

FRANCHISE DISCLOSURE DOCUMENT



Paw & Order Franchise LLC
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The franchise offered in this Franchise Disclosure Document (FDD) is for the operation of a Paw & Order Business. Paw & Order specializes in all levels of balanced dog training, including puppy training, basic obedience, and intense behavior modification. The total investment necessary to begin operation of a Paw & Order Business (hereinafter, the "Paw & Order Business" or "Business") is between \$35,445 and \$52,465. This includes an initial franchise fee of \$24,900 that is paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Stephen Sentner or Elissa Weimer at 594 Creek Road, Bulger, PA 15019, franchise@pawandorder.com, or 724-344-2200.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov 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.

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How To Use This Franchise Disclosure Document

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

QUESTION

WHERE TO FIND INFORMATION

How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Paw & Order 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 Paw & Order franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. Many franchise agreements do not allow you to renew unconditionally after the initial term expires. You may have to sign a new agreement with different terms and conditions to continue to operate your business. Before you buy, consider what rights you must renew your franchise, if any, and what terms you might have to accept to renew.
2. The franchise agreement requires you to resolve disputes with us by mediation, arbitration, and litigation only in Pennsylvania. Out-of-state mediation, arbitration, and litigation may force you to accept a less favorable settlement for disputes; it may also cost you more to arbitrate and litigate with us in Pennsylvania than in your own state.
3. The franchise agreement states that Pennsylvania law governs the agreements, and this law may not provide the same protections and benefits as local law, you may want to compare these laws.
4. There may be other risks concerning this franchise.

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

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EXHIBITS to this FDD

- A Paw & Order Franchise Agreement (including its EXHIBITS)
- B Financial Statements
- C List of Current and Former Franchisees
- D List of State Administrators/Agents for Service of Process
- E Franchise Disclosure Questionnaire
- F State Effective Dates
- G Receipt

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “Paw & Order,” “we,” “us,” and “our” means Paw & Order Franchise LLC, doing business as Paw & Order, the franchisor. “You,” “your,” and “Franchisee” means the person who buys the franchise from Paw & Order or the owner(s) if the Franchisee is a business entity.

Franchisor, Parent, and Affiliates

Paw & Order Franchise LLC is a Pennsylvania limited liability company formed in November 2019. Our principal business address is 594 Creek Road, Bulger, PA 15019. We operate under our corporate name, “Paw & Order.” We do not conduct business under any other name. We have offered franchises for the Paw & Order Business since January 2020. We have not offered franchises in any other line of business.

We have an affiliated company, Paw & Order LLC, which was initially formed under the name 3 Rivers Dog Training LLC on February 6, 2013, in Pennsylvania. In 2016, the name was changed to Paw & Order LLC. Our affiliate has been operating a dog training business of the kind in the Southwestern Pennsylvania area since 2013. We do not have a parent company.

Agents for Service of Process

The Franchisors of process for the State of Pennsylvania are Stephen Sentner and Elissa Weimer, 594 Creek Road, Bulger, PA 15019. The Franchisor for service of process for other states are identified in EXHIBIT D of this Franchise Disclosure Document. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws.

Paw & Order Franchises

We offer franchises for Paw & Order franchises using our trade names, trademarks, service marks, associated logos and symbols (“Marks”), business system, procedures and trade secrets (collectively, the “System”). You will conduct a Paw & Order Business offering professional dog training and other similar or ancillary services, i.e. boarding, doggy day-care, and grooming (the “Approved Services”). You must sign one of our standard franchise agreements, which is attached to this Franchise Disclosure Document as EXHIBIT A (a “Franchise Agreement”) for each Paw & Order business you want to operate.

If you are interested in becoming a Paw & Order franchisee, you may be asked to complete a confidential application and questionnaire when applying for consideration. This may include your authorization for us to do, at our discretion, various background checks on you, including making criminal and financial inquiries. This information will remain confidential.

Market Competition

The market for the services offered by a Paw & Order Business is well-established and very competitive. You will be offering services for sale to the public. Our services are not seasonal in nature. Many people train their dogs and perform some of the services that are provided by a Paw & Order Business themselves, and people who want someone else to do it for them have many choices, including other Paw & Order franchises (subject to the territorial protection and restriction set forth in Item 12).

Industry Regulations

The dog training and boarding industry may be subject to different kinds of regulations in your state. These regulations are enforced by different jurisdictions, including the federal government and states, counties, and cities. Many laws and regulations affect all businesses; examples of these are employee wages, hours, benefits, requirements that certain notices be posted for employees, and tax regulations that describe how long you must keep records.

Before you open a Paw & Order Business, you should become familiar with all the general regulations and laws in the jurisdiction where you plan to locate your Paw & Order Business. In addition to general regulations, there are also laws and regulations that have a more specific impact on dog training and boarding, including but not limited to licensing and zoning. At all times, you are responsible to ensure you comply with all specific legal requirements that affect your business. We strongly urge you to consult with competent local counsel regarding all the laws and regulations described above, and others that may be applicable to you and your jurisdiction.

ITEM 2

OWNERS' BACKGROUND AND EXPERIENCE

Below is a listing of the names and titles of our officers and directors and other individuals who will have management responsibility relating to the sale or operation of franchises offered by this Franchise Disclosure Document and descriptions of their business experience for at least the last 5 years.

Elissa Weimer – Founder and Chief Executive Officer

Mrs. Weimer is our founder and Chief Executive Officer of Paw & Order Franchise LLC. She is a certified Canine Good Citizen Evaluator and a member of the IACP and the APDT. She has earned several certifications and has been recognized many times for her work. Mrs. Weimer has been recognized as VIP Woman of the Year by the National Association of Professional Women.

Mrs. Weimer is also the founder and Chief Executive Officer of our Affiliate, Paw & Order, LLC and has been since its formation in February 2013. Prior to that, Mrs. Weimer served as a Combat Military Police Officer from 2007 to 2014.

Stephen Sentner – Chief Operating Officer and Chief Marketing Officer

Mr. Sentner has served as our Chief Marketing Officer and Chief Operations Officer since 2016. He graduated from Duke University in 2001. Previously, he was a marketing manager for Dick's Sporting Goods in Pittsburgh from July 2004 to November 2013, and marketing manager for Highmark Healthcare Insurance in Pittsburgh from December 2013 to October 2016.

ITEM 3

LITIGATION

No litigation to disclose.

ITEM 4

BANKRUPTCY

No bankruptcy to disclose.

ITEM 5
INITIAL FEE

Initial Franchise Fees

Paw & Order Business Initial Franchise Fee

If you are purchasing a Paw & Order Business, You must pay us an Initial Franchise fee of **\$24,900** after completing your training, signing the Franchise Agreement (the “Initial Franchise Fees”), and completing all pre-opening obligations. The Initial Franchise fee is considered fully earned by us and non-refundable. The Initial Fees are uniform for all Franchisees that are offered franchises under this Disclosure Document. This fee is non-negotiable. Our Franchise Fee will increase over time, but if you choose to purchase an additional protected territory at a later time, we will honor the original Franchise Fee stated above.

ITEM 6
OTHER FEES

Type of Fee ⁽¹⁾	Amount	Remarks
Continuing Service Royalty ⁽²⁾	7% of Gross Revenues - due monthly when invoiced	Based on Gross Revenues (payments received) during the previous month as calculated in Soffront CRM.
Local Marketing Requirement	Not required	
Brand Fund Contribution	Not required	
Cooperative Advertising Programs	Not required	
National Franchise Convention Fee	Initially \$0, we reserve the right to require up to \$500 per attendee	Payable to us.
Additional Training or Assistance	Varies - see “Initial Training Program” under Item 11	We may charge you for training newly hired personnel; for refresher training courses; and for additional or special assistance or training you need or request. For all training sessions and conferences, you must pay for your trainees’ and representatives’ salaries, benefits, travel, lodging, and meal expenses.
Transfer Fee	The greater of 10% of the then-current franchise fee or 5% of the sale price	No charge if Franchise Agreement transferred to an entity you control.
Renewal Fee	No fee at this time, but we reserve the right to add one in the future (shall not exceed \$1,000)	You will need to sign a new Agreement.
Relocation Assistance	Cost of relocation	If you need our assistance to relocate.
Product and Service Purchases	Varies	See Item 8
Audit	Cost of inspection	Due if you do not give us reports, supporting records or other required information, or if you understate required Continuing Support and Royalty payments or Fund contributions by more than 2%.

Type of Fee ⁽¹⁾	Amount	Remarks
Interest	Lesser of 1.5% per month or highest commercial contract interest rate law allows	Due on all overdue invoices.
Payment Depot or other credit card processing company	Varies	Paid directly to Provider.
QuickBooks or other accounting software	\$15-\$75	Varies depending on the package you select. Paid directly to Provider.
@pawandorder.com email address	\$16/month per email	Payable to us. Invoiced with Royalties. Price is set by Google and is subject to change.
Soffront CRM tool	\$35/month per admin; \$25/month per trainer	Payable to us. Invoiced with Royalties.
Insurance	You must reimburse our costs	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us.
Insufficient Funds	\$75	Due if you have insufficient funds in your EDTA to cover a payment, or if you pay by check, a check is returned for insufficient funds.
Cost of Enforcement	All costs including reasonable attorneys' fees	You must reimburse us for all costs in enforcing obligations if we prevail, under the Franchise Agreement
Management Fee	\$250 per person per day (plus costs and expenses)	Due when we (or a third party) manage your Business after your managing owner's death or disability, or after your default or abandonment.
Indemnification	Will vary	You must reimburse us if we are held liable for claims from your Business' operation.

Notes:

1. All fees paid to us pursuant to this Franchise Disclosure Document are uniform and non-refundable. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We can require an alternative payment method and frequency for any fees or amounts owed to us under the Franchise Agreement.
2. As used in the Franchise Agreement, "Gross Revenues" means the total payments received for all services and products sold by your Paw & Order Business (not adjusted for credit card fees), and all income and revenue of any other kind and nature related to the Paw & Order Business operation, whether for cash or credit, but excluding taxes collected from customers and paid to the taxing authority, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks the Business in good faith gives to customers.

ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Estimate	High Estimate	To Whom
Initial Franchise Fee ⁽¹⁾	\$24,900	\$24,900	Paw & Order
Dog training tools and related items ⁽²⁾	\$200	\$300	Third Party
Dog Trainer/Employee (3 months) ⁽³⁾	\$0	\$12,500	Trainer
Business Licenses and Permits ⁽⁴⁾	\$300	\$1,000	Third party
Advertising	\$0	\$1,000	Third party
Computer System	\$0	\$400	Third party
Accounting Software (3 months)	\$45	\$225	Third party
CRM Tool (3 months) (per user) ⁽⁵⁾	\$105	\$225	Paw & Order
Printer (color laser)	\$150	\$400	Third party
Card reader	\$69	\$99	Third party
Payroll Software (3 months)	\$0	\$150	Third party
Email (3 months) (per user)	\$16	\$108	Paw & Order
Business and Workers Comp Insurance ⁽⁶⁾	\$215	\$500	Third party
Travel and Living Expenses While Training ⁽⁷⁾	\$2,000	\$3,500	Third Parties
Accountant and Attorney Fees ⁽⁸⁾	\$200	\$1,500	Third party
Miscellaneous (3 Months) ⁽⁹⁾	\$500	\$5,000	Third party
Total Estimated Initial Investment ⁽¹⁰⁾	\$28,732	\$51,843	

Notes:

1. All fees paid to us pursuant to this Franchise Disclosure Document are uniform and non-refundable. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers.
2. You must purchase certain dog training tools as we require. Dog training tools include such things as: Clickers, eCollar, Prong collar, Martingale collar, among others. Amount spend will vary depending on how much you purchase; you could save if you buy in bulk.
3. The low estimate assumes You will be the only employee managing the business and training the dogs. The high estimate assumes you hire a full-time employee (not typical for initial operation).
4. The estimate includes the cost of acquiring business licenses and permits and will vary depending upon your location. A kennel license is required if You also operate a kennel.
5. Our customer relationship management tool (Soffront) connects to QuickBooks and provides client data to you and to us. The low estimate is for one admin user, the high estimate would be for 2 additional standard users.
6. You must obtain and maintain, at your own expense, the insurance coverage we require and satisfy other insurance-related obligations. The amounts listed in this table reflect our estimate of basic insurance for your first three months of operation and is based upon the experience of our Affiliate. Additional information regarding insurance needs, including coverage limits, can be found in Item 8 to this Franchise Disclosure Document.
7. This estimate is for the cost of two (2) people to attend initial training in the Pittsburgh, Pennsylvania area. You are responsible for the travel and living expenses, wages, and other expenses incurred by your trainees during initial training. The actual cost will depend on your point of origin, method of travel, class of accommodations, and dining choices. At this time, we only require persons who will train dogs to attend training in person. Persons who only function in a business role can take our training online.

8. We recommend that you consult with an attorney, accountant, and/or other advisor prior to purchasing a franchise. You may need to obtain state and local licenses and business licenses. You may have to post bonds to obtain certain governmental permits.
9. This is an estimate for any additional operating capital you may need to operate your business during the **first 3 months** after you open.
10. We relied on approximately eight years of our affiliate's experience in the dog training business to compile this estimate. We cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on factors such as: the size of your territory; your management skill; experience and business acumen; local economic conditions; competition; the sales level reached during the initial period. The estimate does not include the monthly cost of debt service. Additional operating expenses may be incurred in connection with the ongoing operation of your business and periodic reinvestment may be necessary following the initial start-up phase.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Paw & Order Business according to our System and specifications when noted. Except as described below, we do not require you to purchase or lease goods, services, supplies, fixtures, equipment, inventory, or real estate for your Paw & Order Business from us, an affiliate of ours, or an Approved Supplier.

Approved Products and Services

You may only market, offer, sell, and provide the approved services, as well as any related merchandise and other products that we authorize for sale in conjunction with the Approved Products and Services. We will provide you with a list of our then-current Approved Products and Services, along with their standards and specifications, as part of the Manual or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any service in your Franchised Business other than our Approved Products and Services or use any item in connection with your Franchised Business, you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We will provide you with some initial training equipment before you start your Paw & Order Business. As you acquire clients, you will be responsible for purchasing all dog treats, dog training tools, and equipment in bulk and charging the clients for the use of such. We will provide you with some Paw & Order apparel at no cost. You may opt to purchase additional apparel. You can purchase any approved equipment from any supplier you wish. We reserve the right to implement "Approved Suppliers" in the future. This would only be implemented if it would financially benefit Us and our Franchisees.

We may develop proprietary products for use in your Franchised Business, including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s). At this time, we have numerous vendors we can recommend for dog training tools.

Except as provided above in this Item: (i) neither we nor any of our affiliates are an Approved Supplier for any items you are required to purchase in connection with your Franchised Business; and (ii) none of our officers own an interest in any of our Approved Suppliers other than us. However, we reserve the right to do so in the future.

We reserve the right to designate us or any of our affiliates as an Approved Supplier for any other item you must purchase in connection with your Franchised Business in the future.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase in accordance with our standards and specifications, are referred to collectively as your “Required Purchases.”

We and our affiliates reserve the right to derive revenue from any of the required purchases. In our last fiscal year, ending on December 31, 2021, we did not receive any revenue from required purchases or leases of products and services by franchisees. This was not any part of our total revenue as reported in our most recent audited financial statements.

We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers’ dealings with us, you, or other Franchised Businesses in the System, such as rebates, commissions, or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. Currently, neither we, nor any persons affiliated with us, receive any revenue or other consideration as a result of our franchisees' purchases from any required or approved supplier of services or products. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services, and other items at a price that will benefit us and our franchisees.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to offer any products or services in connection with your Franchised Business that are not Approved Products or Services.

Although you may purchase them from any supplier, you must purchase all business forms, advertising material, brochures, and similar materials in accordance with our specifications, which we may revise from time-to-time. If you do not purchase these items from us, we must approve them before you use the materials. We will notify you within thirty days of the date you submit materials for review if we do not approve them. If we do not notify you within such thirty-day period, the materials are deemed approved. We will provide you with certain manuals which describe our specifications for the proper use of the trade names and service marks in advertising materials.

We do not receive payment from any designated supplier based on purchases by our franchisees. We may negotiate purchase arrangements, including price terms, with suppliers for the benefit of our franchisees. We do not provide material benefits to franchisees based on their use of designated or approved sources. We may periodically assist our franchisees in organizing purchasing cooperatives.

Insurance

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance required by applicable law, your landlord, or otherwise. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes apply to all Paw & Order Business. Each insurance policy must name us, and any entities and persons affiliated with us, as additional insureds. On our request, you must provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies on an annual basis. Before you open your Paw & Order Business, you must furnish us with a certificate of insurance showing compliance with the insurance requirements. Currently, you must have the following insurance at a minimum from an insurer we approve:

- Comprehensive general liability insurance with limits of at least \$1,000,000 per person per occurrence (and \$2,000,000 aggregate for bodily injury) and at least \$25,000 for property damage per occurrence;
- Personal injury and advertising injury insurance with limits of at least \$1,000,000 per occurrence;
- Employer Practices Liability insurance with limits of at least \$1,000,000;
- An Umbrella Liability insurance policy with a limit of at least \$1,000,000;
- “All risk” insurance on the premises, equipment, and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risk usually insured against by the owners or lessors of similar property, for at least 100% of the replacement cost of the property. Unless you obtain a written waiver from us, any Paw & Order Business sustaining loss or damage must be repaired, restored, or rebuilt within 60 days after the date of the loss or damage;
- Automobile liability insurance on each vehicle used in the business within the minimum coverage limits as required by the law of the state or jurisdiction in which you are engaged in business; and
- Worker’s compensation or similar insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for all employees and dog trainers (including 1099 independent contractors), as required by your state or jurisdiction. You should familiarize yourself with the requirements in your state.

You must name Paw & Order Franchise LLC as an additional insured on a form we approve for a period of no less than 2 years after the termination or expiration of the franchise relationship and include indemnification provisions.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in FDD
Pre-opening purchases/leases	Section 7.2	Item 7
Site development and other pre-opening requirements	Section 7.2	Items 7 & 11
Initial and ongoing training	Sections 5.1 and 5.2	Items 10
Opening	Sections 7.2, 7.3 and 7.6.1	Items 6 & 7
Fees	Section 6, Section 2 of the ADA	Items 5, 6 & 7
Compliance with standards and policies / Operations Manual	Sections 5.3, 5.5, 7.1 and 7.3	Items 11
Trademarks and proprietary information	Section 8.1	Items 13 & 14
Restrictions on products/services offered	Sections 5.5 and 7.2.3	Items 8& 16
Warranty and customer service requirements	Not Applicable	
Territorial development & sales quotas	Section 4 of the ADA	
Ongoing products/service purchases	Sections 7.2.3	Items 8 & 16
Maintenance, appearance, and remodeling requirements	Section 7.2.2	Items 11
Insurance	Section 7.6	Items 7
Advertising	Sections 5.4, 7.1.3, and 7.4	Items 6 & 11
Indemnification	Section 8.5	Items 6, 13 & 14
Owner's participation / management / staffing	Sections 7.3 and 7.4	Items 11 & 15
Records and reports	Section 7.5	Items 6
Inspections and audits	Sections 6.5 and 7.2.4	Items 6 & 11
Transfer	Sections 6.8 and 9	Items 17
Renewal	Section 4.5.2	Items 17
Post-termination obligations	Section 10.3	Items 17
Non-competition covenants	Sections 8.6 and 10.3	Items 17
Dispute resolution	Section 11	Items 17

ITEM 10
FINANCING

We do not offer direct or indirect financing, but we may in the future. We do not guarantee your note, lease, or any of your obligations.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, AND COMPUTER SYSTEMS

Except as listed below, Paw & Order Franchise LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Paw & Order Business, we (or our designee) will provide the following assistance and services:

- (1) Designate your protected territory using mapping software (See Sections 4.2 and 7.2 of the Franchise Agreement);
- (2) Provide access to our online Learning Management System (LMS). This online portal will walk you through all the pre-opening tasks necessary to open your business. It will also include video tutorials of our founder, Elissa Weimer-Sentner, introducing you to our dog training techniques;
- (3) Provide instruction and assistance around the opening of your Paw & Order Business by telephone or in-person, as we determine in our sole discretion (See Section 5.1 of the Franchise Agreement); and
- (4) Provide an initial training program ("Initial Training Program") as described below.

Post-Opening Obligations

During the operation of your business, we may:

- (1) Provide periodic telephone, text, and/or email assistance on daily operations, marketing, advertising, personnel, and other operating issues that you may encounter, and, upon request, provide review and analyses of your operations (See Section 5.2 of the Franchise Agreement);
- (2) Update our training protocols to incorporate improvements and new developments in the System. (See Section 5.3 of the Franchise Agreement);
- (3) Make available to you initial training of replacement managers and dog trainers at a location that we determine. We may charge you a fee for this training. (See Section 5.1.2 of the Franchise Agreement);
- (4) Advise you regarding sources of supply for equipment, services, supplies, products, and materials, (See Sections 5.5 and 7.2.3 of the Franchise Agreement);
- (5) Assist you with sales promotions and administer a system-wide Brand Fund (See Section 7.4 of the Franchise Agreement) (See Brand Fund below);
- (6) At our option, provide access to our online tools, manuals, franchisee resources, and company news (See Sections 5.1.3 and 5.3 of the Franchise Agreement);
- (7) At our option, maintain a website and provide you with a standard web page on the website (See Section 7.4.3 of the Franchise Agreement); and
- (8) Provide you with advertisements and marketing materials if we develop them (See Section 5.4 of the Franchise Agreement).

Brand Fund

Many franchisors require their franchisees to contribute up to 1.5% of Gross Revenues each month for an advertising and promotions fund. Paw & Order does not and will not impose any such fee.

Local Advertising

Many franchisors require their franchisees to spend a percentage of their Gross Sales on local advertising. Paw & Order does not and will not require that. Each franchisee is welcome to run their own local advertising, but must submit to us, for our prior approval, all advertising and marketing materials you wish to use, unless the media and/or materials have been approved before or we provided the materials to you. If you do not receive written or oral approval of any materials submitted within 30 days from the date we receive the materials, the materials are disapproved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved.

You may have as many telephone numbers and online directory listings for the franchised business as you choose; however, you acknowledge and agree that we will own all rights and interest in each telephone number (regardless of whether such telephone number pre-existed any franchise agreement) and telephone directory listing, email address, domain name, social media platform, and comparable electronic identify that is associated in any manner with your Franchise and/or with any Mark ("Listing"). You acknowledge and agree that all goodwill arising from or in connection with the use of each Listing will be to our benefit. Promptly after expiration, termination, repurchase or transfer of the Franchise, you will notify each telephone or Internet Service Provider ("ISP") with whom you have any Listing and direct them to transfer the Listing to us, or any persons we designate, at your expense; and you agree to execute all documents necessary to complete these transfers.

You must include in any significant display, advertisements or marketing materials for your Paw & Order Business, a notice that your Paw & Order Business is individually owned and operated. We may require you to display in your reception or other prominent area brochures or other advertising materials stating that Paw & Order franchisees are available. You are not required or permitted to act for us in any sale of a franchise.

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

System Website and Social Media

At our option, we may establish one or more websites to advertise, market, and promote the System and the franchise opportunity. We currently maintain the website pawandorder.com; however, we are not obligated to continue to maintain that website and may (but are not required to) create additional or replacement websites. In any website, we may provide you with a listing for your location, or a web page to promote your business, if you provide us with the information that we request to develop your web page. All franchisees must use our website. We do not permit franchisees to operate a separate website for or in connection with their Paw & Order business. Our system standard will apply to any website advertising.

We may provide you with materials for use on social media sites such as a Facebook page. You may not use any electronic media, including the Internet, or any social media, for viewing by the public that contains or is associated with your Paw & Order business or our registered trademarks without our prior written approval. You are only allowed (and encouraged) to create a Facebook page for your Business. You must add Paw & Owner co-owner, Steve Sentner, as an admin to your Facebook page. You are not permitted to create any other social media page for your Business (TikTok®, Instagram®, Twitter®, or similar) without our prior written approval. We retain the right to

approve all social media content that displays or is associated with our trademarks or your Paw & Order business. We may require you to withdraw and/or discontinue the use of any social media posts, even if previously approved.

Computer System and Internet Access

At this time, we do not require you to use a particular Point-of-Sale (POS) System. Currently, we use the Swipe Simple App with Bluetooth on mobile phones, but you are welcome to choose another solution. Any maintenance, repair, or updates due to your equipment are your responsibility.

We may upgrade our minimum computer system requirements at any time in order to keep pace with technology. There are no contractual limitations on the frequency or cost of this obligation. If we modify or impose a requirement, we will notify you in writing and give you a reasonable time to comply.

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

Manuals

At the beginning of your School, we will provide you with our training manual in a binder. The manual contains proprietary information, and you must keep this information confidential as described in Item 14. This manual may be updated over time.

Initial Training Program

The Initial Training Program ("School") will teach you everything you need to get your Business up and running and will set you up to succeed. The high-level outline below may be modified at any time as we continue to look for ways to improve.

Prior to Week 1

Before the official School begins, you will be given access to our online Learning Management System. This portal will include steps you will need to go through to establish your business. In addition, there will be many training videos for you to watch. You are required to watch each video before week 1.

Week 1

We will host Zoom meetings each day to go through a number of topics including, but not limited to:

- Dog training theory
- Training services and pricing
- Benefits & expectations of each program
- Client agreements
- Consultations
- Sales techniques
- Equipment overview

Week 2 – 5

You will travel to our headquarters near the Pittsburgh Pennsylvania Airport for in-person hands on training. You will spend every weekday with us learning a wide range of topics including, but not limited to:

- Dog training techniques
- Organizing your lesson plans
- Dealing with customers
- Using our CRM tool, Soffront)

You will conduct consultations with real clients and work with dogs who are with us for training. You will shadow some of our Pittsburgh trainers and talk to prospective clients on the phone who are considering hiring us. You will spend approximately 8 hours every weekday at our facility and are expected to put in some hours over the weekends. Halfway through the School, you will have the option to leave early on Friday and travel home for the weekend if you choose to. We will assess your readiness at the end of School. If we feel you need additional training, we can extend your school for an additional \$200 per day.

You or a designee must go through and graduate from the School. You can send up to 2 individuals to the initial School at no charge. If you want to send more than two, there is a fee of \$4,000 per person for your initial School. If you opt to send someone to a future School, there is a \$6,000 fee per person.

We conduct an annual national conference, which You or your Operating Principal must attend. At our option, we may charge you a conference fee or a proportionate share of our out-of-pocket costs for each annual conference.

All dog trainers you employ must be certified by us. Certification and/or training for transferees, replacement managers, and employees is available. See below for the available offerings and the cost for each one. Training will occur at a time we schedule on a space-available basis and may not be available immediately.

Type	Length	Description	Cost	Per Day
Dog Training - Full	3-weeks (15 days)	How to train dogs - from consult to final lesson - approximately 8 hours or training a day	\$4,500	\$300
Dog Training - Refresh	2-day Min 10-day Max	Refresher training focusing on topics as needed - a la carte. Minimum of 3 hours of training per day, maximum of 5 hours.	\$200 per person per day	\$200
On-Site Trainer Certification	3 days	Franchisee sends a new trainer to P&O headquarters to be evaluated as a certified trainer. 2 days if they initially pass, 3rd day allows student to be re-evaluated a final time.	\$1,000	\$333
Off-Site Trainer Certification	3 days	P&O sends someone to You to evaluate and certify new trainer.	\$2,000 plus our travel expenses	\$667
Customer Service/Office Management	Varies	Online virtual training conducted by US on customer service - answering incoming leads, dealing with customer issues, following up with clients, etc.	\$100/hour	NA

*Costs do not include franchisee's expenses (travel, meals, etc).

Opening Your Business

The typical length of time between the signing of the Franchise Agreement and the opening of the franchise is 160 days. Factors that may affect this time frame include your ability to obtain business licenses and permits, when you graduate from the School, and if you are leasing/buying a physical facility. If you are delayed from opening within 14 days of graduating from the School, you must provide us with a written request to delay opening. Your request must state: (1) that a delay is anticipated; (2) the reasons that caused the delay; (3) the efforts that you are making to proceed with the opening; and (4) an anticipated opening date. In considering the request, we will not unreasonably withhold our consent to delay, up to a maximum of 30 additional days if you have been diligently pursuing the opening. If, for any reason, you do not open your business within 180 days (or any longer period to which we have consented), we may terminate your franchise without refunding any of the initial franchise fee.

ITEM 12 **TERRITORY**

Site Selection and Protected Territory

You may focus your Paw & Order Business on in-home dog training without a physical facility. You may also provide Board & Train services out of your home, but the right to do so will be governed by state and or local laws and ordinances (i.e., maximum number of pet dogs allowed in a residential home). You may also build, purchase, or rent a physical facility to offer Board & Train, doggy day-care, overnight boarding, and/or grooming services. You must abide by all state and local laws in operating your Paw & Order Business. We will assist you in evaluating proposed sites based on information that you provide to us and on other information that we deem relevant. The factors that we consider relevant are square footage, location, and zoning regulations. We may, but we are not required to, visit proposed sites with you.

Under the Franchise Agreement, we grant you the right to own, establish and operate a single Paw & Order business at a location we approve in writing. Prior to signing the Franchise Agreement, we will grant you an exclusive territory based upon the drive-time radius and population from your operating location. A territory for a location will typically contain a population of approximately 350,000 to 500,000 people and encompass an area with a driving distance of one hour from your franchise location. However, for more densely populated metropolitan areas, the drive time radius may be lower than one hour but shall not be less than 30 minutes. Your franchise location and exclusive territory will be identified in EXHIBIT A to the Franchise Agreement.

If after signing the Franchise Agreement, you decide you want to change your protected territory, you may do so with our written approval. You will sign an addendum to the Franchise Agreement which identifies the new geographical area. We and our affiliates reserve all territorial rights within the geographic area, including without limitation the right to directly operate or grant to other persons or entities the right to operate a Paw & Order business within any such geographic area. If you fail to identify and secure a location for the franchise that we approve in writing within 180 days, we have the right to terminate the Franchise Agreement.

Once your exclusive territory has been identified in the Franchise Agreement, neither we nor our affiliates will ourselves operate, nor grant a franchise within your territory during the term of the Franchise Agreement, provided you are in full compliance with the Franchise Agreement and in good standing with us.

You can accept clients outside your exclusive territory if a client is not located in the exclusive territory of another franchisee. You can accept clients who want to bring their dog(s) to you for a Board and Train program, regardless of

whether or not they are located in the territory of another franchisee. Otherwise, you must refer any client to the franchisee that has the rights to that territory. In some cases, certain zip codes may be shared territories. If the client is located in a shared territory, you can accept any client located within that shared territory. You will be permitted to relocate within your territory, provided that we approve the new location, and that your business is not closed for more than 6 months as a result of the relocation.

If you want to purchase an additional exclusive territory, you must sign a separate franchise agreement and pay a Franchise Fee equal to amount you paid for your initial franchise, regardless of the current Franchise Fee price. Generally, you do not have any options, rights of first refusal, or similar rights to acquire additional franchised businesses, if you do, they will be included in EXHIBIT A to the Franchise Agreement.

Continuation of your territorial exclusivity does not depend on you achieving a certain sales volume or market penetration. Provided that you are not in default or in breach of the Franchise Agreement, no circumstances exist that would permit us to modify your territorial rights or exclusivity. If you are in breach of the Franchise Agreement, however, as an alternative to termination, we may allow you to continue to operate your business but terminate your exclusive territory.

ITEM 13 **TRADEMARKS**

We grant you the right to operate a business using our System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Marks”), as are designated by us in writing for use in connection with the System. We have the right to license the use of the registered trademark to you for the term of the Franchise Agreement, including any extensions or renewals.

Our affiliate has registered the following trademarks on the United States Patent and Trademark Office principal register:

Trademark	Registration Number	Registration Date
PAW & ORDER	5295215	26-Sep-17
 PAW & ORDER DOG TRAINING	6028160	7-Apr-20

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

No currently effective material determinations or agreements limit our right to use or license the use of the trademarks listed in this section in a manner material to the franchise. We are not aware of any pending material state or federal court litigation challenging our affiliate's ownership of the marks or our rights to use the trademarks.

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

You may not, under any circumstances, use any of the Marks, including "Paw & Order," in any manner, in the name of your corporation, limited liability company, partnership, or other legal entity.

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

Protection of Rights

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

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

Modification of Trademarks

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

We may acquire or develop additional trademarks, and may use those trademarks ourselves, make those trademarks available for use by you and other Paw & Order franchisees or make those trademarks available for use by other persons or entities. You may not directly or indirectly contest our rights in our trademarks. We may require you to use and

display a notice in a form we approve that you are a franchisee under the System using the trademarks under a franchise agreement.

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

Superior Prior Rights or Infringing Uses

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

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

Patents

No patents are material to the franchise.

Copyrights

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

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

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

Proprietary Information

We have proprietary, copyrighted manuals that include guidelines, standards, and policies for the operation of your business, and other proprietary, copyrighted materials. All proprietary manuals and materials provided to you are for your exclusive use during the term of the franchise, and may not be reproduced, copied, loaned to, used by, or shown to any person outside the System without our permission.

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

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

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

We require that you operate the franchised business separately from any other businesses you are operating through a separate legal entity. If you are a legal entity, you must designate a managing shareholder, partner, or member ("Operating Principal"). If you are a legal entity, your Operating Principal or a trained manager must personally manage the franchised business at all times. Your Operating Principal and your manager, if any, must attend and successfully complete initial training.

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

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

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only services and products that we have approved. You may not offer for sale or sell services or products that would detract from or be inconsistent with the System. You may use services or products not purchased from us, but those services or products must be of comparable quality and must be approved by us in writing before use to ensure maintenance of proper quality standards. You may not use or permit the use of your premises for any other purpose or activity at any time without first obtaining our written consent.

You may only offer for sale approved services and products; must not deviate from our specifications for the approved services and products without our written consent; and must discontinue offering any items that we disapprove in writing.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Agreement	Summary
Length of the franchise term	Section 4.5.1	Five (5) years from the Effective Date of the Franchise Agreement.
Renewal or extension of the term	Section 4.5.2; Section 7 of the ADA	If you are in good standing and have met the conditions set forth in row (c), below, you have the right to renew the Franchise Agreement for one (1) successive five (5) year terms (or the length of your then-current lease term, whichever is shorter), with payment of any franchise renewal fee that is in effect at the time of renewal. There is no current renewal fee.
Requirements for you to renew or extend	Section 4.5.2	Good standing; timely advance notice; pay any then-current renewal fee; sign new franchise agreement that may contain materially different terms and conditions than the Franchise Agreement in this Disclosure Document; be current in payments; sign release.
Termination by you	Not Applicable	
Termination by us without cause	Not Applicable	
Termination by us with cause	Section 10.2; Sections 4 & 5 of the ADA	We can terminate only if you default.
"Cause" defined – curable defaults	Section 10.2.2	You have 30 days to cure noticed curable defaults other than for non-payment of fees. You have five (5) days to cure non-payment of fees.
"Cause" defined – non-curable defaults	Section 10.2.1	Non-curable defaults include misuse of trademarks; breach of non-competition; unauthorized assignment or transfer of any rights of the Franchise Agreement; material misrepresentation; lack of prior consent when required; abandonment; repeated defaults even if cured; threat to public health or safety; bankruptcy; plead guilty or no contest to or conviction of a felony. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 1101, et seq.)
Your obligations on expiration, termination, or non-renewal	Section 10.3	Obligations include final accounting, complete de-identification, our option to purchase assets, our option to assume your real estate lease (if any), and payment of amounts due. See row (r) below.
Our transfer of franchise agreement	Section 9.1	No restriction on our right to assign.
"Transfer" by you – definition	Section 9.2	Includes transfer of contract or assets, or any change of ownership.
Our approval of your transfer	Section 9.3	We have the right to approve all transfers.
Conditions for our approval of transfer	Section 9.3	New franchisee qualifies, payment of all of your outstanding debts to us, cure of any defaults, then-current agreement signed by new franchisee or assumption of existing agreement, transfer fee paid; training completed; and release signed by you and your Related Parties.
Our right of first refusal to acquire your business	Section 9.4	We or our designee can match any offer for your business.

Provision	Section in Agreement	Summary
Our option to purchase your business	Section 9.4	We or our designee may, but are not required to, purchase your inventory and equipment at the lesser of the fair market value or depreciated value, if franchise is terminated for any reason.
Your death or disability	Section 9.5	Heirs or beneficiaries must demonstrate within 90 days ability to operate franchise. Otherwise, franchise must be assigned by estate to approved buyer within six (6) months.
Non-competition covenants during the term of the franchise	Section 8.6.1	No competing business during the Term.
Non-competition covenants after the franchise expires, is terminated, or is not renewed	Sections 8.6.2 and 10.3	No competing business for two (2) years: (i) at the Approved Location, (ii) within 25 miles of the Approved location, or (iii) within 25 miles of another Paw & Order Business (including after assignment).
Modification of the franchise agreement	Section 11.4; Section 8 of the ADA	No modification, generally, unless on consent of both parties, but Operations Manual subject to change.
Integration/merger clause	Section 11.6	Only the terms of the Franchise Agreement are binding (subject to this Disclosure Document and applicable state law). Any other promises may not be enforceable.
Dispute resolution by arbitration or mediation	Sections 11.7 and 11.8	Except for certain claims, claims must first be mediated prior to arbitration or litigation. All disputes must be litigated in Pennsylvania. The arbitration will occur with each respective party paying their own costs.
Choice of forum	Section 11.2.2	Arbitration in Allegheny County, Pennsylvania, or, if litigated, the Allegheny Court of Common Pleas or the United States District Court for the Western District of Pennsylvania.
Choice of law	Section 11.2.1	Pennsylvania law applies.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote any Paw & Order Business.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned units, if there is a reasonable basis for the information, and if the information is included in the Franchise 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 unit 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 unit or under particular circumstances.

Background

Our first franchise began operating in February 2021. The information contained below presents unaudited total gross sales of our Affiliate (Pittsburgh) and each active franchise that was open and operating during all or part of the period from **February 2021 through December 2022**.

Part I: Performance of Our Affiliate and Franchisees

Location	Total Sales	Months Open	Avg Month
Pittsburgh	\$1,814,150	23	\$78,876
Washington	\$459,921	21	\$21,901
Harmony	\$276,411	19	\$14,548
SWFL	\$131,282	17	\$7,722
Houston	\$218,339	15	\$14,556
Central OH	\$65,015	12	\$5,418
Upstate SC	\$55,972	10.5	\$5,331
Erie	\$62,025	10	\$6,203
Corpus Christi	\$5,450	3	\$1,817

Part II: Notes

1. The “Months” column represents how many months each location had been fully operating.
 - a. Central Ohio began operating in July 2021 but had to temporarily discontinue training services due to issues with their head trainer.
2. These results are unaudited.
3. These results represent sales of the same services that will be available to a franchisee to sell.
4. Expenses for each franchisee is not available to us at this time.
5. Revenues will vary, and are directly affected by many factors, such as: (a) geographic location; (b) Age of business; (c) competition from other similar facilities in your area; (d) advertising effort and budget; (e) services you decide to offer and pricing; (f) customer loyalty; and (g) employment conditions in the market.
6. Franchised locations pay a royalty of seven percent (7%) of Gross Sales.
7. The Paw & Order business operated by our affiliate does not pay a royalty on Gross Sales.
8. Other than as stated above, we are not aware of any material differences between the business operated by our affiliate and the franchise we offer.
9. Your individual results may differ. There is no assurance that you will achieve the levels reported above.

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. You should use the above information only as a reference in conducting your analysis and preparing your own projected income statements and cash flow statements. We do not guarantee any level of revenue, profits or success. Other than the financial performance representation shown in this Item 19, we do not make any financial performance representations. 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 Steve Sentner, Chief Operating Officer, Paw & Order Franchise LLC, 594 Creek Road, Bulger, PA 15019, 724-344-2200 or contact the Federal Trade Commission or the appropriate state regulatory agencies.

We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state, and local income taxes and any other applicable taxes that you may incur in operating a franchise.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Businesses Summary for the Years 2020 to 2022

Business Type	Year	Business at Start of Year	Business at End of Year	Net Change
	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
	2020	0	1	1
	2021	1	6	5
	2022	7	8	1
	2020	1	2	1
	2021	2	7	5
	2022	8	9	1

Table 2
**Transfers of Businesses from Franchisees to New Owners
(Other than Franchisor or an Affiliate) for the Years 2020 to 2022**

State	Year	Number of Transfers
	2020	0
	2021	1
	2022	0

Table 3**Status of Franchised Outlets for the Years 2020 to 2022**

State	Year	Start of Year	Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	0	1	0	0	0	0	1
	2020	0	1	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	1	1	0	0	0	3
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2020	0	1	0	0	0	0	1
	2021	1	5	0	0	0	0	6
	2022	5	4	1	0	0	0	8

Note: Not reflected in this Table are 1 franchisee in South Carolina and 1 franchisee in Pennsylvania that opened in 2022 before the issue date of this Disclosure Document.

Table 4**Status of Company-Owned Businesses for the Years 2020 to 2022**

State	Year	Businesses at Start of Year	Businesses Opened	Businesses Re-Acquired from Franchisees	Businesses Closed	Businesses Sold to Franchisees	Businesses at End of Year
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Table 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Businesses in 2023	Projected New Company-Owned Businesses in 2023
FL	0	0	0
MN	0	1	0
PA	1	1	0
SC	0	0	0
TX	0	0	0

Attached as EXHIBIT C to this disclosure document is a list of the names, emails, and telephone numbers of our current franchised businesses.

Also attached as EXHIBIT C to this disclosure document is a list of the names and city, state, and last known business telephone number, of every franchisee who had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the previous fiscal year.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses with us that would restrict them from speaking openly with you about their experience with us. There are no trademark-specific franchisee organizations associated with our franchise system.

ITEM 21 **FINANCIAL STATEMENTS**

Our report of September 1, 2023, of our audited financial statements as of December 31, 2022, is attached to this disclosure document as EXHIBIT B.

ITEM 22 **CONTRACTS**

A copy of the Paw & Order Franchise LLC Franchise Agreement is included as EXHIBIT A to this FDD, and includes the following exhibits:

EXHIBITS to Franchise Agreement

- A Franchise Agreement with Exhibits as follows:
- B Statement of Ownership
- C Principal Owner's Guaranty
- D Addendum for the State of Minnesota
- E Sample Release Agreement, Waiver and Release of Claims
- F Non-Disclosure, Non-Solicitation and Non-Competition Agreement
- G Sample Confidentiality Agreement
- H Sample Approval of Requested Assignment
- I ACH Payment Agreement
- J SBA Addendum

ITEM 23
RECEIPTS

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

Stephen Sentner and Elissa Weimer
Paw & Order Franchise LLC
594 Creek Road,
Bulger, PA 15019
franchise@pawandorder.com

The duplicate receipt is for your records.

EXHIBIT A
TO PAW & ORDER FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT



PAW & ORDER

PAW & ORDER FRANCHISE AGREEMENT

Franchise Owner: _____

Date: _____

Franchise Name: _____

PAW & ORDER FRANCHISE AGREEMENT

1. PARTIES

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into on this _____ day of _____, 2023 (the “Effective Date”), by and between Paw & Order Franchise LLC, a Pennsylvania limited liability company, with its principal place of business at 594 Creek Road, Bulger, PA 15019 (“Paw & Order,” “Franchisor,” “we,” “us,” or “our”), and The Happy Hound Dog Training, LLC, a Minnesota limited liability company, located at 6644 1st Ave S, Richfield, MN 55423 (collectively, “You” or “Franchisee”).

2. RECITALS

2.1 **Ownership of the System**

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

2.2 **Objectives of Parties**

You desire to enter into the business of operating a Paw & Order Business under the System using the Trade Name and Marks (as defined in Sections 3.10 and 3.16, below), and You wish to obtain from Paw & Order, and Paw & Order wishes to grant to You, a franchise for that purpose.

3. DEFINITIONS

3.1 **Approved Territory**

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

3.2 **Paw & Order Business**

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

3.3 **Paw & Order**

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

3.4 **Expiration**

“Expiration” means expiration of the Term of this Agreement without a renewal of this Agreement.

3.5 **Franchise Network**

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

3.6 Good Standing

“Good Standing” means timely compliance by You and Your Related Parties with all provisions of this Agreement and the Manual, including without limitation provisions for timely payment of amounts You owe to Paw & Order and its Related Parties.

3.7 Gross Revenues

“Gross Revenues” means the total selling price of all dog related services and products sold at or from your Paw & Order Business (not adjusted for credit card fees), and all income and revenue of every other kind and nature related to the Paw & Order Business operation, whether for cash or credit.

3.8 Manual

“Manual” means the confidential Dog Training Manual and any other material that Paw & Order will lend to You, or authorize You to use, during the term of this Agreement and that contains information, forms and requirements for the establishment and operation of the Paw & Order Business, and for use of Paw & Order’s Trade Name and Marks, along with communications from Paw & Order to You, including, but not limited to, bulletins, emails, and text messages.

3.9 Marks

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

3.10 Operating Principal

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

3.11 CRM

CRM stands for Customer Relationship Management and refers to the software Paw & Order designates for You to be used in the operation of the Paw & Order Business for reporting to Paw & Order such information as Paw & Order requires pursuant to this Agreement, in the Manual or otherwise in writing.

3.12 Proprietary Service

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

3.13 Related Party

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

3.14 Termination

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

3.15 Transfer

“Transfer” means any direct or indirect transfer, pledge, encumbrance, sale, gift, hypothecation, mortgage, sublicense, transfer through bequest or inheritance, transfer in trust, divorce or by operation of law or by any other means, or disposition of (i) any of the rights granted under this Agreement (ii) any part of this Agreement, (in) any rights or privileges incidental to this Agreement, (iv) the physical facility of your Paw & Order Business or any interest therein, or (v) any ownership interest in you, including, without limitation, any arrangement whereby you sell or pledge accounts receivable or any other assets of the Franchised Business (each a “Transfer”).

Without limiting the foregoing the term, “Transfer” includes any sale, resale, pledge, encumbrance transfer or assignment of: (a) any fractional partnership ownership interest if You are a partnership (b) any membership interest in you if you are a limited liability company and (c) any beneficial or economic ownership interest in you, any transfer of any fractional portion of your voting stock, or any increase in the number of outstanding shares of your voting stock which results in a change of ownership, if you are a corporation.

3.16 Trade Name

“Trade Name” means the commercial name Paw & Order, individually or collectively.

3.18 You

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

NOW, THEREFORE, the parties agree as follows:

4. GRANT OF FRANCHISE

4.1 Granting Clause

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

4.2 Approved Territory

During the term of this Agreement, and except as otherwise provided in this Agreement, Paw & Order agrees that it shall not itself establish, nor license any other person to establish, another Paw & Order Business within Your Approved Territory. If You are in default of this agreement or otherwise not in good standing with Paw & Order, we may reduce or eliminate any Approved Territory You have.

4.3 Rights Reserved

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

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

4.4 Relocation

You may relocate your Paw & Order Business to a new territory, with Paw & Order's prior written consent, if all of the following conditions are met:

- (a) You and Your Related Parties are in Good Standing under this Agreement and any other Agreement between Paw & Order and You, and You and Your Related Parties are in compliance with all provisions of the Manual;
- (b) You and any of Your Related Parties who have signed this Agreement have agreed to cancel this Agreement and execute a new Franchise Agreement in the form that is currently effective at the time of relocation (with a term equal to the then-remaining term of this Agreement);
- (c) You have secured a site that is located within your approved Territory, and which meets our then-current size and demographic requirements and, if you are leasing the space, you have submitted the proposed lease agreement for our review and paid a Lease Review Fee;
- (d) You agree to equip and furnish Your new Paw & Order Business so that the business meets the standards of appearance and function applicable to new Paw & Order Businesses at the time of relocation;
- (e) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Paw & Order, of any and all claims against Paw & Order and its Related Parties, affiliates, successors and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants and employees in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any other agreement between You and Paw & Order or its affiliates, and federal, state, and local laws and rules; and
- (f) You may cease to operate the Paw & Order Business for no more than six (6) months for the purposes of securing a new location and moving all equipment from the old Approved Location to the new approved location for the Paw & Order Business.

4.5 Term and Renewal

4.5.1 Initial Term

Except as otherwise provided herein the initial term of this Agreement shall commence on the Effective Date and shall expire on the date that is five (5) years from the Effective Date (the “Term Expiration Date”).

4.5.2 Renewal

You shall have the option to renew this Agreement for one (1) renewal term (the “Renewal Term”), with such Renewal Term being for a period of five (5) years, or for the remainder of Your then-current lease term, whichever is shorter, subject to your satisfaction of the following conditions, all of which shall be met before each renewal:

- (a) You and Your Related Parties are in Good Standing under this Agreement, and any other Agreement between Paw & Order and You, and You and Your Related Parties are in compliance with the ;
- (b) You shall give Paw & Order written notice of Your election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the then-current term;
- (c) You and any Related Parties that have signed this Agreement shall have signed a copy of the then-current Franchise Agreement (except with respect to the renewal provisions thereof, which shall not supersede this Section 4.5.2) not less than thirty (30) days before the expiration of the then-current term, or thirty (30) days after You receive a signature-ready copy of the then-current Franchise Agreement from Paw & Order, whichever is later,
- (d) You shall have, before the beginning of the renewal term, at Your own expense, modernized the Paw & Order Business and replaced and modernized the equipment, and the signs used in the Paw & Order Business as Paw & Order may require, in order for the Paw & Order Business to meet the then-current standards of appearance and function at the time of renewal;
- (e) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Paw & Order, of any and all claims against Paw & Order and its Related Parties affiliates successors and assigns and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any other agreement between You and Paw & Order or its affiliates, and federal, state, and local laws and rules,
- (f) You shall have paid a Renewal Fee if one is imposed at the time (shall not exceed \$1,000)); and
- (g) The provisions of the standard franchise agreement in use by Paw & Order at the time of renewal may be materially different than those contained in this Agreement, including, but not limited to, provisions for increased royalties, advertising, and other fees. You hereby acknowledge and agree that Your right to renew this Agreement shall be contingent upon Your execution of the then-current form of franchise agreement and acceptance of the new provisions.

5. SERVICES TO FRANCHISEE

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

5.1 Training

5.1.1 Initial Training

Before the opening of Your Paw & Order Business, Paw & Order will conduct an initial training program concerning the operation of the Paw & Order Business under the Paw & Order System for Your Operating Principal, if you are a legal entity, or You, if you are an individual, and any employee who will be a dog trainer.

5.1.2 Continuing Training

In an effort to maintain brand standards and to protect and enhance the goodwill associated with the System and the Marks, Paw & Order may offer ongoing training or education programs on matters related to the operation or promotion of the Paw & Order Business on an optional or mandatory basis, as it deems appropriate, in its sole discretion. You shall attend and complete all such continuing education programs Paw & Order requires. You shall be responsible for Your own expenses and those of Your employees who attend any such training or education programs. Paw & Order may also require you to pay a fee for continuing training and education programs of its costs, plus an administrative fee.

5.1.3 Annual Conference

Paw & Order may, in its sole and absolute discretion, require you to attend a mandatory conference once per calendar year during the Term. You shall attend all such conferences. You are responsible for your own expenses and those of your employees who attend any such conferences. Paw & Order may require you to pay a reasonable fee to attend each conference.

5.2 Periodic Advisory Assistance

Paw & Order will, as it deems advisable, provide ongoing support and periodic advisory assistance to You concerning the operation and promotion of the Paw & Order Business at no charge.

5.3 Manual and Online Portal

Paw & Order will lend You a Manual containing explicit instructions for dog training techniques. You will also use be given a access to a portal that will include information regarding the use of the Marks, specifications for services that will be sold by the Paw & Order Business, sample business forms, information on marketing, management, and administration methods developed by Paw & Order for use in the Paw & Order Business. Paw & Order may revise the Manual periodically, at its discretion to conform to the changing needs of the Franchise Network and will distribute updated pages containing these revisions to You from time-to-time.

5.4 Advertising

Paw & Order may, but is not required to, provide you with electronic access to certain advertising materials, including in PDF format. These materials may include video and images, copy-ready print advertising materials, posters, and banners, and may be regional or national at Paw & Order's sole discretion. Printing of any and all such materials shall be at your sole cost and expense. Paw & Order reserves the right to change the format in which it provides these materials to you in the future.

5.5 Approved Suppliers

Paw & Order has the absolute right to limit the suppliers with whom you may deal. Paw & Order may provide to You a list of the names and contact information of the approved suppliers who then-currently meet Paw &

Order's standards and specifications. Paw & Order reserves the right to act as the only approved supplier for some or all of the Approved Products You will purchase for Your Paw & Order Business. Paw & Order reserves the right to charge a mark-up on any product or service sold to You. In advising You of suppliers who meet its standards and specifications, Paw & Order expressly disclaims any warranties or representations as to the condition of the goods or services sold by the suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose. You agree to look solely to the manufacturer or the supplier of equipment or services for the remedy for any defect in the goods or services. Paw & Order reserves the right to change the list of approved suppliers from time-to-time, in its sole and absolute discretion.

Paw & Order may receive payments and/or other compensation from approved suppliers in any form on account of such suppliers dealing with You and/or other franchisees, and Paw & Order may use all amounts so received for any purpose Paw & Order deems appropriate. You acknowledge and agree that Paw & Order shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments, or benefits (collectively, "Allowances") offered by suppliers to You or to Paw & Order or its affiliates based upon Your purchases of Proprietary Services, products and other goods and services. You assign to Paw & Order or its designee all of Your right, title, and interest in, and to any and all such Allowances and authorize Paw & Order or its designee to collect and retain any or all such Allowances without restriction.

6. PAYMENTS BY FRANCHISEE

6.1 Initial Franchise Fee

After You sign this Agreement and complete all pre-opening requirements, You shall pay Paw & Order in cash or another form of payment that will make the funds immediately accessible to Paw & Order, such as cashier's check or wire transfer, an initial franchise fee of \$24,900 (the "Initial Franchise Fee"). The Initial Franchise Fee is fully earned and not refundable.

6.2 Royalties

During the term of this Agreement, You shall pay Paw & Order a continuing royalty fee in the amount of seven percent (7%) of Gross Revenues for the preceding month, payable by the due date as invoiced. If You fail to pay the monthly royalty fee in a timely fashion, Paw & Order shall have the right to require You to pay the royalty fee on a weekly basis.

6.3 Method and Application of Payments

You shall pay your continuing monthly royalties, user licensing fees (email and CRM software), and any other fees You are required to pay to Paw & Order, in accordance with the procedures designated by Paw & Order, which procedures Paw & Order has the discretion to change at any time upon written notice to you. Payment of royalties and fees shall be made by check, electronic funds transfer, or direct deposit.

At no time will You sell, encumber, or assign any of Your revenue stream, which includes, but is not limited to, current or future customer charges, to any other party without the prior written consent of Paw & Order.

Paw & Order has the right to apply any payment it receives from You to any past due amount You owe to Paw & Order regardless of how You indicate the payment is to be applied. Paw & Order reserves the right to change the manner in which you pay any and all fees you are required to pay to Paw & Order at any time upon written notice to you.

6.4 When Payments Begin

Your obligation to pay continuing monthly royalties and other fees begins on the date Your Paw & Order Business opens for business.

6.5 Audit

Paw & Order has the right during normal working hours to audit Your books and records, including Your tax returns with respect to the Paw & Order Business. If an audit discloses an underpayment of royalties, advertising, or other fees payable under this Agreement, You shall immediately pay these amounts to Paw & Order, together with accrued interest on the amount underpaid in accordance with Section 6.9 of this Agreement. In addition, if the underpayment exceeds two percent (2%) of the total royalty, advertising, or other fee payable for any period covered under the audit, You shall reimburse Paw & Order for all expenses actually incurred by Paw & Order in connection with the audit, including reasonable attorneys' fees.

6.6 Training Fees and Costs

Paw & Order will not charge a fee for the initial training program for up to two individuals. However, if additional persons are to go through the training, Paw & Order will charge a fee as outlined in Item 11 of the FDD. Paw & Order may also charge a training fee for continuing education programs at cost plus an administrative fee determined by Paw & Order for all training offered by Paw & Order. You shall pay any costs of travel, lodging, meals and other incidental expenses that You and Your employees incur. You shall also pay for the cost of business class transportation, lodging, meals, and other incidental expenses incurred by Paw & Order in connection with any training conducted at Your site.

6.7 Transfer Fee

You shall pay to Paw & Order a transfer fee of the greater of 10% of the then-current franchise fee or 5% of the sale price, as a condition of, and prior to, any Transfer.

6.8 Interest on Late Payments

Any payment not received by Paw & Order when due will bear interest at one and one half percent (1.5%) per month or at the highest rate allowed by applicable law on the date when payment is due, whichever is less.

6.9 Insufficient Funds Fee

If any payment is returned for insufficient funds, each time, You shall pay to us an Insufficient Funds Fee of \$75.

7. OBLIGATIONS OF FRANCHISEE

7.1 Use of Trade Name and Marks

7.1.1 Permitted Use

You may use the Trade Name and Marks only in the operation of the Paw & Order Business within the Approved Territory in accordance with the terms and conditions of this Agreement and subject to the limitations specified by Paw & Order in the Manual or otherwise in writing. **You shall not, under any circumstances, use the Trade Name or any of the Marks, including "Paw & Order" in any manner, in the name of your corporation, limited liability company, partnership or other legal entity.** The confidentiality provisions of this agreement apply to all uses of electronic media. You may not use any other trade name or marks at the Approved Location, or in connection with the Paw & Order Business, without the express written consent and direction of Paw & Order. You shall refrain from engaging in

any action (or failing to take any action) that causes or could cause damage to the Marks, the System, or the goodwill associated with the Marks.

7.1.2 Changes in Trade Names and Marks

Paw & Order has invested substantial time, energy, and money in the promotion and protection of its Trade Name and Marks as they exist on the Effective Date. However, You and Paw & Order recognize that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend, and that changes in the cultural and economic environment within which the System operates or third-party challenges to Paw & Order rights in the Marks may make changes in the Trade Name and Marks desirable or necessary. Paw & Order therefore reserves the right to change its Trade Name and Marks (although it has no intention to do so) and the specifications for each when Paw & Order believes in the exercise of its reasonable business judgment that such changes will benefit the Franchise Network. Paw & Order will do this in a manner that minimizes cost to You. You agree that You shall promptly conform, at Your own expense, to any such changes.

7.1.3 Advertising Materials

You agree to submit to Paw & Order copies of all advertising materials that You propose to use at least two weeks before the first time they are broadcast or published. Paw & Order will review the materials within a reasonable time and will promptly notify You in writing as to whether it approves or rejects them. In the event Paw & Order does not reject the materials within seven days, you may use the materials so long as they are otherwise in compliance with this agreement. Paw & Order may not withhold its approval unreasonably. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if Paw & Order approves specified materials, it may later withdraw its approval in its sole and absolute discretion, including, without limitation, if it reasonably believes this is necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation in the advertising material. This section shall not apply to social media postings that otherwise are in compliance with this Agreement.

7.1.4 Legal Protection

You agree to notify Paw & Order immediately in writing if You become aware of any unauthorized use of Paw & Order's Trade Name, Marks, or System. You shall promptly notify Paw & Order in writing of any claim, demand, or suit against You or against Your principals. You shall promptly notify Paw & Order in writing of any claim, demand, or suit against You or against Your principals in connection with Your use of the Trade Name, Marks, or System. In any action or proceeding arising from or in connection with any such claim, demand, or suit, You agree that Paw & Order may select legal counsel and has the right to control the proceedings.

7.2 Quality Control

7.2.1 Opening

- (a) Zoning and Permits. You shall be responsible, at your expense, for obtaining all zoning classifications, permits clearances, certificates of occupancy and Paw & Order clearances which may be required by governmental authorities for the Paw & Order Business.
- (b) Insurance Coverage. You shall obtain and maintain in force during the entire period of such construction, such insurance policies required under Your lease agreement, in addition to such

policies and coverage amounts as Paw & Order may designate in its sole discretion. Currently, you must have the following insurance at a minimum:

- Comprehensive general liability insurance with limits of at least \$1,000,000 per person per occurrence (and \$2,000,000 aggregate for bodily injury) and at least \$25,000 for property damage per occurrence;
 - Personal injury and advertising injury insurance with limits of at least \$1,000,000 per occurrence;
 - If you have any employees - Employer Practices Liability insurance with limits of at least \$1,000,000;
 - An Umbrella Liability insurance policy with a limit of at least \$1,000,000;
 - If you have a location outside of your residence - “All risk” insurance on the premises, equipment and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risk usually insured against by the owners or lessors of similar property, for at least 100% of the replacement cost of the property. Unless you obtain a written waiver from us, any Paw & Order Business sustaining loss or damage must be repaired, restored, or rebuilt within 60 days after the date of the loss or damage;
 - Automobile liability insurance on each vehicle used in the business within the minimum coverage limits as required by the law of the state or jurisdiction in which you are engaged in business; and
 - If you have any employees - worker’s compensation or similar insurance as required by the law of the state or jurisdiction in which you are engaged in business, including without limitation independent contractors where required by state law.
- (c) Final Inspection, Approval. You shall promptly notify Paw & Order of the date of completion of the Paw & Order Business. Paw & Order shall have the right to conduct a final inspection of the Paw & Order Business. You shall not open the Paw & Order Business for business without the express written authorization of Paw & Order, and Paw & Order’s authorization to open may be conditioned upon your strict compliance with the specifications of the standards of the System.
- (d) Opening Requirements. You shall open your Paw & Order Business within one hundred-eighty (180) days after the Effective Date (the “Required Opening Date”). Time is of the essence. You may not open the Paw & Order Business to the public until Paw & Order issues a written approval authorizing your opening. Paw & Order will not issue its approval, and you will be prohibited from opening the Business, if (a) you open a location outside of your residence and it has not been constructed and equipped in accordance with Paw & Order’s standards and specifications, (b) you fail to successfully complete initial training, or (c) in view of Paw & Order’s management, Paw & Order determines you and your employees are not prepared to open.
- (e) Opening without Paw & Order’s written certification that You are prepared to do so is a material breach of this Agreement and constitutes infringement on Paw & Order’s intellectual property rights, justifying injunctive relief and termination of this Agreement. **By certifying that Paw & Order’s management believes You are prepared to commence business, Paw & Order does not guarantee that the Paw & Order Business will be successful.** Your success will depend on a number of factors, including general economic conditions and Your skill and hard work which are not within Paw & Order’s control.

7.2.2 Compliance with System

You shall operate Your Paw & Order Business in complete compliance with the standards and specifications, as set forth in the Leaning Management System and Training Manual, or otherwise in

writing. Paw & Order may make changes to any of these standards and specifications, at any time, in Paw & Order's sole and absolute discretion. Such changes may necessitate the purchase of equipment, supplies furnishings or other goods, completion of additional training by Your employees, remodeling of the Paw & Order Business, or other cost to You. You shall promptly conform to the modified standards and specifications at Your own expense.

7.2.3 Required Products and Services

You May offer some or all of the services we designate. We have the right to modify these items from time to time, at our sole discretion. You may not offer or sell any other product or service without our prior written consent. You must use the proprietary and nonproprietary techniques, materials and supplies we designate. You must provide all services (including Proprietary Services) in accordance with the standards and specifications we set forth. You must, at all times, maintain sufficient staff, materials, and supplies to meet reasonably anticipated customer demand.

- (a) Modifications. We may modify our specifications and standards for any service offered.
- (b) Further Restrictions. You shall not offer or sell any product, item, or service we have not designated or expressly approved in writing without our prior written consent, which may be granted or withheld in our sole and absolute discretion. We reserve the right to sell products and services to you for a profit.
- (c) Purchasing Programs, Promotional Programs. We may establish national or regional purchasing programs for the purpose of negotiating purchases of certain products and/or services from approved or designated suppliers. The purchasing programs may (but are not required to) benefit you by reducing prices, increasing reliability in supply, improving distribution, and establishing consistent pricing for reasonable periods to avoid market fluctuations. If a national and/or regional purchasing program is established for the region where your Franchised Business is located, You must participate in the program.
- (d) Pricing. Paw & Order may periodically make suggestions regarding Your pricing policies. You may decide whether or not to follow these suggestions and may establish your own prices, provided however that Paw & Order may establish maximum prices and/or minimum prices to be charged for the services and products and You must honor all such maximum and minimum prices to the extent permitted by applicable law. Paw & Order may establish customer loyalty programs with attendant program benefits for customers and maximum prices and minimum discounts for any given product or service offered by You. You agree to honor any maximum or minimum prices established by Paw & Order and provide customers the benefits of any customer loyalty program Paw & Order may from time to time establish. You may offer greater benefits to customers than required by any such customer loyalty program and establish any price below the maximum price or minimum discounted price established by Paw & Order.

7.2.4. Inspections.

In an effort to advance the protection and enhancement of the Paw & Order brand and the Marks, Paw & Order and/or its designated agents or representatives may conduct periodic quality control and records inspections of the Paw & Order Business at any time during the Term. Inspections may be made

with or without prior notice, unless the business is operating out of Your residence, in which case prior notice will be given. Without limiting the foregoing, you grant Paw & Order and its agents the right to: (a) enter upon the Paw & Order Business premises for the purpose of conducting inspections, and you shall cooperate with Paw & Order representatives in such inspections by rendering such assistance as they may reasonably request; (b) photograph your Paw & Order Business and observe and record video of your Paw & Order Business's operation for consecutive or intermittent periods as Paw & Order deems necessary; (c) interview your personnel and customers; and (d) inspect and copy any books records and documents related to your Paw & Order Business's operation. You shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. If any inspection reveals that you are not in compliance with any provision of this Agreement, the Manual, or any of Paw & Order's standards and/or specifications, you shall be deemed in breach of your obligations under this Agreement and Paw & Order shall have the right to terminate this Agreement as provided under Section 10.2 of this Agreement, if you fail to cure the breach before the expiration of all applicable notice and cure periods. You further agree that You will reimburse Paw & Order for its representative's time and travel expenses if an additional inspection at the Paw & Order Business is required when a violation has occurred, and You have not corrected the violation.

7.2.5 Customer Satisfaction

Paw & Order will monitor your online customer reviews and may make suggestions if you consistently receive poor ratings or customer complaints sent directly to us. If You do not take commercially reasonable steps to bring Your operation into conformity with Paw & Order's standards, Your failure to do so will constitute a material breach of this Agreement, and You shall be subject to termination if you fail to cure the breach before the expiration of all applicable notice and cure periods pursuant to Section 10.2. You shall respond to all customer complaints, suggestions, and the like via email, telephone, or regular mail within 48 business hours of submission by the customer or prospective customer.

You shall offer at no additional cost lifetime commitment to a dog so long as the client follows through with the training requirements (show that they are following through with 4-5 in-home lessons in price and continue with services if the dog needs additional lessons), however, you shall not be obligated to continue providing services to a client who is unreasonable or failing to follow directions.

7.2.6 Notification of Complaints

You shall notify Paw & Order promptly if You are served with a complaint or demand in any legal proceeding that is in any way related to the Paw & Order Business or if You become aware that You are the subject of any complaint to or investigation by a governmental agency, governmental licensing authority, or consumer protection agency. You shall notify Paw & Order immediately upon receipt of any notice of a breach of the lease agreement for the premises of the Paw & Order Business. You must notify Paw & Order of any claim arising from or affecting the financial condition of your Paw & Order Business.

7.2.7 Computer System Requirements

You must utilize the Customer Relationship Management software as designated by Paw & Order (the "CRM"), to be used in the operation of the Paw & Order Business and for reporting purposes. You shall comply with the following provisions relating to the CRM:

- a) You shall record all sales at or from the Paw & Order Business at the time of sale, in accordance with Paw & Order's procedures, in the CRM;

- b) Paw & Order has the right to independently access any and all information in your CRM, at any time, without first notifying you. Paw & Order shall have the right to use the information accessed in the CRM in any manner Paw & Order determines, including the right to use any and all such information in Paw & Order's Franchise Disclosure Document, and to share financial statements, including profit and loss statements, with other System franchisees.
- c)

7.2.8 Data Security

You shall use your best efforts to protect your customers against any and all data breaches and cyber-events, including, without limitation, identity theft or theft of personal information (a "Data Security Breach"). If a Data Security Breach occurs, in the interest of protecting the goodwill associated with the Paw & Order brand and franchise system, Paw & Order hereby reserves the right to (but does not undertake the obligation to) directly or through its designee, perform or control any and all aspects of the response to such Data Security Breach, including, without limitation, the investigation, containment and resolution of the event and all communications with the franchise system, vendors and suppliers, customers, law enforcement agencies, regulatory authorities and the general public. You hereby acknowledge and agree that a Data Security Breach and/or any response to a Data Security Breach may impact operations of the Paw & Order Business, including, without limitation, interruption in operations. You hereby acknowledge and agree that neither Paw & Order nor any of its parents, affiliates, subsidiaries, owners, officers, directors, or employees shall be liable to You for any damages arising out of or resulting from any Data Security Breach or any action or inaction in response to a Data Security Breach. You shall at all times be compliant with all Payment Card Industry Data Security Standards, any and all requirements imposed by all applicable payment processors and payment networks, including credit card and debit card processors, and any and all state and federal laws, rules and regulations relating to data privacy, data security and security breaches. You hereby acknowledge and agree that if Paw & Order engages or designates a third-party service provider to administer a data security program, you will be required to comply with the requirements of such service provider. It is your responsibility to ensure that you operate the Paw & Order Business at all times in compliance with all aforementioned laws, rules, regulations and requirements and you are strongly encouraged to engage legal, and data security professionals, including insurance providers to ensure your full compliance and adequate protection.

7.3 Management and Personnel

You shall maintain, at all times, a staff of competent and trained employees sufficient to operate the Paw & Order Business in compliance with Paw & Order's standards. Paw & Order does not direct or control labor or employment matters for You or Your employees, or for any of Paw & Order's franchisees and/or their employees. Paw & Order may make suggestions and may provide guidance relating to such matters; however, it is entirely Your responsibility to determine whether to adopt, follow and/or implement any of our suggestions or guidance. Notwithstanding anything contained in this Agreement to the contrary, mandatory specifications, standards and operating procedures including as set forth in any manual, do not include the terms or conditions of employment for any of your employees, nor do they include mandated or required personnel policies or procedures.

7.4 Advertising

Paw & Order will not require You or any franchisee to contribute to a local advertising fund or a Brand Fund. You can spend as little or as much on advertising as you wish.

7.4.1 Websites

Unless otherwise approved in writing by Paw & Order, You shall not establish a separate Website related to Your Paw & Order Business. However, Paw & Order does require that You have one or more references within Paw & Order's principal Website, which is www.pawandorder.com ("Our Website").

7.4.1.1 Paw & Order Website

Paw & Order may approve a separate Website for You (which Paw & Order is not obligated to approve; and which approval, if granted, may later be revoked by Paw & Order) subject to the conditions set forth in this Section 7.4.3.1:

- (a) You specifically acknowledge and agree that any Website owned or maintained by or for the benefit of You shall be subject to Paw & Order's prior review and approval;
- (b) If approved, You shall not subsequently modify such Website without Paw & Order's prior written approval as to such proposed modification;
- (c) You shall comply with the standards and specifications for Websites that Paw & Order may periodically prescribe;
- (d) If required by Paw & Order, You shall establish such hyperlinks to Paw & Order's Website and other Websites as Paw & Order may request in writing; and
- (e) You shall not make any posting or other contribution to any Social Networking Media Site relating to Paw & Order, the System, the Proprietary Marks, or the Franchised Business that:
 - (i) is derogatory, disparaging, or critical of Paw & Order;
 - (ii) is offensive, inflammatory, or indecent;
 - (iii) harms the goodwill and public image of the System and/or the Proprietary Marks; or
 - (iv) violates Paw & Order's policies relating to the use of Networking Media Sites.

7.4.1.2 Changes to Technology

You acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, You agree that Paw & Order shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and You agree that You shall abide by those reasonable new standards established by Paw & Order as if this Agreement were periodically revised by Paw & Order for that purpose.

7.4.2 Marketing Materials

All marketing and promotion by You shall be in such media and of such type and format as Paw & Order may approve, shall be conducted in a dignified manner and shall conform to such standards and requirements as Paw & Order may specify. You shall not use any advertising or promotional plans or materials unless and until You have received written approval from Paw & Order.

7.5 Financial Information

7.5.1 Records

You shall record all sales and all receipts of revenue in the CRM. You shall retain daily sales reporting forms and accompanying records for at least three (3) years after the date of sale (or for a longer period if required by state or local law). You shall retain all other records and receipts used in the ordinary course of business. You shall furnish all records to Paw & Order upon request.

7.5.2 Reports

You shall submit to Paw & Order, at the time of filing, copies of all federal state and local income, sales, and property tax returns. Paw & Order will use this data to confirm that You are complying with Your obligations under this Agreement, and to formulate earnings and expense information for Possible disclosure to prospective franchisees.

7.6 Insurance

7.6.1 Minimum Insurance Requirements

You shall procure, prior to the commencement of any activities or operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at Your expense, an insurance policy or policies protecting You, Paw & Order, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, business interruption, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Paw & Order Business, including, but not limited to, comprehensive general liability insurance, property insurance in a physical facility exists (including, but not limited to, fire, vandalism, and malicious mischief insurance for the replacement value of the Paw & Order Business and its contents), casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, product liability insurance, and automobile insurance coverage for all vehicles used in connection with the operation of the Paw & Order Business, if applicable.

7.6.2 Non-Waiver

Your obligation to obtain and maintain the policy or policies in the amounts specified in section 7.2.1(b) of this Agreement shall not be limited in any way by reason of any insurance that may be maintained by Paw & Order, nor shall Your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 8.5 of this Agreement.

7.6.3 Franchisor Entitled to Recover

All public liability and property damage policies shall contain a provision that Paw & Order, although not named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to Paw & Order or its agents or employees by reason of the negligence of You or your agents or employees.

7.6.5 Right to Procure Insurance

Should You, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time-to-time by Paw & Order in the Manual or otherwise in writing, Paw & Order shall have the right and authority (but not the obligation) to procure and maintain

such insurance in Your name and to charge same to You, which charges, together with Our reasonable expenses in so acting, shall be payable by You immediately upon notice. The foregoing remedies shall be in addition to any other remedies Paw & Order may have under this Agreement, or at law or in equity.

7.7 Financial and Legal Responsibility

7.7.1 Compliance with Law

You shall comply with all federal, state and local laws and regulations pertaining directly or indirectly to the Paw & Order Business. You shall keep current and legally compliant all licenses, permits, bonds, contracts, and Deposits made to or required by any government agency in connection with the operation of the Paw & Order Business. You are responsible for compliance with all requirements imposed by applicable law rule, or regulation.

7.7.2 Payment of Indebtedness

You shall pay promptly when due all taxes and debts that You incur in the conduct of Your business. Except in connection with the financing of the initial development of the Paw & Order Business, including your obtainment of any SBA financing, the Paw & Order Business and all assets and equipment used in connection with the operation of the Paw & Order Business shall remain free and clear of any pledge, mortgage, hypothecation, lien, charge, encumbrance, security interest or purchase right or options unless approved by Paw & Order in writing. The Paw & Order Business revenues, including Gross Revenues and if You are a partnership, corporation, or limited liability company, each of your Owners' interest in the franchisee entity, shall be and remain free and clear of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options, unless approved by Paw & Order in writing.

7.8 Franchised Business Operations

You shall use the Paw & Order Business solely for the operation of the business franchised hereunder; shall keep the Paw & Order Business open and in normal operation for such minimum hours and days as Paw & Order may specify in the Manual or otherwise directs from time-to-time; shall refrain from using or permitting the use of any physical facility related to the Paw & Order Business for any other purpose or activity (other than your personal residence) at any time without first obtaining the written consent of Paw & Order; and shall operate the Paw & Order Business in strict conformity with such methods, standards, and specifications as Paw & Order may, from time-to-time, prescribe in the Manual or otherwise in writing. You shall refrain from deviating from such standards, specifications, and procedures without Paw & Order's prior written consent.

8. RELATIONSHIP OF PARTIES

8.1 Independent Status

It is expressly agreed that the parties intend by this Agreement to establish between you and Paw & Order the relationship of franchisee and franchisor. It is further agreed that you have no authority to create or assume in Paw & Order's name or on Paw & Order's behalf any obligation express or implied or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither you nor Paw & Order is the employer, employee, agent, partner, fiduciary, or co-venturer, of or with the other, each being independent. All employees and agents hired or engaged by or working for you will be only the employees or agents of yours and will not, for any purpose be deemed employees or agents of Paw & Order nor subject to Paw & Order's control.

Paw & Order has no authority to exercise control over the hiring or termination of your employees, independent contractors, agents, or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the brand and the Marks.

You shall file your own tax, regulatory and payroll reports with respect to your employees, agents, and contractors, and you shall save, indemnify and hold Paw & Order and its parents, affiliates, owners, officers, directors and subsidiaries harmless from any and all liability, costs and expenses, of any nature, that any such party incurs related to these obligations. You shall, in all respects, be an independent contractor and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint-venturer, joint-employer, partner, employee or servant of the other for any purpose whatsoever. Without limiting the foregoing, You are an independent legal entity and must make this fact clear in Your dealings with suppliers, lessors, government agencies, employees, customers and others. You and Paw & Order are completely separate entities and are not fiduciaries, partners joint-venturers, or agents of the other in any sense, and neither party has the right to bind the other.

No act or assistance by either party to the other pursuant to this Agreement may be construed to alter this relationship. You are solely responsible for compliance with all federal, state, and local laws rules and regulations, and for complying with Paw & Order policies, practices, and decisions relating to the operation of the Paw & Order Business. You shall rely on Your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. You may not expressly or implicitly hold Yourself out as an employee, partner, shareholder, member, joint-venturer or representative of Paw & Order, nor may You expressly or implicitly state or suggest that You have the right or power to bind Paw & Order, or to incur any liability on Paw & Order's behalf. You may not use the Trade Name or Marks as part of Your corporate name limited liability company name or limited partnership name. There is no fiduciary duty between You and Paw & Order.

8.3 Display of Disclaimer

You shall display a sign that states that "THIS PAW & ORDER BUSINESS IS AN INDEPENDENTLY OWNED AND OPERATED FRANCHISED BUSINESS" within each physical facility related to the Paw & Order Business, business cards, client/customer agreements, stationery, purchase order forms, invoices, and other documents that You use in Your business dealings with suppliers, government agencies, employees and customers must clearly identify You as an independent legal entity.

8.4 Confidentiality

You acknowledge and agree that the information, ideas, forms, marketing plans and other materials disclosed to You under this Agreement, whether or not included in a Manual, are confidential and proprietary information and trade secrets of Paw & Order. Any and all information, knowledge and techniques which Paw & Order designates as confidential shall be deemed confidential for purposes of this Agreement, except information which You can demonstrate came to Your attention prior to disclosure thereof by Paw & Order or which, at or after the time of disclosure by Paw & Order to You, had become or later becomes a part of the public domain, through publication or communication by others. You agree to maintain the confidentiality of all such material.

You may not disclose any such information to any third-party, except to Your employees and agents, as necessary in the regular conduct of the Paw & Order Business, and except as authorized in writing by Paw & Order. You shall be responsible for requiring compliance of Your Related Parties and employees with the

provisions of this Section. You shall obtain signed Non-disclosure, Non-solicitation, and Non-competition Agreements, in the form of EXHIBIT E to this Agreement, from Your Related Parties and employees, and send Paw & Order a copy of each such agreement upon demand.

8.5 Mutual Indemnification

You and your Related Parties agree to indemnify, defend and hold harmless us our affiliates, and our and their respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all claims obligations, and damages directly or indirectly arising out of or related to your act or omission, the act or omission of any of your Related Parties, employees, agents or representatives, the Paw & Order Business’s operation, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction.

For purposes of this indemnification, claims include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants , arbitrators, attorneys’ fees, and expert witness fees costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third-party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this paragraph. Without limiting the foregoing, if Paw & Order is made a party to a legal proceeding in connection with Your act or omission, Paw & Order may hire counsel to protect its interests and bill You for all costs and expenses incurred by Paw & Order. You shall promptly reimburse Paw & Order for such costs and expenses.

You shall notify Paw & Order immediately when you learn about an infringement or challenge to your use of any Mark, including the Paw & Order mark. Paw & Order will take the action Paw & Order deems appropriate in any such situation. Paw & Order has exclusive control over any proceeding or settlement concerning any of the Marks. You must take all actions that, in the opinion of Paw & Order’s counsel, may be advisable to protect and maintain Paw & Order’s interests in any proceeding or to otherwise protect and maintain Paw & Order’s interests in the Mark. Paw & Order has the right to control the defense and settlement of any proceeding. Paw & Order will not reimburse you for your expenses and legal fees for separate, independent legal counsel, or for expenses in removing signage or discontinuing your use of any Mark. Paw & Order will not reimburse you for disputes where Paw & Order and/or any of its parents, affiliates, successors or assigns challenges your use of a Mark.

8.6 Covenants

8.6.1 In-Term Covenants

- a) During the Term, You shall not, directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or entity, own, maintain, operate, engage in, consult with, provide any assistance to, or have any interest (direct or indirect) in a Competitive Business (as defined below).
- b) You shall not divert or attempt to divert any business, client, or potential client of the Paw & Order Business to any competitor, by direct or indirect inducement or otherwise, or to do or perform, directly or indirectly, any other act, injurious or prejudicial, to the goodwill associated with the Marks or the System.

The term “Competitive Business” shall mean any and all businesses that are competitive with Paw & Order Businesses, including, without limitation, any (a) local and national companies which provide dog training services, or (b) in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses described in subpart (a) of this Section. Furthermore, the Restricted Parties shall not divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

8.6.2 Post-Term Covenants

You may not, for a continuous, uninterrupted period commencing upon the expiration, transfer or termination of this Agreement (regardless of the cause for termination), and continuing for two (2) years thereafter, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons (including your spouse or any immediate family member, or the spouse or any immediate family member of any personal guarantor of this Agreement), partnership, limited liability company or corporation, own, maintain, operate, engage in, provide any assistance to, or have any interest in, any Competitive Business that is located: (i) at the Paw & Order Business; (ii) within twenty-five (25) miles of the Paw & Order Business; or (iii) within twenty-five (25) miles of any other Paw & Order Business located then in existence or under construction.

8.6.3 Miscellaneous

You agree that the length of time in Section 8.6.2 will be tolled for any period during which you are in breach of the covenant or any other period during which Paw & Order seeks to enforce this Agreement. The parties agree that the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If any court of competent jurisdiction determined that the geographic limits, time period or line of business defined by this Section 8 (inclusive of all subsections) is unreasonable, the parties agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish the intent and purpose of this Section and the parties, and each of them, agree to be bound by such determination.

9. TRANSFER OF FRANCHISE

9.1 Franchisor’s Right to Transfer

Paw & Order shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Paw & Order shall become solely responsible for all obligations of Paw & Order under this Agreement from the date of assignment. You shall execute such documents or attornment, or other documents, as Paw & Order may request.

9.2 Franchisee’s Condition Right to Transfer

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

9.3 Conditions of Transfer

Franchisee shall notify Paw & Order in writing of any proposed transfer of this Agreement, any direct or indirect interest in You, or in all or substantially all of the assets of Paw & Order Business, at least thirty (30) days before such transfer is proposed to take place. Paw & Order shall not unreasonably withhold its consent to any transfer. Paw & Order may, in its sole discretion, require any or all of the following as conditions of its approval:

- (a) That all of Your accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;
- (b) That You are not in default of any provision of this Agreement, any amendment or addendum hereof or successor hereto, or any other agreement between You and Paw & Order or its affiliates;
- (c) That the transferor shall have executed a general release, in a form prescribed by Paw & Order, of any and all claims against Paw & Order and its affiliates, and their respective officers, directors, agents, shareholders, and employees;
- (d) That the transferor (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Paw & Order may request) demonstrate to Paw & Order’s satisfaction that it meets Paw & Order’s educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Paw & Order Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Paw & Order Business, taking into consideration the purchase price paid by the transferee for the Paw & Order Business; and has not operated a business in competition with Paw & Order;
- (e) That (1) at Paw & Order’s option, (a) the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Paw & Order may request) enter into a written assignment, in a form satisfactory to Paw & Order, assuming and agreeing to discharge all of Your obligations under this Agreement, or (b) the transferee(s) execute, for a term ending on the expiration date of this Agreement and with such renewal term(s) as may be provided by this Agreement, the Paw & Order’s then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the Paw & Order Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, higher royalty fees, advertising contributions, or other fees, and a smaller or modified Territory, except that the transferee shall not be required to pay any initial franchise fee; and (2) the transferee’s

- principal guaranty the performance of all such obligations in writing in a form satisfactory to Paw & Order;
- (f) That You remain liable for all of the obligations to Paw & Order in connection with the Paw & Order Business which arose prior to the effective date of the transfer and execute any and all instruments reasonable requested by Paw & Order to evidence such liability;
 - (g) That the transferee (or, if the transferee is a corporation, partnership or limited liability company, a principal of the transferee acceptable to Paw & Order) and the transferee's manager (if transferee or transferee's principal will not manage the Paw & Order Business), at the transferee's expense, have successfully completed any training programs then in effect upon such terms and conditions as Paw & Order may reasonably require and pay Paw & Order the then-current training fee;
 - (h) Paw & Order approves the terms and conditions of the transfer agreement between transferor and transferee; and
 - (i) You pay to Paw & Order a transfer fee, the greater of 10% of the then current franchise fee or 5% of the sale price; however, in the case of a transfer to a corporation or limited liability company formed by You for the convenience of ownership (as determined by Paw & Order in its sole discretion), no such transfer fee shall be required.

9.4 Franchisor's Right of First Refusal

If any party holding any direct or indirect interest in this Agreement, in You, or in all or substantially all of the assets of the Paw & Order Business desires to accept any bona fide offer from a third party to purchase such interest, You shall notify Paw & Order as provided in Section 9 hereof, and shall provide such information and documentation relating to the offer as Paw & Order may require. Paw & Order shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Paw & Order intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Paw & Order elects to purchase the seller's interest, closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Paw & Order. If Paw & Order elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Paw & Order as in the case of the third party's initial offer.

Failure of Paw & Order to exercise the option afforded by this Section 9 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 9, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that Paw & Order may not reasonably be required to furnish the same consideration, terms and/or conditions, then Paw & Order may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Paw & Order at Paw & Order's expense, and the appraiser's determination shall be binding.

9.5 Death or Mental Incapacity

Upon the death, physical or mental incapacity of any person with an interest in this Agreement, in You, or in all or substantially all of the assets of the Paw & Order Business, the executor, administrator, or personal representative of such person may terminate this Agreement by providing Paw & Order written notice, or otherwise transfer such interest to a third party approved by Paw & Order within six (6) months after such death

or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 9, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Paw & Order within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 10 hereof.

9.6 Non-Waiver

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

10. TERMINATION OF FRANCHISE

10.1 Termination by Consent of the Parties

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

10.2 Termination by Paw & Order

10.2.1 Immediate Termination upon Notice of Default

Upon the occurrence of any of the following defaults, Paw & Order may, at its option, terminate this Agreement effective immediately without opportunity to cure upon written notice to You:

- (a) If You misuse the Trade Name, Marks, or the System, or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them, or if You use in the Paw & Order Business any names, marks, systems, logotypes or symbols that Paw & Order has not authorized You to use.
- (b) If You have any direct or indirect interest in the ownership or operation of any business other than the Paw & Order Business that is confusingly similar to the Paw & Order Business or uses the System or Marks, or if You fail to give Paw & Order a signed copy of the Nondisclosure, Non solicitation and Noncompetition Agreement, a form of which is attached hereto as EXHIBIT E for You (or if You are a corporation, all officers and shareholders, or, if You are a partnership, all Your general partners, or, if You are a limited liability company, all Your members) within ten (10) days after Paw & Order requests it.
- (c) If You attempt to assign or Transfer Your rights under this Agreement in any manner not authorized by this Agreement.
- (d) If You have made any material misrepresentations in connection with the acquisition of a Paw & Order Business or to induce Paw & Order to enter into this Agreement.
- (e) If You act without Paw & Order's prior written approval or consent in regard to any matter for which Paw & Order's prior written approval or consent is expressly required by this Agreement.
- (f) If You cease to operate the Paw & Order Business, unless (i) operations are suspended for a period of no more than one hundred and eighty (180) days, and (ii) the suspension is caused by fire, condemnation, or other act of God.

- (g) If You fail to permanently correct a breach of this Agreement, or to meet the operational standards stated after being twice requested in writing by Paw & Order to correct a similar breach or meet a similar standard in any twelve (12) months period.
- (h) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Paw & Order Business.
- (i) Except as otherwise required by the United States Bankruptcy Code, if You become insolvent, are adjudicated a bankrupt, or file or have filed against You a petition in bankruptcy, reorganization, or similar proceeding.
- (j) If You plead guilty to, plead no contest to, or are convicted of, a felony, a crime involving moral turpitude, or any other crime or offense that Paw & Order believes is reasonably likely to have an adverse effect on the System or Marks, the goodwill associated therewith, or Paw & Order's interest therein.
- (k) If You maintain false books or records or submit any false reports to Paw & Order.
- (l) If You offer a product or service without Paw & Order's consent or fail to offer any product or service designated by Paw & Order.

10.2.2 Termination after Five Days' Notice to Cure

Paw & Order may, at its option, terminate this Agreement, effective five (5) days after written notice is given to You, if You fail to make any payment when due under this Agreement or any other agreement between You and Paw & Order.

10.2.3 Termination after Thirty Days' Notice to Cure

Upon the occurrence of any of the following defaults, Paw & Order may, at its option, terminate this Agreement after thirty (30) days' notice to cure:

- (a) If You fail to submit to Paw & Order in a timely manner any information You are required to submit under this Agreement.
- (b) If You fail to begin operation of the Paw & Order Business within the time limits as provided in this Agreement, or if You fail to operate your Paw & Order Business in accordance with this Agreement and/or the Manual.
- (c) If You default in the performance of any other obligation under this Agreement, or any other agreement with Paw & Order.

Under this Section 10.2.3, Paw & Order may terminate this Agreement only by giving written notice of termination stating the nature of such default to You at least thirty (30) days prior to the effective date of termination; provided, however, that You may avoid termination by immediately initiating a remedy to cure such default, curing it to Paw & Order's satisfaction, and by promptly providing proof thereof to Paw & Order within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to You effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

10.3 Rights and Obligations After Termination or Expiration

Upon termination of this Agreement for any reason, the parties will have the following rights and obligations:

- (a) Paw & Order will have no further obligations under this Agreement.
- (b) You shall give the final accounting for the Paw & Order Business, pay Paw & Order within thirty (30) days after termination all payments due to Paw & Order, and return the Manual and any other property belonging to Paw & Order.
- (c) You shall immediately and permanently cease to operate the Paw & Order Business. You shall immediately and permanently stop using the Marks or any confusingly similar marks, the System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that You are operating a Paw & Order Business, You shall refrain from any statement or action that might give others the impression that You are or ever were affiliated with the Paw & Order Franchise Network.
- (d) You shall promptly sign any documents and take any steps that, in the judgment of Paw & Order, are necessary to delete Your listings from classified telephone directories, disconnect, or, at Paw & Order's option, assign the Paw & Order all telephone numbers that have been used in the Paw & Order Business, and terminate all other references that indicate You are or ever were affiliated with Paw & Order or a Paw & Order Business. By signing this Agreement, You irrevocably appoint Paw & Order as Your attorney-in-fact to take the actions described in this paragraph if You do not do so Yourself within seven (7) days after termination of this Agreement. You further irrevocably assign Your telephone numbers listed on EXHIBIT A, or hereinafter acquired for the operation of Your Paw & Order Business, to Paw & Order.
- (e) You shall maintain all records required by Paw & Order under this Agreement for a period of not less than five (5) years after final payment of any amounts You owe to Paw & Order when this Agreement is terminated (or such longer period as required by applicable law).
- (f) Paw & Order, or its designee, has an option to purchase the business from You, including but not limited to any or all of the physical assets of the Paw & Order Business, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of termination. If Paw & Order notifies You that it (or its designee) wishes to purchase the assets of the business from You following Termination of this Agreement, You must immediately surrender possession of the Paw & Order Business to Paw & Order or Its designee upon demand. Paw & Order or its designee will operate the Paw & Order Business at its expense pending determination of the purchase price as set forth below. The equipment, supplies, and inventory will be valued as follows:
 - i. The lower of depreciated value or fair market value of the equipment supplies and inventory; and
 - ii. Depreciated value of other tangible personal property calculated on the straight-line method over a five (5) year life, less any liens or encumbrances.

Paw & Order must send written notice to You within thirty (30) days after termination of this Agreement of its (or its designees) election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each will appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after termination who must determine the price for the physical assets of the Paw & Order Business in accordance with the standards specified above. This determination will be final and binding upon both Paw & Order, or Paw & Order's designee, as applicable, and You.

Paw & Order or its designee may exclude from the assets appraised any signs, equipment, inventory, and materials that are not reasonably necessary (in function or quality) to the operation of the Paw & Order

Business, or that Paw & Order has not approved as meeting Paw & Order's then-current standards, the purchase price determined by the appraisal will reflect such exclusions (the "Purchase Price"). The Purchase Price shall be paid at a closing date not later than ninety (90) days after determination. Paw & Order has the right to offset against the Purchase Price any and all amounts that You or Your Related Parties owe Paw & Order and/or its Related Parties. At closing, You agree to deliver instruments transferring (i) good and marketable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and transfer taxes paid by You (ii) all licenses and permits related to the business which can be assigned, (iii) the leasehold interest in the Approved Location, (iv) a release agreement signed by You and Your Related Parties in a form and substance acceptable to Paw & Order, and (v) such other documentation as we may reasonably request.

- (g) Paw & Order (or its designee) has an option to replace You as lessee under any equipment lease or note for equipment that is used in connection with the Paw & Order Business. Upon request by Paw & Order, You shall give Paw & Order or its designee copies of the leases for all equipment used in the Paw & Order Business immediately upon termination. Upon request by Paw & Order, You shall allow Paw & Order and/or its designee the opportunity, at a mutually satisfactory time, to inspect the leased equipment. Paw & Order must request the information and access described in this paragraph within fifteen (15) days after termination. It must advise You of its (or its designee's) intention to exercise the option within fifteen (15) days after it has received the information and/or inspected the equipment. Paw & Order or its designee may assume any equipment lease in consideration of its assumption of future obligations under the lease. Upon exercise of this option by Paw & Order or its designees, You shall be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.
- (h) If Paw & Order declines to exercise the option, purchase, or assume the lease on Your equipment, You may sell it to either another Paw & Order franchisee or, with Paw & Order's prior written approval, You may de-brand the equipment and sell it to a non-franchisee.
- (i) You may not sell, or in any way divulge, the client list of Your Paw & Order Business.
- (j) If the premises are leased from a third-party, and if Paw & Order elects, you shall immediately assign your interest in the lease to Paw & Order or its designee and immediately surrender possession of the premises to Paw & Order. You are and shall remain liable for all of your obligations accruing up to the effective date of any lease agreement.
- (k) Franchisee and its Related Parties shall abide by the post-termination restrictive covenants in Section 8.6 of this Agreement.

10.4 No Limitation of Remedies

No right or remedy conferred upon or reserved to Paw & Order (including as set forth in Section 10.3 above) is intended to be, nor shall be deemed exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. Nothing herein shall be construed to deprive Paw & Order of the right to recover damages as compensation for lost future profits. Termination of this Agreement will not end any obligation of either party that has come into existence before termination. All obligations of the parties which, by their terms, or by reasonable implication are to be performed in whole or in part after termination, shall survive termination.

11. MISCELLANEOUS PROVISIONS

11.1 Construction of Contract

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

11.2 Governing Law, Venue and Jurisdiction

11.2.1

This Agreement shall take effect upon its acceptance and execution by Paw & Order. Except to the extent governed by the United States Arbitration Act (9 U.S.C. § 1, et seq.), and the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C § 1050, et seq.), this Agreement, the franchise, and all claims arising from or in any way related to the relationship between Paw & Order, and/or any of its Related Parties, on the one hand, and you, and any of your owners, guarantors and/or affiliates, on the other hand, shall be interpreted and construed under the laws of the Commonwealth of Pennsylvania, which laws shall prevail in the event of any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchise, will not apply unless jurisdictional requirements are met independently without reference to this paragraph.

11.2.2

In the event the arbitration clause set forth in Section 11.8 is inapplicable or unenforceable, and subject to Paw & Order's rights, as outlined in Section 11.9, the following provision shall govern: The parties hereby expressly agree that the United States District Court for the Western District of Pennsylvania, or the Court of Common Pleas of Allegheny County Pennsylvania shall be the exclusive venues and forums in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties.

The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. You acknowledge that this Agreement has been entered into in the State of Pennsylvania and that you are to receive valuable and continuing services emanating from Paw & Order's headquarters in Pennsylvania. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision.

11.3 Notices

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

11.4 Amendments

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

11.5 No Waivers

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

11.6 Integration

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

Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require You to waive reliance on any representation that Paw & Order made in the most recent disclosure document (including its exhibits and amendments) (the “FDD”) that Paw & Order delivered to You or Your representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). You acknowledge that you are entering into this Agreement as a result of your own independent investigation and not as a result of any representations (with the exception of those representations made in the FDD) made by Paw & Order, its members, managers, officers, directors, employees, agents, representatives or independent contractors that are contrary to the terms set forth in this Agreement.

You acknowledge that the FDD you received contained a copy of this Franchise Agreement and that you reviewed the FDD and Franchise Agreement at least fourteen (14) days (or such other time as applicable law requires) before you signed this Agreement. You further understand acknowledge and agree that any information you obtain from any Paw & Order franchisee, including relating to their sales, profit, cash flows, and/or expenses, does not constitute information obtained from Paw & Order, nor does Paw & Order make any representation as to the accuracy of any such information.

11.7 Negotiation and Mediation

11.7.1 Agreement to Use Procedure

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

cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

11.7.2 Initiation of Procedures

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

11.7.3 Direct Negotiations

The Authorized Persons may investigate the dispute as they consider appropriate but agree to meet in-person at a location designated by Paw & Order within seven (7) days from the date of the designation of Authorized Persons to discuss resolution of the dispute. The Authorized Persons may meet at any times and places, and as often as they agree. If the dispute has not been resolved within ten (10) days after their initial meeting, either party may begin mediation procedures by giving written notice to the other party that it is doing so.

11.7.4 Selection of Mediator

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

Within seven (7) days after receipt of the list, the parties must again rank the proposed mediators in numerical order of preference and must simultaneously exchange their lists. The mediator having the highest combined ranking shall be appointed as mediator. If the highest-ranking mediator is not available to serve, the parties must go on to contact the mediator who was next highest in ranking until they are able to select a mediator.

11.7.5 Time and Place for Mediation

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

11.7.6 Exchange of Information

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

11.7.7 Summary of Views

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

11.7.8 Representatives

In the mediation, each party must be represented by an Authorized Person, who must physically attend mediation, and may be represented by counsel. In addition, each party may, with permission of the mediator, bring with him, her or it any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

11.7.9 Conduct of Mediation

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

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

11.7.10 Termination of Procedure

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

11.7.11 Fees of Mediator, Disqualification

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

11.7.12 Confidentiality

The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator,

is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

11.8 Arbitration

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

11.8.1

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

11.8.2

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

11.8.3

Any arbitration must be on an individual basis and the parties, and the arbitrator will have no authority or power to proceed with any claim as a class action, class arbitration, associational action, or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties.

If a court or arbitrator determines that this limitation on joinder of, or class action certification of claims is unenforceable then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts in accordance with Section this 11.8 of the Agreement.

The arbitration must take place in Allegheny County, Pennsylvania, or at such other location as Paw & Order designates.

11.8.4

The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Paw & Order. The arbitrator may not, under any circumstance, (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies, or suspends any lawful term of this Agreement, or any reasonable standard of business performance that Paw & Order sets.

The arbitrator will have the right to decide as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Paw & Order is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to, any decision as to whether Section 11.8 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

11.8.5

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

11.8.6

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

11.8.7

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

11.8.8

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

11.8.9

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

11.8.10

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

11.8.11

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

11.8.12

The Arbitrator shall render a reasoned award unless otherwise requested by the parties. If the prevailing party requests a more detailed award, i.e. “findings of fact and conclusions of law,” the parties shall evenly split the excess cost above the cost required for a reasoned award.

11.8.13

The prevailing party shall require the other party to pay all expenses of Arbitration, including attorneys’ fees and costs.

11.9 Exceptions to Arbitration and Mediation

11.9.1

Notwithstanding the provisions of Sections 11.7 and 11.8 of this Agreement, Paw & Order shall be entitled, with a bond of not more than \$1,000, to the entry of temporary, preliminary and permanent injunctions, and orders of specific performance, enforcing the provisions of this Agreement in any court of competent jurisdiction relating to: (a) Your, and/or any of Your Related Party’s use of the Marks; (b) Your confidentiality and non-competition covenants (Section 8); (c) Your obligations upon termination or expiration of the franchise; or (d) Transfer or assignment by You. If Paw & Order secures any such injunction (i.e. temporary restraining order, preliminary injunction, or permanent injunction) or order of specific performance, you agree to pay to Paw & Order an amount equal to the aggregate of Paw & Order’s costs of obtaining such relief including, without limitation, reasonable attorneys’ fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages incurred by Paw & Order as a result of the breach of any such provision.

11.9.2

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

11.10 Injunctive Remedy for Breach

You recognize that You are a member of a Franchise Network and that Your acts and omissions may have a positive or negative effect on the success of other businesses operating under Paw & Order’s Trade Name and in association with its Marks. Failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Paw & Order and to some or all of the other franchisees of Paw & Order. For this reason, You agree that if Paw & Order can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of Your breach or threatened breach of any of the terms of this Agreement, Paw & Order will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage and without the necessity of posting bond or other security, any bond or other security being waived hereby. Franchisor has the exclusive right to seek relief pursuant to this section in a court of competent jurisdiction as defined in section 11.2.2 of this Agreement or

any other court of competent jurisdiction. Notwithstanding, if any Court of competent jurisdiction, as described herein, determines that a bond or other security is required, You agree that you will not seek bond or security in excess of \$10,000 and, in fact, will oppose any effort by a Court to impose a bond or security in excess of \$10,000.

11.11 Limitations of Actions

You may not maintain an arbitration against the Franchisor or its Related Parties unless: (a) You deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to You, or when you should have known of said event had you been reasonably diligent; (b) thereafter, You must follow the negotiation and mediation procedures described above; and (c) You file an arbitration within one (1) year after the notice is delivered. While this Section 11.11 may limit the applicable statute of limitations, it is not intended to extend any applicable statute of limitation in any way. The limitations set forth in this

Section 11.11 shall not apply to Paw & Order, its affiliates or its Related Parties.

11.12 Attorneys' Fees and Costs

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

11.13 Severability

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

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

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

11.15 Waiver of Rights

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

11.15.1 Jury Trial.

The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 11.8 is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

11.15.2 Damages Waiver.

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

11.15.3

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

11.15.4.

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

11.15.5

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

11.16 Approval and Guaranty Provision

If You are a corporation, all officers and shareholders, or, if You are a partnership, all Your general partners, or, if You are a limited liability company, all Your members, shall approve this Agreement, permit You to furnish the financial information required by Paw & Order, and agree to the restrictions placed on them including restrictions on the transferability of their interests in the franchise and the Paw & Order Business and limitations on their rights to compete, and sign separately a Guaranty, guaranteeing Your payments and performance. Where required to satisfy our standards of creditworthiness, or to secure the obligations made under this Agreement, Your spouse or the spouses of Your Related Parties, may be asked to sign the Guaranty. Our form of Guaranty appears as EXHIBIT C to this Agreement.

11.17 Acceptance by Paw & Order

This Agreement will not be binding on Paw & Order unless and until an authorized management officer of Paw & Order has signed it.

11.18 Disclaimer of Representations

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

11.19 Receipt

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

11.20 Opportunity for Review by Your Advisors

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

11.21 Execution of Agreements

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

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

11.22 Independent Investigation

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

11.23 No Guarantee of Earnings

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

11.24 No Personal Liability

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

11.25 Non-Uniform Agreements

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

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

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

FRANCHISOR:

PAW & ORDER FRANCHISE LLC
doing business as Paw & Order

FRANCHISEE:

By: _____

Name: Elissa Weimer

Title: Chief Executive Officer

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Delivery Addresses for Notices:

Paw & Order Franchise LLC
594 Creek Road,
Bulger, PA 15019

Gerald A. Cook
P.O. Box 1444
Pittsburgh, PA 15230

Delivery Address for Notices:

EXHIBIT A
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

FRANCHISE DATA SHEET

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

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

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

4. Your site of operation is located at:

5. Your Protected Territory is the following geographic area: _____
 - a. If map is attached, check here: _____

EXHIBIT B
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchise: _____

Trade Name (if different than above): _____

Form of Ownership (Check One):

___ Individual ___ Partnership ___ Corporation ___ Limited Liability Company

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

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

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

State and Date of Formation: _____

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

Name	Title

Members, Stockholders, Partners:

Name	Title	Ownership %

Principal Manager

The following individual is hereby designated the “Principal” of the Franchise business. Paw & Order Franchise LLC, and all of its vendors, suppliers, and associates may rely entirely on instructions from said Principal on behalf of the aforesaid franchise, to the exclusion of, and overriding, instructions from anyone else purporting to represent the franchise. The only accepted method to change the identification of the Principal is to produce a signed statement to that effect, signed by 100% of the owners of the Franchise.

Name of Principal: _____

Franchisee acknowledges that this Statement of Ownership applies to the Paw & Order Business authorized under the Franchise Agreement.

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

FRANCHISEE:

Business Entity Name (if any)

Printed Name

Signature

Title

Date

EXHIBIT C
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by each of the principal owners, and their spouses, (referred to as "you" or "your" for purposes of this Guaranty only) of _____ (the "Business Entity") under the Franchise Agreement dated _____ (the "Agreement") with Paw & Order Franchise LLC, a Pennsylvania limited liability company ("we," "us," or "our").

1. **Incorporation of Terms.** Each term of the Agreement is incorporated into this Guaranty.
2. **Guaranty.** In consideration of and as an inducement to us signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: guarantee to us and our successors and assigns that (a) the Business Entity will punctually pay and perform every obligation and obey every restriction and covenant set forth in the Agreement and (b) each of you agrees to be personally bound by, and personally liable for the breach of, each and every obligation, restriction and covenant in the Agreement.
3. **Payment.** If the Business Entity fails to make any payment when due or otherwise defaults under any of the terms of the Agreement, immediately upon demand, you will pay to us the full amount owed, plus any interest or penalty allowed under the Agreement. All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of you, except the defense that the Business Entity has paid all obligations in full.
4. **Waivers.** Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.
5. **Consents and Agreements.** Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may periodically grant to the Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims

and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

6. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.
7. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Pennsylvania law, and we may enforce our rights regarding it in the courts of Allegheny County, Pennsylvania. Each of you irrevocably submits to the jurisdiction and venue of such courts.

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

Signature of Each Guarantor	% of Own- ership in Franchis- ee
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

EXHIBIT D to Paw & Order Franchise Agreement

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _____ (the “Agreement”), between _____, a Pennsylvania Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

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

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

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

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

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

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

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

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

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

Agreed to by:

FRANCHISOR:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

SAMPLE GENERAL RELEASE AGREEMENT WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____, 20__ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Paw & Order Franchise LLC, a Pennsylvania limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Paw & Order Business (as defined in the Agreement);

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

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

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

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.
2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, renewals and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, renewals and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses,

actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Non disparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business or their reputation.
4. Miscellaneous.
 - a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.
 - b. This Release shall be construed and governed by the laws of the State of Pennsylvania.
 - c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.
 - d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorney fees.
 - e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, renewals, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.
 - f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.
 - g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.
 - h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

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

Franchisee

Franchisee's Owner

Printed Name

Printed Name

Signature

Signature

Printed Name

Printed Name

Date

Date

EXHIBIT F
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

NONDISCLOSURE, NONSOLICITATION AND NONCOMPETITION AGREEMENT

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

1. Definitions.

“Competitive Business” shall mean any and all businesses that are competitive with Paw & Order Businesses, including, without limitation, any (a) local and national companies which provide in-home dog training services, or (b) in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses described in subpart (a) of this Section. Furthermore, the Restricted Parties shall not divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

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

“Franchisee” means the Paw & Order franchisee for whom you are an officer, director, employee, or independent contractor.

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

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

“Manual” means our confidential training manual for the operation of a Paw & Order Business.

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

“Prohibited Activities” means any or all of the following: (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their Position or (b) any customer of ours (or of one of our affiliates or franchisees)

to transfer their business to you or to any other person that is not then a franchisee of ours. This does not include volunteer dog training services.

“Restricted Period” means the six (6) month period after you cease to be a manager or officer of Franchisee’s Paw & Order Business.

“Restricted Territory” means the geographic area within: (i) a 25 mile radius from Franchisee’s Paw & Order Business (and including the address of primary operation); and (ii) a 25 mile radius from all other Paw & Order Business that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the *“Restricted Territory”* means the geographic area within a 50 mile radius from Franchisee’s Paw & Order Business (and including the premises of any physical facility related to the Paw & Order Business).

“System” means our system for the establishment, development, operation, and management of a Paw & Order Business, including Know-how, proprietary programs and products, confidential operations manuals and operating system.

2. Background.

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

3. Intellectual Property.

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

4. Unfair Competition During Relationship.

You agree not to unfairly compete with us at any time while you are a manager of Franchisee’s Paw & Order Business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship.

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

6. Immediate Family Members.

You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an

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

7. Covenants Reasonable.

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

8. Breach.

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

9. Miscellaneous.

- a. If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.
- b. This Agreement will be governed by, construed, and enforced under the laws of Pennsylvania and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.
- c. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.
- d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted

Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

- e. The Prohibited Activities shall not apply if no Paw & Order business operates in the Restricted Territory

EXECUTED on the date stated below.

FRANCHISEE:

Printed Name

Signature

Title

Date

EXHIBIT G
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

SAMPLE CONFIDENTIALITY AGREEMENT

This Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Paw & Order Franchise LLC, a Pennsylvania limited liability company, and its renewals and assigns ("us"), upon the terms and conditions set forth in this Agreement.

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

"Paw & Order Business" means a business that offers in-home dog training and other similar or ancillary products and services.

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

"Franchisee" means the Paw & Order franchisee for whom you are an officer, director, employee, or independent contractor.

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

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Paw & Order Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a Paw & Order Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Paw & Order Business, including "Paw & Order", and any other trademarks, service marks or trade names that we designate for use by a Paw & Order Business. The term "Marks" also includes any distinctive trade dress used to identify a Paw & Order Business, whether now in existence or hereafter created.

"System" means our system for the establishment, development, operation and management of a Paw & Order Business, including Know-How, proprietary programs and products, confidential operations manuals and operating system.

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

if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Know-How and Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than Paw & Order Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time-to-time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.
4. **Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (*i.e.*, spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.
5. **Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**
6. **Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Paw & Order franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.
7. **Miscellaneous.**

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

EXECUTED on the date stated below.

FRANCHISEE:

Printed Name

Signature

Title

Date

EXHIBIT H
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("Agreement") is entered into this ____ day of _____, 20____, between Paw & Order Franchise LLC ("Franchisor"), _____ ("Former Franchisee"), and _____ ("New Franchisee").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20____ ("Franchise Agreement"), in which Franchisor granted Franchisor the right to operate a Paw & Order franchise with a primary operating address of _____ ("Franchised Business"); and

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

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

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("Franchisor's Assignment Fee").
2. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement.
3. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all of Former Franchisee's rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the termination, expiration or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement, which is attached to this Agreement as Attachment A.
4. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if

applicable), which is attached to this Agreement as Attachment B, and any other required contracts for the operation of a Paw & Order franchise as stated in Franchisor's Franchise Disclosure Document.

5. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three (3) year period following the execution of this Agreement.
6. Acknowledgment by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("Transaction") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new franchise agreement for the Franchised Business. New Franchisee agrees that any claims, disputes or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee and shall not involve Franchisor.
7. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.
8. Notices. Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered.
9. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Franchise Agreement.
10. Affiliates. When used in this Agreement, the term "Affiliates" has the meaning as given in Rule 144 under the Securities Act of 1933.
11. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Pennsylvania.

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

Former Franchisee

Franchisee Printed Name

Franchisee Signature

Date

New Franchisee

Franchisee Printed Name

Franchisee Signature

Date

EXHIBIT I
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

ACH PAYMENT AUTHORIZATION

AUTHORIZATION AGREEMENT FOR ACH Payments:

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

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

I _____ authorize Paw & Order Franchise LLC to charge my Bank

Account indicated below for \$ _____ on _____ (Date).

Billing Street _____ Phone # _____

City, State, Zip _____ Email _____

Bank (ACH) Information

☐ - Checking Account ☐ - Savings Account

Name on Account - _____

Account Number - _____

Bank Name - _____

Routing Number - _____

Franchisee's Signature _____ Date _____

EXHIBIT J
TO PAW & ORDER FRANCHISE LLC
FRANCHISE AGREEMENT

SBA ADDENDUM

Form 2462 - SBA
Addendum to Franc

INSTRUCTIONS FOR USE OF SBA FORM 2462 ADDENDUM TO FRANCHISE AGREEMENT

SBA has issued a revised version of the Addendum to Franchise Agreement (SBA Form 2462) which became effective January 1, 2018. SBA's Standard Operating Procedure (SOP) 50 10 5(J) explains updates made to the franchise review process for the 7(a) and 504 loan programs. By executing this Addendum, the franchisor agrees that any terms in its franchise agreement or any other document the franchisor requires the franchisee to sign that are related to control by the franchisor or its franchisees (resulting in a determination by SBA of affiliation between the Franchisor and its franchisees, as defined in 13 CFR part 121 and SBA's Standard Operating Procedure 50 10) will not be enforced against the franchisee during the life of the SBA-guaranteed loan.

SBA Form 2462 has **three** locations with drop down menu options at the beginning of the form (see example below). Once a drop down option is chosen (i.e. #1 "Franchise" #2 "Franchisor" and #3 "Franchisee"), the user must hit the "tab" key to automatically populate the appropriate term in all fields.

Example of Drop-Down Options

The image shows a portion of the SBA Form 2462. At the top left is the SBA logo. The title is "ADDENDUM TO Franchise AGREEMENT". Below the title is a drop-down menu with options: "Franchise", "License", "Distributor", "Membership", and "Other". A red box with the number "1" points to this menu. Below the title, the text reads: "THIS ADDENDUM ("Addendum") is made _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____." Red boxes with numbers "2" and "3" point to the drop-down menus for "Franchisor" and "Franchisee" respectively.

Once the drop down options have populated in all three locations, the remaining fillable fields must be completed manually (see example below). These fields will either be blank or contain the language "(Enter type of)" or "(type of agreement)." In each of these fields, enter the type of agreement, e.g., franchise, license, dealer, membership, etc. When completing SBA Form 2462, the text may not be altered except to insert the information required to complete the form.

Example of Fillable Fields to be Completed Manually

FORCED SALE OF ASSETS

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

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.



ADDENDUM TO LICENSE ¹ AGREEMENT

THIS ADDENDUM (“Addendum”) is made and entered into on _____, 20____, by and between _____ (“Licensee”), located at _____, and _____ (“Licensee”), located at _____.

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

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

CHANGE OF OWNERSHIP

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

FORCED SALE OF ASSETS

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

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

COVENANTS

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

EMPLOYMENT

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

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

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

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

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title: _____

Authorized Representative of LICENSEE:

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Licensee. Additionally, the applicant Licensee and the system must meet all SBA eligibility requirements.

EXHIBIT B
TO PAW & ORDER FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

PAW AND ORDER FRANCHISE, LLC

Financial Statements

With Independent Auditors' Report Thereon

December 31, 2022





Independent Auditor's Report

To the member of Paw and Order Franchise, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Paw and Order Franchise, LLC, which comprise the balance sheet as of December 31, 2022 and the related statements of operations and member's equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Paw and Order Franchise, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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



cmPILL-

Inner CPA, PLLC
Murfreesboro, Tennessee
September 1, 2023

PAW AND ORDERFRANCIDSE,LLC
BALANCE SHEET
DECEMBER 31, 2022

ASSETS	
CURRENT ASSETS	
Cash and equivalents	\$ 22,105
Accounts receivable, net	6,889
Current maturities of notes receivable	<u>14,860</u>
Total current assets	43,854
PROPERTY AND EQUIPMENT	135,650
OTHER ASSETS	
Notes receivable, less current maturities	<u>15,574</u>
TOTAL ASSETS	<u>\$ 195,078</u>
LIABILITIES AND MEMBER'S EQUITY	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 11,338
Contract liabilities	<u>76,864</u>
Total current liabilities	88,202
TOTAL LIABILITIES	<u>88,202</u>
MEMBER'S EQUITY	<u>106,876</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 195,078</u>

See accompanying notes to financial statement and independent auditor's report.

PAW AND ORDER FRANCHISE, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

REVENUE	
Franchise	\$ 30,920
Royalties	83,413
Product sales	1,279
User fees	7,018
Training	10,750
Total revenue	<u>133,380</u>
OPERATING EXPENSES	
Selling, general and administrative expenses	120,415
OPERATING INCOME	<u>12,965</u>
OTHER INCOME	
Rent	3,000
Interest income	<u>3,577</u>
Total other income	<u>6,577</u>
Net income	19,542
Member's equity - beginning of year	87,334
Member's deficit - end of year	\$ <u>106,876</u>

See accompanying notes to financial statement and independent auditors' report.

PAW AND ORDER FRANCHISE, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 19,542
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	33,862
Increase in operating liabilities:	
Accounts receivable, net	(550)
Decrease (increase) in operating liabilities:	
Accounts payable and accrued expenses	11,088
Deferred revenue	{3,234}
Net cash provided by operating activities	<u>60,708</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(71,331)
Principal payments of notes receivable	(2,057)
Issuance of notes receivable	<u>11,276</u>
Net cash used in operating activities	<u>{62,112}</u>
Net decrease in cash and equivalents	(1,404)
Cash and equivalents at beginning of year	23,509
Cash and equivalents at end of year	\$ <u>22,105</u>

See accompanying notes to financial statements and independent auditor's report.

PAW AND ORDER FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A-NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Paw and Order Franchise, LLC (the "Company"), is headquartered in Pittsburgh, Pennsylvania. The Company was founded in 2020 to engage in selling franchise agreements of "Paw and Order." Paw and Order Dog Training offers certified dog training programs that are tailored to the individual dog and are successful with all breeds, ages, and temperaments. They offer commitment based in-home training, a board & train program, as well as group classes.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the reporting period. Actual results could vary from the estimates that were used.

Accrual Basis

The financial statements of the Company have been prepared on the accrual basis of accounting.

Cash and Equivalents

The Company considers all highly liquid, unrestricted investments with an initial maturity of three months or less to be cash or equivalents.

Accounts Receivable

Accounts receivable consist of royalty fees which are stated at the amount management expects to collect. Royalty fees are required to be paid on a monthly basis. Any payment not received during the month earned is considered past due. The Company charges an interest rate of 1.50% on past due receivable balances. Generally, the Company does not require collateral or other security to support accounts receivable. The Company estimates an allowance for doubtful accounts based on factors surrounding the credit risk of specific licensees or franchisees, historical trends and other information. As of December 31, 2022, management estimated the allowance for doubtful accounts to be \$-0- as the accounts receivable balance as of December 31, 2022 was \$-0-.

Revenue Recognition

Franchise revenue consist primarily of franchisee fees earned through the franchise agreements entered into by the Company. Under franchise agreements, the Company provides certain specific performance obligations: 1) initial training and education, 2) use of established manual, 3) periodic advisory assistance, 3) continuing education and 4) a franchise license. These services are highly interrelated and dependent upon the franchise license. Management of the Company has allocated the franchise revenue earned to the specific performance obligations.

Management has estimated an allocation of the revenue based on the timing of the specific performance obligations to be provided over the life of the contract. The revenue for each specific performance obligation is allocated to each year of the contract based on services and value provided to the franchisee under the franchise contract.

Each franchise contract matures 5 years from the initial start-date. The franchise contracts renew after 5 years with consideration of \$1,000.

PAW AND ORDER FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A-NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Revenue Recognition (continued)

Payments received in excess of revenue recognition under ASC 606 is recorded as a contract liability on the balance sheet until the revenue is recognized and revenue recognition under ASC 606 is recorded as a contract asset on the balance sheet until the payment is received. As of December 31, 2022 the contract asset and liability totaled \$-0- and \$84,061, respectively.

Royalties consist of royalties which are calculated based on a percentage of gross revenue over the term of the franchise agreement.

Income Tax

The Company is a single member limited liability company (L.L.C.). In lieu of federal corporate taxes, the member is taxed for the Company's taxable income. Since income and expenses are reported on the member's income tax returns, a provision for federal income and state taxes has not been included in the financial statement.

The Company evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2022, the management of the Company does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year. It is the Company's policy to recognize any interest and penalties in the provision for income taxes.

Federal and certain state tax returns for the Company are subject to examination by the state, generally for five years after they are filed.

NOTE B - NOTES RECEIVABLE

The Company entered into a notes receivable with three franchisees with the original principal totaling \$45,409 each bearing an interest rate of 10.00% requiring monthly interest and principal payments totaling \$1,436 with maturity rates ranging from March 2024 through June 2024. The notes receivable balance as of December 31, 2022 totaled \$30,434.

During the year ended December 31, 2022 a franchisee did not have the cash flow to fund the note receivable for the first half of the year. During the year ended December 31, 2023 the monthly interest accrual was not paid and has increased the note receivable by \$2,057.

A summary of the future maturities of the notes receivable is as follow:

<u>December 31,</u>		
2023	\$	14,860
2024		<u>15,574</u>
Total	\$	<u>30,434</u>

PAW AND ORDER FRANCIDSE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE C - FRANCHISES

Cash receipts for the year ended December 31, 2022 consisted of \$30,920 in initial franchise.

The franchise and license outlet for Paw and Order Franchise, LLC in operation, franchise and license unit sold or closed during the year ended December 31, 2022 are as follows:

Franchise outlets in operation	7
Franchise units sold	1
Franchise units closed	1

NOTED - CASH FLOW INFORMATION

The Company did not have any cash disbursements for interest or income truces during the year ended December 31, 2022.

NOTE E- CONCENTRATION OF RISK

The Company will depend on future franchise sales and royalty sales. Should economic or social events transpire to bring hardship to the industry and local economies royalty and franchisee payments received will reduce and the Company may find it difficult to continue operations.

The Company may at times be subject to credit risk to its cash and equivalent account, which are placed in a high credit-quality financial institution. The Federal Deposit Insurance Corporation ("FDIC") offers coverage up to \$250,000 for substantially all depository accounts. As of December 31, 2022 the Company did not have deposits in excess of the FDIC limits.

NOTE F - SUBSEQUENT EVENT REVIEW

Subsequent events have been evaluated through September 1, 2023, which is the date the financial statements were available to be issued. There have been no adjustments to the financial statements to include any subsequent transactions or events.

EXHIBIT C
TO PAW & ORDER FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES AS OF 12/31/2022

Paw & Order Washington, PA
www.pawandorder.com/washington-pa/
(724) 249-6009
Owner: Christy Kelly
Christie.Kelly@pawandorder.com

Paw & Order Southwest Florida
www.pawandorder.com/swfl
(239) 788-3303
Owner: Shawn Humphries
shawn.h@pawandorder.com

Paw & Order Harmony, PA
www.pawandorder.com/harmony
(724) 249-6009
Owner: Tia Ybarra
Tia@pawandorder.com

Paw & Order Houston
www.pawandorder.com/houston/
(832) 995-0019
Owner: William Parker
william.parker@ak9ds.com

Paw & Order Erie
www.pawandorder.com/erie/
(814) 230-0010
Owner: Sabrina Lane
Sabrina@pawandorder.com

Paw & Order Central Ohio
www.pawandorder.com/centralohio/
(740) 438-2287
Owner: William Parker
william.parker@ak9ds.com

Paw & Order Upstate SC
www.pawandorder.com/upstate-sc
(864) 256-0708
Owner: William Parker
william.parker@ak9ds.com

Paw & Order Upstate SC
www.pawandorder.com/upstate-sc
(864) 256-0708
Owner: Drew Brashier
drew.b@pawandorder.com

List of Corporate or Affiliate-Owned Businesses

Address	Phone	Date Opened
Paw & Order LLC 594 Creek Rd Bulger, PA 15019	724-344-2200	2013

List of Former Franchisees as of 12/31/2022

Paw & Order Westmoreland PA
www.pawandorder.com/westmoreland/
(814)205-3116
Owner: Marshall Dolfi
marshall@pawandorder.com

Reason: Marshall refused to use our systems and follow our SOPs. He also had some personal legal issues we could not tolerate.

EXHIBIT D
TO PAW & ORDER FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

State Administrators	State Agents for Service of Process
California Department of Business Oversight 1515 K Street Sacramento, California 95814 (Toll Free) (866) 275-2677	California Department of Business Oversight 1515 K Street Sacramento, California 95814
Hawaii Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Hawaii Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois Illinois Franchise Development Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Illinois Franchise Development Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
Indiana Indiana Chief Deputy Commissioner Secretary of State Franchise Section – Securities Division 301 W. Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Indiana Chief Deputy Commissioner Secretary of State Franchise Section – Securities Division 301 W. Washington Street, Room E-111 Indianapolis, Indiana 46204
Maryland Office of the Attorney General Maryland Securities Commissioner 200 Saint Paul Place Baltimore, Maryland 21202-2020 (410) 576-7044	Maryland Office of the Attorney General Securities Division 2000 Saint Paul Place Baltimore, Maryland 21202
Michigan Michigan Franchise Administrator Consumer Protection Division Attention: Franchise Examiner	Michigan 670 Law Building Lansing, Michigan 48913 (517) 335-7567
Minnesota	Minnesota

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

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

State Administrators	State Agents for Service of Process
New York NYS Department of Law 28 Liberty Street , 21st Floor New York, New York 10005 (212) 416-8236 North Dakota North Dakota Securities Department 600 East Boulevard State Capitol Fifth Floor, Dep't 414 Bismarck, North Dakota 58505 (701) 328-4712 Rhode Island Rhode Island Securities Examiner Division of Securities 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9500 South Dakota South Dakota Franchise Administrator Division of Securities Department of Labor & Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605)773-4013 Virginia Virginia Chief Examiner State Corporation Commissioner Division of Securities and Retail Franchising 1220 Bank Street Richmond, Virginia 23219 (804)786-7751 Washington Washington Securities Administrator Securities Division P.O Box 9033 Olympia, Washington 98507 (360)902-8760 Wisconsin Wisconsin Commissioner of Securities Registration Division P.O. Box 1768 Madison, Wisconsin 53101 (608)266-8559	New York Secretary of State of New York 99 Washington Avenue Albany, New York 12231 North Dakota North Dakota Securities Department 600 East Boulevard State Capitol Fifth Floor, Dep't 414 Bismarck, North Dakota 58505 Rhode Island Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue Cranston, Rhode Island 02920 South Dakota Director, Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 Virginia Clerk of the State Corporation Commissioner P.O. Box 1197 Richmond, Virginia 23219 Washington Director of Licensing Securities Division 150 Israel Road Turnwater, Washington 95801 Wisconsin Wisconsin Commissioner of Securities Office of the Commissioner of Securities 101 East Wilson Street Madison, Wisconsin 53702

EXHIBIT E
TO PAW & ORDER FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Paw & Order Franchise LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of Paw & Order Business (as defined in this Franchise Disclosure Document). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise.

You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay your Initial Franchise Fee.

Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

- | | | | |
|----|----------|---------|--|
| 1. | Yes ____ | No ____ | Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it? |
| 2. | Yes ____ | No ____ | Have you received and personally reviewed the Franchise Disclosure Document we provided? |
| 3. | Yes ____ | No ____ | Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? |
| 4. | Yes ____ | No ____ | Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement? |
| 5. | Yes ____ | No ____ | Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor or have you had the opportunity for such review and chosen not to engage such professionals? |
| 6. | Yes ____ | No ____ | Have you discussed the benefits and risks of developing and operating a Paw & Order Business with an existing Paw & Order franchisee? |
| 7. | Yes ____ | No ____ | Do you understand the risks of developing and operating a Paw & Order Business? |

8. Yes ____ No ____ Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?
9. Yes ____ No ____ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated, mediated, and/or arbitrated in Pennsylvania, if not resolved informally or by mediation?
10. Yes ____ No ____ Do you understand that you must satisfactorily complete the initial training course before we will allow your Paw & Order Business to open or consent to a transfer?
11. Yes ____ No ____ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Paw & Order Business, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes ____ No ____ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes ____ No ____ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Paw & Order Business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes ____ No ____ Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Paw & Order Business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?
15. Yes ____ No ____ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

EXPLANATION OF ANY NEGATIVE RESPONSE
(REFER TO QUESTION NUMBER)

Questionnaire Number	Explanation of Negative Response

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date: _____

Date: _____

EXHIBIT F
TO PAW & ORDER FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT

State Effective Dates

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

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

<u>State</u>	<u>Effective Date</u>
California	N/A
Hawaii	N/A
Illinois	N/A
Indiana	N/A
Maryland	N/A
Michigan	N/A
Minnesota	Pending
New York	N/A
North Dakota	N/A
Rhode Island	N/A
South Dakota	N/A
Washington	N/A
Wisconsin	N/A

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

EXHIBIT G
TO PAW & ORDER FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

(Return this copy to us)

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

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

If Paw & Order Franchise LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on EXHIBIT D.

The franchisor is Paw & Order Franchise LLC, located at 594 Creek Road, Bulger, PA 15019- 412-580-9077.

Issuance Date: September 1, 2023

The names, principal address and telephone number of the franchise seller for this offering are:

Stephen Sentner (724-344-2200) and Elissa Weimer (814-932-8477), residing at 594 Creek Road, Bulger, PA 15019.

Paw & Order Franchise LLC authorizes the agents listed in EXHIBIT D to accept service of process for it.

I have received a disclosure document, dated **September 1, 2023**, that included the following

EXHIBITS:

EXHIBITS to this FDD

- A Paw & Order Franchise Agreement (including its exhibits)
- B Financial Statements
- C List of Current and Former Franchisees
- D List of State Administrators/Agents for Service of Process
- E Franchise Disclosure Questionnaire
- F State Effective Dates
- G Receipt

Date: _____
(Do Not Leave Blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating, and mailing it to Paw & Order Franchise LLC at 594 Creek Road, Bulger, PA 15019, or by emailing a copy of the signed and dated receipt to Paw & Order Franchise LLC at franchise@pawandorder.com.

RECEIPT

(This copy is for your records)

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

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

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- E Franchise Disclosure Questionnaire
- F State Effective Dates
- G Receipt

Date: _____
(Do Not Leave Blank)

Signature of Prospective Franchisee

Print Name

Retain this copy