Application Number	Application Date
EVERYTHING FOR VETS	99028955_(class 35) 99028959_(class 42)	February 4, 2025

We do not have a federal registration for the above mark. Therefore, this mark does not have many legal benefits and rights as a federally registered trademark. If our right to use the mark is challenged, you may have to change to an alternative mark, which may increase your expenses.

The license from our IP Affiliate continues so long as PVS remains a subsidiary or affiliate of PetSmart LLC and PVS continues to use the Marks in connection with the franchise operations. Our IP Affiliate can also license others to use the Marks for any business activities allowed under the reserved rights described in Item 12. Should the license from our IP Affiliate to PVS be terminated, we (and, consequently, you) must immediately cease all use of the Marks.

Other than the license from our IP Affiliate, there are no agreements that limit our rights to use or to license the use of the principal marks. There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal marks, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the principal marks. We are not aware of any infringing uses that could materially affect your use of the principal marks. Other than our affiliate’s ownership rights described above, we are not aware of any superior rights that could affect your use of the principal marks.

You must notify us if you become aware of any unauthorized use of our trademarks. You must also notify us of any challenge to the validity of, or the right to use, any of our trademarks. We and our affiliate have the right to control any administrative proceeding or litigation that involves our trademarks. This right includes the right to settle any disputes. We are not required to take action to try to stop other people from using our trademarks or similar marks.

We do not have a contractual obligation to defend you against any claims of infringement or unfair competition that arise from your use of the trademarks, but it is our current policy to defend you against such claims. The defense will be at our expense (including the cost of any judgment or settlement) if your use of the trademarks complied with the Franchise Agreement, but it will be at your expense if your use of the trademarks did not comply with the Franchise Agreement. You must assist us in any action we take to protect the trademarks. We will reimburse you for your out-of-pocket costs in assisting us, unless the action results from your inappropriate use of the trademarks.

You must follow our rules when you use the trademarks. You may not use any of the trademarks as part of your corporate name, Internet domain name, social media name, or e-mail address, or with modifying words, designs or symbols. You may not use the trademarks for the sale of an unauthorized product or service or in any other manner not authorized by the Franchise Agreement.

We can modify the trademarks and/or substitute different marks for use in identifying PVS Hospitals and the PVS System. If we do so, you must promptly implement any modification or substitution. PVS will be responsible for all reasonable costs associated with implementing the changes at the Hospital.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents or patent applications that are material to the franchise.

We claim copyright protection for certain materials, including the Brand Standards Manual, advertisements, signs, promotional materials, posters, Internet sites, and design/build-out plans for PVS Hospitals, as modified from time to time, as well as new materials we create. We have not registered the copyrights in any of these materials, but we reserve the right to do so. You can use these materials only for the purpose of operating your Hospital.

You must maintain strict secrecy of the Brand Standards Manual, our training materials, our approved suppliers and supply arrangements, advertising and promotional plans, sales performance, financial records, and other information and materials that we designate as confidential. You may not reproduce any portion of the confidential information or make it available to any unauthorized person. You may reveal confidential information only to those of your employees who must have access to it in order to operate the Hospital, and to your contractors with our prior written approval. The Brand Standards Manual and all other confidential materials remain our property.

Subject to applicable laws, all patient records, reports, and information obtained, generated, or encountered relating to a patient visit, examination or diagnostics (“**Hospital Records**”) will be the property of the franchisee and/or the treating Hospital Veterinarian, as applicable. You and/or the treating Hospital Veterinarian, and not PVS, will be responsible for securing and maintaining the privacy and confidentiality of the Hospital Records (whether or not stored within the Hospital). You must indemnify, defend, and hold harmless PVS and PetSmart for any liability, losses, damages, or judgments brought against PVS or PetSmart arising or resulting from, or in any way related to, the improper security or maintenance of Hospital Records or customer credit card information. You and/or the treating Hospital Veterinarian must use best efforts, in coordination with PVS, to gain written consent from the client to share patient records, reports, and information with PVS and its affiliates and to enable you and the treating Hospital Veterinarian to provide additional services and care for the patient, including telehealth and telemedicine. PVS will indemnify you for any liability, losses, damages, or judgments brought against you arising or resulting from, or in any way related to the failure of PVS to maintain the confidentiality of any Hospital Records or patient information you provide to PVS. To the extent permitted by applicable laws, we will have the right to receive copies of such records as part of our quality monitoring procedures and/or to assist in any investigation concerning an injury to a pet.

Subject to applicable laws, you must regularly provide PVS, in a format acceptable to PVS, with customer information concerning pets and pet parents seeking Veterinary Services including, but not limited to, names, addresses, phone numbers, email addresses and pet information (name and type) (collectively “**Customer Data**”). We will have the right to pull Hospital Revenue and business information (e.g., conversion, scheduling, appointments, diagnoses, etc.) data

automatically from the Hospital's information systems and/or to require you to provide periodic reports of this information in a format and on a schedule that we prescribe. PVS, you, and the treating Hospital Veterinarian will work together to develop any applicable forms, including consent forms, to comply with applicable laws and facilitate the sharing of Customer Data with PVS. Following the termination of the Franchise Agreement: (a) you are permitted to solicit for Veterinary Services those customers who patronized the Hospital and obtained Veterinary Services for their pets, regardless of whether such customers were your customers before or after the Effective Date; (b) you are permitted to solicit for Veterinary Services any potential customers you identified and sourced through your own efforts without the aid or assistance of PVS; and (c) you are prohibited from soliciting, for any reason, those customers whose Customer Data was provided to you by PVS and who did not obtain Veterinary Services from the Hospital for their pets. PVS is permitted to solicit, for any reason, those customers whose Customer Data was provided by you to PVS.

You are responsible for any unauthorized use or disclosure of our confidential information by your Owners, officers, employees, agents and contractors. At our request, you must require your Owners, officers, and employees to sign confidentiality agreements. The agreements must be in a form satisfactory to us and identify us as a third-party beneficiary with the independent right to enforce the agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If the Franchisee is a company, you must designate the Operating Partner (as defined in Item 1) who will be the day-to-day operator of the Hospital. The Operating Partner is the legal representative of Franchisee and we have the right to rely on any statement, agreement, or representation made by the Operating Partner on behalf of the Franchisee and other Owners. The Operating Partner must always retain the interests described in Item 1.

If the Operating Partner leaves your organization, you must name a replacement within 60 days. If you have not obtained approval of a new Operating Partner within 60 days, you will be in default of the Franchise Agreement.

You have sole responsibility for all employment decisions, functions, and liabilities relating to the Hospital.

The Operating Partner and any other Hospital personnel we designate must successfully complete our initial training program (see Item 11).

All Hospital Veterinarians must hold a valid veterinary license and accreditation to practice in the applicable state or otherwise be qualified under the laws of the applicable state to practice veterinary medicine in the state. Where applicable under the laws of a state or jurisdiction, all veterinary technicians and/or support personnel must also hold appropriate licenses and accreditations. You must provide PVS upon request with evidence of all required veterinary licenses and accreditations.

All original Owners of the Franchisee, and anyone who later becomes an Owner, must sign an agreement to be personally bound by the confidentiality obligations and restrictions on

competition in the Franchise Agreement. Any individual Owner who owns 20% or more of the Franchisee must sign a personal guarantee of the Franchisee's obligations under the Franchise Agreement (the personal guarantee form is attached to the Franchise Agreement in Exhibit A).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer all Veterinary Services and all other veterinary medical and pet care services and related products and services that PVS designates from time to time as required items. You may also offer any optional products and services that PVS has approved for sale in PVS Hospitals, but you are prohibited from selling, directly or indirectly, either at the Hospital or elsewhere (including on-line) any unapproved products or services without PVS's prior written consent. You must discontinue selling or offering for sale any products or services that PVS disapproves at any time, in PVS's sole and absolute discretion. Without limiting the foregoing, you must comply with the following restrictions:

PETSMART® Store Products and Services. You may not, directly or indirectly, market, offer, or sell any product or service in the Hospital or elsewhere (including on-line or for home delivery) that is sold in PETSMART® stores (or by PetSmart on-line or for home delivery), now or in the future. This includes grooming, pet day care, training, and overnight boarding services (except if boarding in the Hospital is ancillary to or required by medical observation, diagnosis, vaccination, or treatment). You are required to use best efforts to promote the products and services sold inside the PETSMART® store and you may not promote another retail business (including both on-line and brick and mortar retail business) or, directly or indirectly, create your own brick and mortar or on-line retail business.

PetSmart Pets. You agree to provide office visits and physical examinations for PetSmart Pets, free of charge. You will provide all other services, including medical waste fees, at a discount of 35% off the Hospital's retail prices. You will provide all prescription medication, products and inventory items at a discount of 35% off the Hospital's retail prices. You will provide euthanasia services for PetSmart Pets and appropriate disposal, including cremation, of the remains of PetSmart Pets at cost of \$2.00 per pet.

Wellness Plans. You may not, directly or indirectly, market, offer, accept, or sell within the Premises any wellness or preventive program, arrangement or agreement similar to Banfield's "Wellness Plans" or a prepaid and discounted veterinary services program (collectively, "Wellness Plans"). You may not advertise, through any medium including flyers, handbills or posters, or otherwise solicit or recommend that your customers purchase a Wellness Plan from you, from any other veterinary practice locations you have, or from any third-party, unless PVS waives the restrictions described in this paragraph in writing.

Pet Insurance. You may not market, broker, offer, or sell any pet-insurance product, either under your own brand or the brand of a third party (or co-branded in any manner) at the Premises, unless PVS waives the restriction in writing. However, you may counsel customers on the benefits of pet-insurance products for the care of the customer's pet and the payment of veterinary expenses.

Therapeutic Pet Foods. You may not sell Therapeutic Pet Foods at the Hospital (or on-line or for home delivery), except to the extent (if any) expressly authorized by the Brand

Standards Manual. PetSmart will determine the brands of Therapeutic Pet Foods to be carried by the PETSMA[®] store and will negotiate arrangements with the suppliers of those brands. All Therapeutic Pet Foods will be checked out through the cash registers of the PETSMA[®] store (except Therapeutic Pet Foods purchased online and picked-up at the Premises or orders shipped from and/or delivered by the Premises).

PVS will coordinate with PetSmart regarding the ordering, purchasing, storage, stocking, facing, and handling of all Therapeutic Pet Foods at the Premises. You must provide, at no charge to PVS or PetSmart, a prescription card to all customers for Therapeutic Pet Food. You will determine when prescriptions are necessary or, in the alternative, verify prescriptions issued by third-party veterinarians. PVS will arrange for PetSmart to verify and process only transactions that are supported by a valid prescription card or alternative electronic method which is agreeable to you. PVS will coordinate with PetSmart regarding shelf and/or racking space for the Therapeutic Pet Foods in close proximity to the Hospital, so that it is efficient for the Hospital Veterinarians and other Hospital team members to help customers find the food that is best for their pet.

We reserve the right (but will have no obligation) to implement an incentive program with respect to the sale of Therapeutic Pet Foods at the Premises. We will give you at least 60 days written notice before the start of any such program.

Pharmaceuticals. You may not resell to others any pharmaceuticals or products purchased for the Hospital or engage in any other buying or selling practices that may put your veterinary license at risk (e.g., buying and selling legal pharmaceuticals or products through unauthorized channels of distribution; also called “grey market sales”). If PVS determines that you have ordered an excess inventory of pharmaceuticals or products for the Hospital, PVS may investigate as PVS sees fit and exercise the right to conduct an inspection of the Hospital.

Hours of Operation and Staffing. From the Commencement Date, your Hospital must be open to the public for at least 40 hours per week, with the hours of operation falling within the business hours of the PetSmart store at the Premises. You will use your best efforts to ensure that your Hospital is adequately staffed during operating hours. You will staff the Hospital with such veterinary medical personnel as may be necessary to meet System Standards and efficiently carry out the high-quality practice of veterinary medicine at the Hospital.

Off-Premises Operations. You must obtain prior written approval from PVS before engaging in any Off-Premises Operations. “**Off-Premises Operations**” means the offering of any approved products and services under the PETSMA[®] VETERINARY SERVICES name (or successor name) at or from a location outside of the Premises, including, for example, in a mobile van, community event, or customer’s home. All Off-Premises Operations will be subject to all applicable provisions of the Franchise Agreement, including (but not limited to) the Royalty Fee and Brand Fund contribution, the operational requirements (including use of the Hospital’s PIMS system for all transactions), the limitations on use of the Marks, and the obligation to indemnify PVS. If PVS authorizes any Off-Premises Operations, PVS may limit the geographic area and/or specific types of locations in which you are permitted to provide products and services. PVS may establish rules and policies to coordinate the Off-Premises Operations of PVS Hospitals to prevent customer confusion. You will be responsible for any fees and costs required to comply with such rules and policies.

You are prohibited from using the PETSMA^RT VETERINARY SERVICES name to sell products or services through e-commerce or any other distribution channel. Unless we have expressly authorized it, you may not sell products through any website, mobile app, or third-party platform. We may permit you to market through the Internet, social media, mobile apps, and other electronic means, but we have the right to approve and control any such channel that uses or displays any of the Licensed Marks.

You must participate in promotional activities that we require generally for PVS Hospitals. If we require that you conduct any promotional activities, you will bear your own costs of conducting these activities.

You must participate in any customer loyalty program we prescribe. We may also require you to participate in programs we establish relating to online or mobile customer engagement, gift cards, gift certificates, stored value cards, coupons or credits. Participation includes both issuing program benefits or credits and accepting them for payment by customers, and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among PVS Hospitals based on customer purchases and redemption of stored value. You may not offer your own gift card, electronic money, or loyalty program without our prior approval.

You must maintain regular communication with us, respond promptly to all email and other correspondence from us relating to Hospital operations, consider in good faith our suggestions, recommendations, and guidelines for improving operations and overall business performance, and cooperate with our efforts to assess Hospital performance.

Notwithstanding the requirements described in this Item, as discussed in Item 1, you will be solely and exclusively in control of all aspects of the practice of veterinary medicine and the delivery of veterinary care and related services at the Hospital. You will retain full authority to direct the veterinary, professional, and ethical aspects of the Hospital. If you and/or the Hospital Veterinarians determine, in your or their professional judgment, that there is a Professional Conflict (as defined in Item 1), then you may deviate from the Franchise Agreement and System Standards to the extent you deem necessary to satisfy the applicable statutory, regulatory, or ethical obligations. Except in cases of a Professional Conflict, you must follow the Franchise Agreement and System Standards.

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ITEM 17

**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP**

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

Franchise and Premises License Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	5.1	Lesser of 10 years or the remaining term of PetSmart’s lease for the premises of the PETSMA [®] store (the “Lease”).
b. Renewal or extension of the term	5.2	Subject to availability, one additional term of 5 years, contingent on (a) renewal or extension of the Lease, and (b) no decision by PVS to stop offering franchises in the region of the USA where the Hospital is located. We may treat your failure or refusal to sign the renewal agreement within 30 days after its delivery as your final decision not to renew.
c. Requirements for you to renew or extend	5.2	Conditions include: Franchisee provides written notice no later than 12 months prior to expiry of initial term; Franchisee is not in default; all licensed Hospital personnel are in good standing; Franchisee has a good record of customer service (e.g., demonstrated history of customer satisfaction, customer retention, responsiveness to customer complaints, questions, and issues, and compliance with Brand Standards Manual and System Standards pertaining to customer service); Franchisee signs Renewal Agreement; Franchisee and Owners sign a general release; Franchisee pays renewal fee; and Hospital personnel complete any additional or refresher training courses. The Renewal Agreement may contain terms that are materially different from those of your expiring Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
d. Termination by you	5.1, 20.2	<p>You can terminate on 30 days' notice if PVS fails to deliver the Hospital by the Outside Delivery Date, unless PVS then delivers the Hospital within the 30-day period. This is your sole remedy for our failure to deliver the Hospital on time.</p> <p>If PVS fails to cure any other default within the applicable cure period, your sole remedy will be to pursue an action for money damages or equitable relief against PVS. You are not entitled to terminate this Agreement as a result of the default unless the default was material and a willful and intentional act of PVS.</p>
e. Termination by us without cause	19.7	<p>In the event a court or other legal authority rules that PVS or its affiliates are prohibited from engaging in the PETSMART VETERINARY SERVICES franchise program, PVS will have the right to terminate by written notice to you, without liability to either party. You will then have the option to (i) terminate the Franchise Agreement and wind down the operation of the Hospital and vacate the Hospital on a schedule to be agreed upon; or (ii) convert the Hospital to a different name and continue to operate the Hospital as an IVO under PetSmart's standard Independent Veterinary Operator Agreement.</p> <p>In addition, if PetSmart terminates the Lease because of a default by the landlord, the Franchise Agreement will also terminate, without liability to you or PVS.</p>
f. Termination by us with cause	19.1 – 19.5	<p>We can terminate the Franchise Agreement as described in g. and h. below. We can also terminate the Franchise Agreement based on your uncured default of any other agreement with us, our affiliates, or vendors of the Hospital. For example, if you have signed a Promissory Note with our affiliate for financing of your Hospital, we can terminate the Franchise Agreement based on your uncured loan default.</p>

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined - defaults which can be cured	19.1	Unless a default is specified to be non-curable, you will have 10 days after written notice to cure a payment default and 30 days to cure any other default. In addition, we can terminate if you cause PetSmart to be in default of its Lease, or PVS to be in default of its License with PetSmart, and you do not cure the default within a reasonable time.
h. "Cause" defined – non-curable defaults	19.3	PVS can terminate on written notice if: the Lease expires (but we will use good faith efforts to identify another PETSMA [®] store for your Hospital); you violate the Size Restriction defined in Item 1; you or your assets appear on any government list of blocked persons or assets; you receive 3 notices of default within 12 months; filing of a bill in equity or for appointment of a receiver; Franchisee is adjudicated bankrupt or insolvent; any advertisement for the bulk liquidation of Franchisee's assets or property; you or an Owner transfers or assigns any interest in the franchise without prior written approval of PVS; or you expressly repudiate, in writing, your obligations under the Franchise Agreement.
i. Your obligations on termination/non-renewal	21	Upon termination or expiration of the Franchise Agreement, you must: cease to operate the Hospital and surrender possession; remove any branded presence of the Hospital online and in any mobile network; cease to use the Confidential Information and the Marks and return all materials containing them; leave in place all Equipment provided by PVS; provide us with all Hospital Records and Customer Data; withdraw all advertising that can be cancelled; cancel any assumed name registration; not hold yourself out as a present or former PVS franchisee; not use any reproduction, copy or imitation of the Marks; and promptly communicate with all customers of the Hospital in coordination with PVS to maintain a good customer experience.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by us	26.8	No restriction on our right to assign our rights and obligations, except that we must notify you.
k. "Transfer" by you – definition	26.1	Includes direct and indirect assignment of the Franchise Agreement, the assets of the Hospital, or transfer of an ownership interest in Franchisee, by any means (e.g., by sale or gift, either voluntarily or by operation of law, such as through divorce or bankruptcy proceedings).
l. Our approval of transfer by franchisee	26.1, 26.3 – 26.6	We have the right to approve all direct and indirect transfers.
m. Conditions for our approval of transfer	26.3	Conditions that we can impose for sale of the business include: no defaults and all monetary obligations satisfied; transferee meets our then-current qualifications for franchisees; transferee updates Hospital to then-current System Standards; transferee completes training; if transferee is another franchisee of PVS, transferee has no defaults and releases any claims against PVS; payment of transfer fee (see Item 6); at our request, you or transferee sign our then-current form of Franchise Agreement; you and the Owners release any claims against us; price and other terms of sale do not jeopardize ability to operate the Hospital; and financing is subordinated to obligations to us.
n. Our right of first refusal to acquire your business	26.2	We have the right to match any bona fide offer to purchase the Hospital or an ownership interest in Franchisee. Does not apply if you transfer ownership to a corporation or LLC that you form for that purpose; does not apply to a transfer to your spouse or adult son or daughter (including as a result of your death or incapacity).
o. Our option to purchase your business	None	
p. Your death or disability	26.6	Your executor or personal representative must apply to transfer your interest.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	29.1	Franchisee and its affiliates are prohibited from: (a) engaging in any activity relating to the ownership, operation or support of any business which is in the business of selling pet food, pet supplies, pet services, and/or pet products (including both on-line or brick and mortar); or (b) owning, operating or supporting any hospital or clinic providing Veterinary Services within a 5-mile radius of the Premises.
r. Non-competition covenants after the franchise is terminated or expires	29.1	The restrictions in q. continue for 1 year following expiration, termination, or assignment of the Franchise Agreement.
s. Modification of the agreement	32.6	No modification will be deemed binding unless in writing and signed by the parties.
t. Integration/merger clause	32.1	Only the terms of the agreement are binding (subject to state law). However, this clause will not be treated as a disclaimer of our representations in this disclosure document. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	32.10	Before filing litigation (other than litigation seeking a restraining order, preliminary injunction, or declaratory relief), a dispute between us and you and/or the Owners must be submitted to non-binding mediation administered by a neutral mediation service with experience in franchise disputes. These provisions are subject to state law in your state.
v. Choice of forum	32.11	You and the Owners must file any suit against us in the federal or state court where our principal office is located at the time the suit is filed (currently Maricopa County, Arizona). We can sue you where we have our principal office or where your principal office is located. You and we both waive the right to trial by jury and the right to seek punitive damages. These provisions are subject to state law in your state.

Provision	Section in Franchise Agreement	Summary
w. Choice of law	32.11	Arizona law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

We have “Brand Ambassador” agreements with Dr. Vernard Hodges and Dr. Terrence Ferguson under which they receive compensation for promoting the PETSMART VETERINARY SERVICES brand, including our franchise opportunity. Dr. Hodges and Dr. Ferguson are well-known veterinary practitioners who are featured on the Nat Geo WILD television program called “Critter Fixers: Country Vets.” Dr. Hodges and Dr. Ferguson, through one or more entities, have also signed Franchise Agreements with PVS. Dr. Hodges and Dr. Ferguson do not manage or own an interest in PVS. We currently do not use any other public figures to promote our franchises.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 our Vice President – Veterinary Health Services at 19601 N. 27th Ave., Phoenix, AZ, tel. 623-587-2030 or vetownership@petsmart.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table 1
System-Wide Outlet Summary
For Years 2022 to 2024⁽¹⁾**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year⁽²⁾	Net Change
Franchised	2022	0	11	+11
	2023	11	38	+27
	2024	38	38	0
Company	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total	2022	0	11	+11
	2023	11	38	+27
	2024	38	38	0

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2024 fiscal year was a 53-week period ending on February 2, 2025.

Note 2: Does not include Hospitals in Puerto Rico.

**Table 2
Transfers of Outlets from Franchisees to New Owners (Not Franchisor)
For Years 2022 to 2024**

State	Year	Number of Transfers
Pennsylvania	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	1
	2024	0

**Table 3
Status of Franchised Outlets
For Years 2022 to 2024⁽¹⁾**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - other reason	Outlets at the End of Year ⁽¹⁾
AR	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
AZ	2022	0	2	0	0	0	0	2
	2023	2	7	1	0	0	1	7
	2024	7	3	9	0	0	0	1
CA	2022	0	3	0	0	0	0	3
	2023	3	4	0	0	0	0	7
	2024	7	1	0	0	0	0	8
CT	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
FL	2022	0	2	0	0	0	0	2
	2023	2	4	0	0	0	1	5
	2024	5	4	4	0	0	0	5
GA	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	1	2
	2024	2	2	0	0	0	0	4
IL	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
LA	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MD	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MI	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	1	0	0	0	1

NC	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
NE	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
NV	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
	2024	3	0	0	0	0	0	3
NY	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
PA	2022	0	2	0	0	0	0	2
	2023	2	1	0	0	0	1	2
	2024	2	0	1	0	0	0	1
TX	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
VA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
WI	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	0	11	0	0	0	0	11
	2023	11	33	1	0	0	5	38
	2024	38	15	15	0	0	0	38

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2024 fiscal year was a 53-week period ending on February 2, 2025.

Table 4
Status of Company-Owned Outlets
For Years 2022 to 2024⁽¹⁾

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2024 fiscal year was a 53-week period ending on February 2, 2025.

Table 5
Projected Openings
For Fiscal Year Ending February 1, 2026⁽¹⁾

State	Franchise Agreement Signed but Hospital not Open as of 2/2/2025	Projected New Franchised Hospitals in FY 2025 ⁽²⁾	Projected New Company-Owned Hospitals in FY 2025
Florida	1	1	0
Georgia	2	2	0
Texas	1	1	0
TOTAL	4	4	0

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2024 fiscal year was a 53-week period ending on February 2, 2025.

Note 2: Includes the locations in column 1 that we expect to open in FY 2025, as well as new Franchise Agreements for locations that we expect to open in FY 2025.

* * *

The names, addresses and telephone numbers of our franchisees as of our fiscal year end on February 2, 2025 are listed in Exhibit E to this disclosure document.

Exhibit E also includes a separate list of the franchisees who had signed a franchise agreement but had not yet opened the Hospital as of our fiscal year end on February 2, 2025.

Exhibit F is a list of franchisees who had a Franchise Agreement transferred, terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our fiscal year ended February 2, 2025. There are no franchisees who have not communicated with us within the 10 weeks before 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.

We and our affiliates have not signed any agreements with current or former franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience as our franchisee.

We have not created or sponsored any trademark-specific franchisee organizations associated with the franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Exhibit G to this disclosure document contains our audited financial statements, which comprise the balance sheets as of February 2, 2025 and January 28, 2024 and the related statements of operations, member's equity, and cash flows for the year ended February 2, 2025, the year ended January 28, 2024, and the period from formation (March 25, 2022) through January 29, 2023, and the related notes to the financial statements. Because PVS was organized on March 25, 2022, PVS does not have available and cannot yet include the 3 full years of audited financial statements otherwise required by the franchise laws. Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st.

ITEM 22

CONTRACTS

This disclosure document contains a copy of the following agreements:

- | | |
|-----------|---|
| Exhibit A | Franchise Agreement |
| Exhibit D | State-Required Contract Addenda |
| Exhibit H | Sample of Release to be signed when you renew or transfer the franchise |
| Exhibit I | Promissory Note, Guaranty and Financing Addendum |

ITEM 23

RECEIPTS

Two copies of a receipt form appear at the end of this disclosure document. Please fill out and sign both receipts, return one copy to us and keep the other for your records.

EXHIBIT A
FRANCHISE AND PREMISES LICENSE AGREEMENT

EXHIBIT B

TABLE OF CONTENTS OF BRAND STANDARDS MANUAL

EXHIBIT C

STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT D

ADDITIONAL STATE-REQUIRED INFORMATION AND STATE-REQUIRED CONTRACT ADDENDA

We may register our franchise offering in some or all of the states listed on the State Effective Dates page at the front of this disclosure document. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in any of these states, we will include appropriate state-specific disclosures and/or addenda to our contracts, as required by state law.

EXHIBIT E
FRANCHISEES AS OF FEBRUARY 2, 2025

EXHIBIT F

FRANCHISEES WHO EXITED AN OUTLET IN FISCAL YEAR ENDING FEBRUARY 2, 2025

EXHIBIT G
FINANCIAL STATEMENTS

EXHIBIT H
SAMPLE RELEASE

EXHIBIT I
PROMISSORY NOTE AND GUARANTY

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

Receipt

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

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that 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. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If the franchisor 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit C.

The franchisor is PetSmart Veterinary Services, LLC, located at 19601 N. 27th Avenue, Phoenix, AZ 85027, tel. 623-587-2030.

Issuance date: May 19, 2025

The franchise sellers for this offering are Rob Pace, Michael Kuehn, Dr. Jennifer Bruns, Brad Loucks, Dr. Glenn Robinson, Tacen Woods, Kelly Hopkins, and Brandi Gross at the above address and telephone number; Scott C. Oppat at 6894 Apollo Road, West Linn, OR 97068, (503) 850-4624; Jesse Thomason at Privada la Canasta 40-3, Barrio San Nicolas, San Cristobal de las Casas, Chiapas, MX 29270, 623-826-5644; and _____ [*List any other franchise sellers involved in the sale*].

We authorize the state agencies in Exhibit C to receive service of process for us in the particular state.

I have received a Franchise Disclosure Document dated May 19, 2025 that included the following Exhibits (the effective dates of this disclosure document in states with franchise registration laws are listed in the State Effective Dates page).

- A. Franchise and Premises License Agreement
- B. Table of Contents of Brand Standards Manual
- C. State Franchise Administrators and Agents for Service of Process
- D. Additional State-Required Information and State-Required Contract Addenda
- E. Franchisees as of February 2, 2025
- F. Franchisees Who Exited an Outlet in Fiscal Year Ending February 2, 2025
- G. Financial Statements
- H. Sample Release
- I. Promissory Note, Guaranty and Financing Addendum

Date Received

Signature of Prospective Franchisee

Name (please print)

This copy to be retained by Prospective Franchisee

Receipt

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

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that 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. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If the franchisor 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit C.

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- G. Financial Statements
- H. Sample Release
- I. Promissory Note, Guaranty and Financing Addendum

Date Received

Signature of Prospective Franchisee

Name (please print)

This copy to be retained by Franchisor