

FRANCHISE DISCLOSURE DOCUMENT



Pet Butler, LLC
an Illinois limited liability company
11909 Spaulding School Drive
Plainfield, Illinois 60585
(844) 777-8608
www.petbutler.com
franinfo@petbutler.com

The franchise offered is for the right to operate a business providing pet-waste removal, pet care and other pet related services to residences, businesses and commercial properties under the name “Pet Butler.”

The total investment necessary to begin operation of a Pet Butler franchised business for a geographic territory containing up to 60,000 single family dwelling units is ~~\$79,065~~\$94,881 to ~~\$98,720~~\$117,901. This includes ~~\$64,753 to \$66,053~~\$79,318 that must be paid to us or ~~an our~~affiliates. If you wish to obtain a geographic territory of more than 60,000 single family dwelling units, and we approve, you must pay us an additional fee of \$0.50 for each single family dwelling unit over 60,000 single family dwelling units.

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 the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Pet Butler, LLC, Franchise Development Department, 11909 Spaulding School Drive, Plainfield, Illinois 60585, (844) 777-8608 or e-mail franinfo@petbutler.com.

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

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

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

ISSUANCE DATE: March ~~2023~~, ~~2024~~2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Illinois. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Illinois than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

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- B Franchise Agreement
- C Table of Contents – Operating Manual
- D List of Franchisees
- E Franchisees Who Have Left the System
- F Financial Statements
- G Sample General Release
- H State Addenda and Agreement Riders
- I Disclosure Acknowledgement Statements
- J Flex Start Program Addendum
- K-1 Pet Industry Professional Program Conversion Addendum
- K-2 Pet Industry Professional Program Addition Addendum
- L Sublicense Agreement
- ~~M Promissory Note and Security Agreement (Franchise Fee Financing)~~
- ~~N Promissory Note and Security Agreement (Pet Industry Marketing Financing)~~
- OM Receipts

Applicable state law might require additional disclosures related to the information contained in this Disclosure Document, and might require a rider to the Franchise Agreement. These additional disclosures and riders, if any, appear in Exhibit H.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this franchise disclosure document (this “Disclosure Document”), “we,” “us,” and “our” means Pet Butler, LLC, the franchisor. “You” means the person or entity that is awarded the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement (defined below) and related agreements will also apply to your owners and will be noted.

A. The Company, Our Parent, Predecessors and Affiliates

We are an Illinois limited liability company organized in April 2017. Our principal business address is 11909 Spaulding School Drive, Plainfield, Illinois 60585 and our telephone number is (844) 777-8608. We conduct business under our corporate name and as “Pet Butler.” We do not operate businesses of the type franchised. Our agents for service of process are disclosed in Exhibit A.

We are a wholly owned subsidiary of Pet Butler Holdings, LLC (“Pet Butler Holdings”). Pet Butler Holdings is a majority owned subsidiary of Spring-Green Enterprises, Inc. (“Spring-Green”).

On June 1, 2017, Pet Butler Holdings purchased the intellectual property assets and franchise agreements of the Pet Butler franchise system from HomeTask, Inc. (“HomeTask”). HomeTask’s principal place of business is located at 611 S.W. 152nd Street, Seattle, Washington 98166. HomeTask began offering Pet Butler franchises in 2010 but did not operate a Pet Butler Business. As of Pet Butler Holdings’ acquisition, HomeTask also franchised businesses that provide landscape maintenance services under the name “Lawn Army” and franchises businesses that provide professional handyman services under the name “Yellow Van Handyman.” HomeTask began offering Lawn Army franchises in 2011 and Yellow Van Handyman franchises in 2004. According to the most recent information we received from HomeTask prior to Pet Butler Holdings’ acquisition, HomeTask had 1 Lawn Army franchisee and 14 Yellow Van Handyman franchisees.

Our affiliate, Spring-Green Lawn Care Corp. (“SGLC”) offers franchises for businesses that provide lawn and tree care services and other related services under the name “SpringGreen.” SGLC has offered such franchises since 1977. As of December 31, ~~2023~~2024, SGLC had 72 franchisees collectively covering ~~124~~126 franchised territories.

Our affiliate, SGE Marketing Services, Inc. (“SGE”) provides marketing, advertising, technology and call-center services to Pet Butler franchisees and Spring-Green franchisees.

Pet Butler Holdings, Spring-Green, SGLC, and SGE share our principal business address. Except as described above, we, Pet Butler Holdings, Spring-Green, SGLC, and SGE have not conducted the type of business you will operate nor offered franchises in any other lines of business.

B. The Pet Butler Franchise

As of September 1, 2017, we began awarding franchises to qualified persons and entities seeking the opportunity to develop and operate a business (the “Franchised Business”) that offers pet-waste removal, pet care and other pet related services (the “Services”) to residences and businesses within a prescribed geographic market area (the “Territory”) following the methods and techniques we disclose (the “System”) in one or more handbooks, manuals and other written, audio/visual, and/or electronic materials (the “Operating Manual”), which provides our mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating Franchised Businesses (the “System Standards”), under the trademarks and service marks we license periodically, including the trademark “Pet Butler” (the “Marks”).

In the future, we may also approve certain other services, including other pet related products and services, which you may provide to residences and businesses. If you offer those other services, the term “Services” as used in this Disclosure Document includes those services. You may not offer any other services under the Marks or using the System.

You must execute a franchise agreement (the “Franchise Agreement”) in the form attached as Exhibit B. This Franchise Agreement governs your operation of the Franchised Business. You must sign the then-current form of franchise agreement for each additional franchise that you purchase.

C. General Market and Competition

Your principal customers will be homeowners, although renters, businesses and public parks may also use the Services. In some areas of the country in which we are offering franchises, the Services may be seasonal, and you will have competition from national and regional chains that may be corporate-owned or franchised, and local independent owner/operators of pet-waste removal and/or pet care businesses. In addition, you may face competition from providers of other pet related services.

D. Specialized Industry Laws

There may be state and local regulations specific to the operation of pet-waste removal businesses, pet care businesses, or other pet-related services we offer. In addition, you must comply with all local, state and federal laws and regulations that may apply to any business.

E. Special Franchise Programs

1. Pet Industry Professional Program

We offer our Pet Industry Professional Program to qualified candidates who are owners of independent “Pet Industry” businesses that provide professional indoor or outdoor pet-related services and who want to either: 1) convert the pet-waste removal or pet care services portion of their existing Pet Industry business to a Pet Butler Franchised Business, meeting our standards and specifications, or 2) add pet-waste removal or pet care services as a Pet Butler Franchised Business to work in conjunction with their Pet Industry business. If you qualify for the Pet Industry Professional Program, ~~we~~you will ~~waive the~~pay a reduced initial franchise fee ~~and you~~

~~will qualify for Pet Industry Marketing Financing (See Item 5). The franchise fee waiver and Pet Industry Marketing Financing are not offered to franchisees that acquire or own existing Franchised Businesses.~~ The Pet Industry Professional Program is not available to franchisees that own existing Franchised Businesses, or use third-party brokers in connection with the acquisition of a Pet Butler franchise.

If you qualify, and we grant you, the opportunity to participate in the Pet Industry Professional Program, then we and you will sign either the Pet Industry Professional Program Conversion Addendum (Exhibit K-1) or the Pet Industry Professional Program Addition Addendum (Exhibit K-2). For purposes of this Disclosure Document, “Pet Industry” refers to pet-service professionals.

2. **Flex Start Program**

Under our Flex Start Program, with our approval, you are allowed to open the Franchised Business at any time during the year in which you sign the Franchise Agreement and may delay the date on which you must begin to devote your full-time best efforts to the Franchised Business until January 1 of the following year (the “Flex Start Date”). If you elect to participate in the Flex Start Program, and are eligible, then we and you will sign the Flex Start Addendum (Exhibit J).

Item 2

BUSINESS EXPERIENCE

Theodore T. Hofer – Chief Executive Officer

Mr. Hofer has served as our Chief Executive Officer since April 2017. He has also served in the following roles for our affiliates: Chicagoland Scoopers, LLC (President since January 2015); Spring-Green (Chief Executive Officer since March 2019 and President from January 2014 to March 2019); Spring-Green IP, Inc. (President since January 2014); SGE (President since October 2017); SGLC (Chief Executive Officer and Executive Vice President since July 2010); and Superior Lawns (President since July 2010).

James M. Young – President

Mr. Young has served as our President since April 2017 ~~and~~. He has also served as the Chief Operating Officer of SGLC since January 2025, after serving as President of SGLC ~~since~~from June 2006 to December 2024. Mr. Young has also served as Vice President of Superior Lawns, Incorporated since March 2009 located in Plainfield, Illinois. Mr. Young has also served as Vice President and Secretary of Spring-Green since its incorporation in January 2014 and Chief Operating Officer of Spring-Green since January 2018. Mr. Young has also served as Vice President and Secretary of Spring-Green IP, Inc. since its incorporation in January 2014 and Vice President and Secretary of SGE since its incorporation in October 2017.

Jeffrey A. Kastelic—Chief Financial Officer (Spring Green Enterprises, Inc.)

~~Mr. Kastelic has served as Chief Financial Officer for Spring Green since May 2018.~~

Gillian Hrycyk –Director of Print Procurement & Campaign Management

Ms. Hrycyk has served as our and SGLC’s Director of Print Procurement & Campaign Management since January 2024. From March 2020 to January 2024, Ms. Hrycyk served as our and SGLC’s Senior Account Director. From April 2017 to March 2020, she was our Director of Marketing. Ms. Hrycyk also served as SGLC’s Director of Marketing from January 2014 to March 2020. ~~From August 2008 to December 2013, she served as Consumer Marketing Manager for SGLC.~~

David Martinez – Chief Financial Officer

Mr. Martinez has been our and SGLC’s Chief Financial Officer since January 2025. Prior to that, Mr. Martinez served as Vice President of Finance for Guerrero, LLC from July 2018 to January 2025 located in Chicago, Illinois.

Mark Potocki – Vice President of Business Development

Mr. Potocki has served as our Vice President of Business Development since January 2022 after serving as our Director of Business Development from September 2019 to December 2021. Mr. Potocki has also served as SGLC’s Director of Business Development since January 2022 after serving as its Director of Business Development from September 2019 to December 2021. ~~Prior to that, from March 2012 to September 2019, Mr. Potocki served as Senior Vice President of Franchise Dynamics located in Homewood, Illinois.~~

Angela Meyers – ~~Senior Director~~Vice President of Franchise Operations

Ms. Meyers has been our Vice President of Franchise Operations since January 2025. Prior to that, Ms. Meyers served as our Senior Director of Franchise Operations ~~since~~from September 2021 until December 2024. Ms. Meyers is also the President and Owner of Meyers Marketing Strategy, LLC and 343 Media, LLC, and has been so since April 2008 and November 2012, respectively. She is based in Alexandria, Virginia.

Jason McConnell – Senior Director of Marketing Strategy and ~~Analytics~~Account Management

Mr. McConnell has served as our and SGLC’s Senior Director of Marketing Strategy and ~~Analytics~~Account Management since January ~~2023~~2025. Mr. McConnell previously served as our and SGLC’s Director of Marketing Strategy and Analytics from January 2023 to December 2024. Prior to that Mr. McConnell served as our and SGLC’s Director of Customer Insights & MarTech Integration from June 2021 to December 2022, ~~after serving as our and SGLC’s~~ and Director of Marketing Integration & Business Intelligence from March 2020 to June 2021. From October 2018 to March 2020, Mr. McConnell was the owner of Jay’s Media consulting business, based in Aurora, Illinois.

Item 3

LITIGATION

In the Matter of HomeTask, Inc. Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2013-0266. On August 16, 2013, in connection with HomeTask's activities relating solely to its Yellow Van Handyman franchise program, the Commissioner and HomeTask agreed to enter into a consent order whereby HomeTask, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violations of the Maryland Franchise Law; complete its pending initial application to register its Yellow Van Handyman franchise offering in Maryland; and, offer rescission to the franchisee who was sold a franchise in Maryland before registering the franchise disclosure document with the Maryland Securities Division. HomeTask offered rescission to the franchisee, but the franchisee rejected the offer.

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

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Initial Franchise Fee

To acquire a franchise for a Franchised Business you must pay an initial franchise fee of ~~\$36,000~~46,000 when you sign the Franchise Agreement, for a Territory containing up to 60,000 single family dwelling units ("SFDUs"). However, if you elect, and are eligible, to participate in the Pet Industry Professional Program, ~~we will waive~~ the initial franchise fee will be reduced to \$27,600 for a geographic territory containing up to 60,000 SFDUs. If you wish to obtain a Territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs, even if you are eligible to participate in the Pet Industry Professional Program. The initial franchise fee, plus any portion of the initial franchise fee attributable to additional SFDUs, is due and payable when you sign the Franchise Agreement. The initial franchise fee is fully earned and non-refundable upon payment, except as described below in this Item 5.

If you acquire more than one Territory, even if you already own a Franchised Business, you must pay additional initial franchise fees. The Pet Industry Professional Program is not available for any additional Territories or in addition to Franchised Businesses that you or your affiliates own or acquire. Moreover, the Pet Industry Professional Program is not available to franchisees that use third-party brokers in connection with the acquisition of a Pet Butler franchise. ~~If you use a third-party broker you will be required to pay the initial franchise fee of \$36,000.~~

Marketing Fees

New Pet Butler Franchise

If you are purchasing a new Pet Butler franchise, you must pay to us the sum of ~~\$25,000~~30,000 for an initial marketing campaign. We will use all of the fee for marketing and advertising in the Territory and will provide you with assistance with the generation of an initial marketing campaign, which may include the following: direct response advertising, name recognition advertising and print, electronic and other media advertising. For new franchisees the initial marketing campaign fee is payable in a lump sum when you attend the initial training program. However, if you participate in the Flex Start Program, we may allow you to pay the initial marketing campaign fee in more than one installment, depending on the business season and the timing of your commencement of the Franchised Business. If we agree to do so, we will establish the payment schedule prior to you signing the Franchise Agreement.

~~If you are eligible to participate in the Pet Industry Marketing Financing (defined in Item 10), you may finance the initial marketing campaign fee. In such cases, you will sign a promissory note having a 5-year maturity that begins on a date that we and you mutually agree as of the execution of the Franchise Agreement. You will be required to pay us 50% of the principal that you are financing in equal monthly installments, with interest accruing but not paid, over the first 2 years of the promissory note. Upon the expiration of that two-year period, and if you have 200 Recurring Customers (as defined in Item 10) (and you and your affiliates have been in full compliance with your agreements with us and our affiliates), then we will forgive the remaining balance of the promissory note that you owe us. Otherwise, you must pay the remaining 50% of the initial marketing campaign fee, plus interest on such balance, over the remaining three years of the promissory note.~~

If you acquire more than one Territory, even if you already own a Franchised Business, you must pay additional initial marketing campaign fees in a lump sum. ~~The Pet Industry Marketing Financing is not available for any additional Territories or additional Franchised Businesses that you or your affiliates own or acquire.~~

Initial Property Data

You must pay us, or our affiliate, a fee for the collection of initial property data relevant for marketing within your Territory. Our affiliate, SGE, or our designee, will collect and provide the property data to you. Based on a Territory size of 60,000 SFDUs, the fee is ~~\$600~~300 for a new Territory. You will be charged for the actual size of your Territory at that time. This “initial property data fee” is payable in a lump sum when you attend the initial training program and is fully earned and non-refundable.

Acquisition of Existing Pet Butler Franchise

If you are purchasing a franchise in connection with the acquisition of assets from an existing franchisee, you must pay us a transfer marketing campaign fee equal to 5% of the annual Gross Sales of the Franchised Business being purchased during the 12 full calendar months immediately before the effective date of the assignment or our then-current transfer marketing

campaign fee (currently, ~~\$25,000~~30,000), whichever is greater, per franchise territory. We will use all of the fee for marketing and advertising in the Territory and will provide you with assistance with the generation of an initial marketing campaign, which may include the following: direct response advertising, name recognition advertising, and print, electronic and other media advertising. The transfer marketing campaign fee is fully earned and non-refundable upon payment. The transfer marketing campaign fee is payable according to the schedule we establish based on the business season and time of year during which the assignment is completed.

Other Initial Fees

As further described in Item 8, we are the supplier of your initial supply package (consisting of opening inventory and supplies), which you must acquire before your Franchised Business opens. The amount for the initial supply package varies but is generally not more than ~~\$3,153~~3,018.

~~In addition, before you begin operating your Franchised Business, you must acquire a computer that meets our specifications. Though you are not required to purchase your computer from us, you may elect to do so. If purchased from us, we estimate the cost for your computer will be \$1,300 plus tax and shipping (if applicable).~~

Payments for the initial supply package are due when you attend the initial training program. ~~Payments for the computer are due when you attend the initial training program, and you may~~You will be billed in the future for the costs of shipping and taxes, and any difference between the ~~computer~~Supply Package invoice and the amount collected (due to the fluctuation of the market). These fees are not refundable.

Refund Policy

If, during the initial training program, we determine, that you (or your Managing Owner (defined in Item 11)) did not complete the initial training program to our satisfaction, we will have the right to terminate the Franchise Agreement, effective when we deliver written notice of termination to you. In the event of such termination, we will refund (without interest and less our costs, including any fees paid to brokers or referral services) ~~all amounts you paid to us for~~ the initial franchise fee and the initial marketing campaign fee (less any portion of the initial marketing campaign fee that we have spent with vendors in connection with the initial marketing of your Franchised Business) that you paid to us, provided that you and your owners must have signed general releases, in form and substance satisfactory to us, of claims you and your owners may have against us and our affiliates and our respective owners, officers, directors, shareholders, employees and agents.

Item 6

OTHER FEES

Type of Fee¹	Amount	Due Date	Remarks
Royalty	12% of Gross Sales ⁽²⁾ of the Franchised Business ⁽³⁾	Payable weekly on the Wednesday following the end of the reporting week	See Notes 2 and 3.
Marketing Fund Contributions	2% of Gross Sales of the Franchised Business	Payable weekly on the Wednesday following the end of the reporting week	See Notes 2 and 4 .
Regional Marketing Fee	If established, up to 2% of Gross Sales of Franchised Business	Payable weekly on the Wednesday following the end of the reporting week	We do not currently collect a Regional Marketing Fee.
Local Marketing Shortfall	Will vary	Annually (if incurred)	If your Local Marketing expenditures are less than the minimum amount required, you must pay us the amount of the shortfall and we will contribute such amount to the Fund.
Audit	Cost of inspection or audit	As incurred	If you do not submit required reports or if you understate your Gross Sales of the Franchised Business by 5% or more.
Transfer Fee	2½% of Gross Sales of the Franchised Business within the 12 months immediately preceding the effective date, but no less than \$7,500 and no more than \$17,500	Before, or at, the closing of the approved transfer	If you obtain our approval to the transfer, you will be required to pay the transfer fee at closing.
National Advisory Council Assessment Fee	Not currently charged.	When billed	We do not currently collect a National Advisory Council Assessment Fee. See Note 5. If implemented, we may increase this fee subject to the Fee Adjustment (see Note 6).

Type of Fee ¹	Amount	Due Date	Remarks
Indemnification	Will vary under circumstances <u>Actual costs including attorney fees</u>	As incurred	See Note <u>67</u> .
Interest	The greater of 1½% per month or 3% over Bank of America Prime Rate, but not above the highest legal rate permitted by applicable law	When billed	Payable on all overdue amounts under the Franchise Agreement.
Invoice Customer Fee (paper billing)	\$2.50 per invoice	When billed	If we are required to prepare and mail paper invoices, we will charge this fee per invoice.
Management Fee	<u>Our (or the third-party's) out-of-pocket costs and expenses, plus the greater of (a) \$300 per day</u> plus costs <u>and, or (b) the Gross Sales exceeding the expenses of your Franchised Business</u>	As agreed <u>incurred</u>	Upon death or incapacity of franchisee, if requested or if no competent manager is available <u>See Note 8.</u>
Education Fee	\$100 <u>125</u> per year.	When billed	See Note <u>79</u> . The <u>This</u> fee is <u>also</u> subject to change <u>increase</u> <u>under the Fee Adjustment (see Note 6).</u>
Ongoing / Refresher Training	Not currently charged. If implemented, it will be our then-current fee (currently estimated at \$250 per day).	When billed	If we require that you or your employees attend ongoing and refresher training programs. We may increase the fee during the term of the Franchise Agreement <u>This fee is also subject to increase under the Fee Adjustment (see Note 6).</u>
Operating Software Fee	\$70 <u>75</u> per month.	When billed	See Note <u>810</u> . The <u>This</u> fee is <u>also</u> subject to change <u>increase</u> <u>under the Fee Adjustment (see Note 6).</u>

Type of Fee ¹	Amount	Due Date	Remarks
Technology Fee	Not currently charged. If implemented, it will be our then-current fee (currently estimated at \$150 per month)	When billed	This fee is also subject to increase under the Fee Adjustment (see Note 6). This Technology Fee is separate from the Operating Software Fee. See Note 8 10 .
Insufficient Funds	\$50	As incurred	See Note 9 11 .
Failure to Report Gross Sales Fee	\$25	As incurred	See Note 10 12 . The This fee is also subject to change increase under the Fee Adjustment (see Note 6) .
National or Regional Meeting Fee	\$597 \$85 per month (January – July) , plus expenses for the National Meeting. This fee is subject to change.	As incurred	See Note 11 13 . This fee is also subject to increase under the Fee Adjustment (see Note 6) .
Services to Customers	Actual costs incurred.	As incurred	See Note 12.
Taxes	Will vary	As incurred	You are responsible for paying taxes arising out of the operation of your business. You must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.
Updated Property Data Fee	Not Our (or our affiliate's) then-current fee (currently charged \$300).	As incurred	See Note 13 We may require you to pay us a fee for services we (or our affiliate or other designee) provide in collecting additional and updated property data.
Various Marketing Materials	Actual costs incurred.	As incurred	See Note 14 15 .
Supplier Testing Fee	An amount not to exceed the cost of inspection and testing.	As incurred	If you request approval of a new product or supplier.

Type of Fee ¹	Amount	Due Date	Remarks
<u>National Account Fees</u>	<u>Not currently charged (subject to change). If we choose to charge this fee, you will pay up to 5% of the Gross Sales attributed to services conducted under the National Account.</u>	<u>When billed</u>	<u>You must pay our then-current fees if you provide services for a National Account Client (defined in Item 16). We will invoice and collect payment from the client, and remit to you your portion of the payment after deducting fees.</u>
<u>Sourcing Fee</u>	<u>For the first Territory we may charge you up to \$30,000 and for any additional Territory we may charge you up to \$15,000.</u>	<u>Upon your request for our approval of any proposed transfer, if a broker is used.</u>	<u>If you use a broker in connection with the transfer of your Franchised Business, then we will invoice and collect payment from you, and remit payment to the broker. This sourcing fee is in addition, to the transfer fee you must pay us at closing.</u>

- 1/ All fees are imposed by and payable to us. All fees are non-refundable and are uniformly imposed unless otherwise noted.
- 2/ “Gross Sales of the Franchised Business” means the amount you bill on sales of services and products authorized to be sold by the Franchised Business, whether or not sold at or from or under the auspices of the Franchised Business, including the fair market value of any services or products received by the Franchised Business in barter or exchange for the Franchised Business’ services or products, but deducting: (1) customer discounts, credits, and other customer sales adjustments; and (2) if not already deducted in the amount billed, the amount of sales, use, service, excise or gross receipt taxes leveled directly on such sales, collected from the purchaser billed on such sales and paid to the appropriate tax authority.

You must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the royalty fees, marketing fund contributions, regional marketing fees and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates (the “Electronic Depository Transfer Account” or “EDTA”). We will debit the EDTA for these amounts on their due dates. You must ensure that funds are available in the EDTA to cover our withdrawals. We may require automatic debit (e.g., by check) whenever we deem appropriate, and you must comply with our payment instructions.

- 3/ Existing franchisees who seek to renew their franchise at the expiration of the initial term or any renewal term, may pay different royalties than those noted above.
- 4/ We may increase the percentage of Gross Sales that you must pay to the Marketing Fund during the term of your franchise agreement, but your required contribution will not be greater than 4% of your Gross Sales.
- 5/ If we decide to collect a National Advisory Council Assessment Fee, we estimate it to be \$20 per month for the months of April through November.
- 6/ We may increase certain fees that we require you to pay during the term of your Franchise Agreement. With respect to any fees that are subject to a “Fee Adjustment” in this Disclosure Document, such fees may be increased by up to 100% annually.
- 67/ Under the Franchise Agreement, you have to indemnify and hold us, our affiliates, officers, agents and employees harmless from all expenses arising out of a violation of the Franchise Agreement by you and from all claims made by third parties for the operation of your Franchised Business.
- 8/ We (or our designee) may, but have no obligation, to step-in to operate your Franchised Business and/or service your customers, if you abandon and/or fail to actively operate your Franchised Business (or if we are transitioning your Franchised Business operations to us or another person we designate or determining whether to do so). As consideration for such interim operations, we will be compensated for our (or the third party’s) out-of-pocket costs and expenses arising from such interim operations plus the greater of (a) \$300 per day, or (b) the applicable Gross Sales from such operations exceeding the expenses of your Franchised Business.
- 79/ We charge this fee for access to certain educational materials, including online training modules and learning management systems. ~~We may increase the education fee to include additional education expenses.~~
- 810/ We charge the Software Fee for your use of the Operating Software (defined in Item 11), which includes our proprietary ARF Back Office and Poopnet software systems and general technology costs that we incur. ~~We may periodically increase this fee.~~ The Technology Fee, if implemented, will cover certain maintenance, support or other services that we or our designated vendor(s), at our option, furnish to you.
- 911/ If there are insufficient funds in the EDTA to cover any royalty fees, marketing fund contributions, regional marketing fees and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates (or, if you pay any amount by check and a check is returned for insufficient funds), we will charge you a processing fee in accordance with the System Standards (currently, \$50) to compensate us for our additional administrative expenses.
- 1012/ If you fail to report your Gross Sales, we will charge you a fee in accordance with the System Standards (currently, \$25 per incident). In addition, we may debit the EDTA for

120% of the average of the previous 4 weeks of royalty fees and marketing fund contributions that we debited. In the event the amounts we debit from your EDTA are either greater or less than the amounts you actually owe, then we will debit or grant a credit in the amount of the difference, respectively.

~~1113/~~ We may require you (or if you are a legal entity, your Managing Owner) and/or your operations manager to attend national and regional meetings. If we require you (or your Managing Owner) and/or your operations manager to attend a national or regional meeting, such attendance is mandatory and we may charge you a fee for holding these meetings. You will be responsible for all transportation and living costs incurred to attend such meetings, but for national meetings, lodging and meals for your Managing Owner are typically included in the fee. ~~During years in which we have scheduled a national meeting, the fee will be \$85 per month for the months of January through July. This fee may increase during the term of your franchise if our costs increase or if we provide additional features at such national and regional meetings.~~

~~12/~~ We (or our designee) may, but have no obligation, to service customers of the Franchised Business if you fail to provide service to such customers in accordance with our standards and specifications. ~~If we elect to service such customers in these instances, you must reimburse us for all costs we incur in connection with the services we perform.~~

~~1314/~~ We may require you to purchase updated property data for your Territory after you open your Franchised Business as the attributes of your initial property data within your Territory may change throughout the term of your franchise. However, we will not require you to purchase updated property data more than once per year. If we require you to purchase updated property data, and we decide to charge you a fee for it, we estimate the cost will be ~~\$600~~300 and is based on the actual size of your Territory at that time.

~~1415/~~ The marketing materials, forms, supplies, reports, and other items used in the operation of the Franchised Business will be supplied by SGE. You will pay SGE for such materials.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure ⁽¹⁾	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽²⁾	\$36,000 <u>46,000</u>	See Item 5	See Item 5	Us
Vehicles & Decals ⁽³⁾	\$1,105 to \$2,380 <u>to \$5,000</u>	As Agreed	As Incurred	Outside Suppliers
Technology Equipment ⁽⁴⁾	\$2,150 <u>1,900 to</u> <u>\$2,400</u>	As Agreed	As Incurred	Us or Outside Suppliers
Opening Inventory and Supplies (Supply Package)	\$3,153 <u>3,018</u>	As Agreed	As Incurred	Us

Type of Expenditure ⁽¹⁾	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Marketing Campaign Fee ⁽⁵⁾	\$25,000 30,000	As Agreed	See Item 5	Us or our Affiliate
Initial Property Data Fee ⁽⁶⁾	\$600 300	Lump Sum	At Training	Us or our Affiliate
Training Expenses ⁽⁷⁾	\$0 to \$1,885 1,805	As Incurred	As Incurred	Outside Suppliers
Insurance ⁽⁸⁾	\$1,000 500 to \$2,000 2,500	As Arranged	As incurred and as needed	Outside Suppliers
3 Months' Rent ⁽⁹⁾	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Business Licenses and Permits ⁽⁹⁾	\$0 to \$500 1,000	As Arranged	As Incurred	Government agencies
Professional fees (lawyer, accountant, etc.) ⁽²⁾	\$0 to \$3,000	Lump Sum	As Incurred	3 rd party professionals
<u>Accounting Services – 3 months</u> ⁽¹⁰⁾	<u>\$300 to \$400</u>	<u>As Incurred</u>	<u>As Incurred</u>	<u>3rd party professionals</u>
Flex Start Program Marketing ⁽¹¹⁾	\$5,000 to \$15,000	As Incurred	As Incurred	Outside Suppliers
Miscellaneous Opening Costs ⁽¹²⁾	\$648	As Incurred	As Incurred	Third Parties
Local Event Marketing ⁽¹³⁾	\$500 to \$2,000	As Incurred	As Incurred	Third Parties
Additional Funds - 3 months ⁽¹⁴⁾	\$3,900 4,335 to \$4,400 4,830	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT⁽¹⁴⁾	\$79,065 94,881 to \$98,720 117,901			

Explanatory Notes

(1) Except where noted, these expenditures are non-refundable.

(2) As described in Item 5, you must pay an initial franchise fee of ~~\$36,000~~46,000 for a Territory containing up to 60,000 SFDUs. However, if you elect, and are eligible, to participate in the Pet Industry Professional Program, ~~we will waive~~ the initial franchise fee will be reduced to \$27,600 for a Territory containing up to 60,000 SFDUs. If you wish to obtain a Territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs, even if you are eligible to participate in the Pet Industry Professional Program. The initial franchise fee, plus any portion of the initial franchise fee attributable to additional SFDUs, is due when you sign the Franchise Agreement. The initial franchise fee is non-refundable unless you attend training, but do not complete it to our satisfaction.

(3) A production vehicle can be purchased from a third party with \$0 down and payments over 5 years, depending on your creditworthiness. If you were to purchase the production vehicle outright the total cost would approximately be ~~\$37,250~~36,530. Your initial costs will increase based on the amount of money you decide to put down when purchasing the production vehicle. The production vehicle must meet our standards and specifications and must be purchased from an approved supplier. Currently, production vehicles must be a light-duty regular or extended-cab pickup truck. You must purchase a ~~basic deal package or~~ full wrap package for your first truck, which we estimate will cost between \$1,105 for the standard package2,380 and ~~\$2,380~~5,000 for a full wrap package (which may vary depending on your vehicle type), which includes the cost to have a third-party professional apply it for you.

(4) This amount includes the purchase of a smartphone, which we anticipate being ~~\$700~~750, a tablet device and hard cover, which we anticipate being \$150, and a computer hardware system, which we anticipate being between \$1,300. ~~Though not required, some franchisees choose to purchase the computer from us. These amounts do not include taxes and any applicable delivery charges~~1,000 to \$1,500. You will also have to purchase a data plan for your smartphone and tablet device from a service provider, which will require you to enter into a service contract with the service provider. You must also acquire and maintain Microsoft Office 365, which is currently \$150 per year, per user. The cost of the data plan varies by service provider, but we estimate that it will cost approximately \$60 per month for the smartphone and tablet device. The amount disclosed in the table above includes the smartphone, tablet device, and a computer. The costs for the first year for one Microsoft Office 365 license and a monthly data plan are accounted for in the “Additional Funds” category described below.

~~(5) As described in Item 5, you must pay an initial marketing campaign fee of \$25,000. However, if you are eligible to participate in the Pet Industry Marketing Financing, you may finance the initial marketing campaign fee. Please see Item 10 for more information related to the Pet Industry Marketing Financing.~~

~~(5)~~ ~~(6)~~ You must pay us or our affiliate a fee for SGE to collect property data relevant for marketing within your Territory. Based on a Territory size of 60,000 SFDUs, we estimate the fee to be ~~\$600~~300 for a new Territory. The initial property data fee is non-refundable.

~~(6)~~ ~~(7)~~ If we provide initial training virtually, such as through online video-conferencing software, we do not expect you to incur any travel-related expenses. If we provide initial training in person, we estimate you will incur travel and living costs for sending your trainees to in-person training in the range of ~~\$1,330–1,310 to \$1,885–1,805~~. The estimate above comprises such training-related costs for you (or your Managing Owner, if applicable – see Item 11) and your proposed operating manager of the Franchised Business.

~~(7)~~ ~~(8)~~ You must, at all times during the term of the franchise, maintain in force at your sole expense comprehensive public, product, and motor vehicle liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of the Franchised Business or otherwise in conjunction with the conduct of business by you under the Franchise Agreement. See Item 8 for detailed insurance requirements.

~~(8)~~ ~~(9)~~ You may operate a Franchised Business from locations within the Territory that we have approved, which may include a personal residence, office, or commercial space. This initial investment table does not reflect the potential cost of renting office or commercial space, or the costs for any deposits for various utilities such as gas, electricity, sewer, water, telephone and garbage disposal that you may need to make if you elect to rent office or commercial space. If you participate in the Pet Industry Professional Program, you may already be renting office or commercial space in connection with your existing Pet Industry business and any lease payments and costs associated with the renting of that office are not reflected in this initial investment table.

(9) The lower end of this range assumes you have an existing business and qualify for the Pet Industry Professional Program, and thus, you may not need to incur professional fees for

startup costs. The estimate of professional fees does not include estimated expenses for accounting services. See Note 10 below.

(10) This estimates the initial three months of the estimated accounting service fees you may incur in connection with the initial operation of your Franchised Business.

(11) ~~(10)~~ If you participate in the Flex Start Program, you may be required to spend at least \$5,000 (and up to \$15,000) between the time you sign the Franchise Agreement and the Flex Start Date on local marketing for your Franchised Business. Additionally, the Flex Start Program does not count towards your initial marketing campaign fee requirement.

(12) ~~(11)~~ Miscellaneous opening costs include items such as a pet carrier, bungee cords, spray bottles, background checks, paper towels, garbage bags, hose, and other related items.

(13) ~~(12)~~ You must participate in local event marketing in connection with the opening of your Franchised Business, such as sponsoring a parade, setting up a table or booth at a local pet shop or shelter, etc. We estimate your costs for participating in these events will be in the range of \$500 to \$2,000. These expenditures will not count towards your initial marketing campaign fee obligations.

(14) ~~(13)~~ During the initial phase of your operation, which we estimate to be 3 months, you will need capital to support ongoing expenses such as payroll (excluding your salary and draws), supplies, insurance, monthly third-party software fees, monthly data plan, the license fee for the first year of one license for Microsoft Office 365, vehicle payments, maintenance and gas, and advertising to the extent these costs are not covered by the gross sales of the Franchised Business. These amounts do not include funds necessary for your personal living expenses. The estimated figures shown are based primarily on the costs incurred by our affiliate, Chicagoland Scoopers, LLC, an Illinois limited liability company, which operates a Pet Butler Business and our affiliates' decades-long experience in operating Spring-Green businesses. Estimated payments for debt service are not included. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(15) ~~(14)~~ Except, as described in Item 10, we do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. This estimate does not include any finance charge, taxes, interest, or debt service obligation. We may also provide assistance to you in obtaining third-party financing.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

We have developed specifications, standards and operating procedures for certain vehicles, equipment, tablet/computer hardware and software, inventory and other items used in the operation

of the Franchised Business, including as it relates to the design, appearance, function, performance, reliability and serviceability of such items.

We include all of our specifications in the System Standards and in other written communications that we may periodically provide to you. We may modify these specifications on reasonable notice to you.

Purchases from Designated or Approved Suppliers

Franchised Businesses must utilize only services that are approved by us as having acceptable performance characteristics, quality, warranty, appearance and other characteristics determined to be relevant by us and shall purchase such products and services only from suppliers approved by us as meeting our criteria for quality and reliability of service, which may include us or our affiliates.

Currently, you must purchase or lease the following categories of goods, services, supplies, equipment, vehicles, and inventory from suppliers we approve.

Vehicles and Tablet/Computer Hardware and Software. All vehicles and tablet/computer hardware used in the operation of the Franchised Business must be purchased from an approved supplier and must meet our specifications. You must license the Operating Software from us, and you must license the pet care scheduling software from our designated supplier. You may be required to sign such designated supplier's form license agreement with respect to the pet care scheduling software. You must also use the credit card processing vendor we specify. ~~You must acquire a computer that meets our specifications. Though you are not required to purchase your computer from us, you may elect to do so.~~ We may periodically change these requirements.

Accounting Service. You are required to obtain and use specified accounting services from a designated vendor, unless otherwise approved by us. The designated vendor may charge fees for the software and services.

Inventory and Supplies. You must purchase all items utilized by the Franchised Business in providing pet-waste removal, pet care, and other pet related services from suppliers we approve. As described in Item 5, you will purchase an initial supply package from us before you open your Franchised Business. We are currently the only supplier of the initial supply package. SGE and a third-party vendor are currently the only suppliers of the marketing materials, forms, supplies, reports, and other items used in the operation of the Franchised Business.

Initial Property Data. We require you to use SGE and a specific vendor to collect initial property data for targeted marketing within your Territory. SGE and this specific vendor are currently the only suppliers for these services. We may require you to purchase updated property data in the future.

Except as described above, neither we nor our affiliates are currently the only approved suppliers of any required goods or services.

Before utilizing an unapproved product, service, equipment, vehicle or supplier, you must first notify us of your intent to do so, submit to us technical data, specifications, photographs,

samples and/or other information we request, and obtain our written approval. We do not currently share the criteria for approving alternative suppliers, but we may consider doing so on an individual basis. We must, within a reasonable time after your submission of the information we requested, determine whether such product, service, vehicle, piece of equipment and/or supplier is substantially equal in performance characteristics, quality, appearance, reliability, and other relevant characteristics to the products, services, vehicles, equipment or suppliers then approved by us. If we fail to respond to your request within 60 days, your request will be deemed denied. We may revoke supplier approval in a written notice to you.

The Franchise Agreement provides that we may periodically prescribe additional, more specific or different procedures for the submission of requests for approval of products, services, vehicles, equipment or suppliers. The Franchise Agreement further permits us to impose obligations on approved suppliers and the incorporation of those obligations in a written agreement to be executed by suppliers we approve.

We may charge you fees for testing and evaluating proposed products, services, vehicles, equipment and suppliers and may impose limits on the number of approved products, services, vehicles or equipment. Such fees will not exceed the cost of inspection and testing.

If you (or any of your owners) at any time determine to sell an interest in the Franchised Business or an ownership interest in you (if you are a legal entity), we may require you to participate in our resale program, which includes using valuation services to value your Franchised Business (the “Resale Program”). In connection with the Resale Program, you may be required to pay a designated third-party vendor a fee (currently, \$700) for the valuation services (the “Third Party Valuation Fee”), which is subject to change.

Insurance Requirements

You must, at all times during the term of the franchise, maintain in force at your sole expense comprehensive public, product, and motor vehicle liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of the Franchised Business or otherwise in conjunction with the conduct of business by you under the Franchise Agreement. Insurance coverage shall be maintained under one or more policies of insurance issued by insurance carriers rated A- or better by Alfred M. Best & Company, Inc. Currently, you must carry the following minimum coverages: (1) general liability insurance with limits of at least \$1,000,000 per occurrence and \$2,000,000 on aggregate per policy year; (2) owned, hired & non-owned auto liability coverage of at least \$500,000 combined single limit per accident; (3) statutory worker’s compensation at a minimum amount equal to the greater of (a) the amount required by law, or (b) \$500,000 per occurrence; (4) general casualty insurance for the replacement value of your business assets; and (5) business interruption insurance. You must also obtain any insurance we periodically specify in writing, or as otherwise required by law. [In addition to the above minimum requirements, when you are approved and required to provide Pet Care related services, you must acquire additional pet care liability coverage that meet our requirements for such coverage.](#)

Revenue-Based Franchisee Purchases

During fiscal year ~~2023~~2024, we received \$~~90,547~~116,385 from franchisees based on purchases or leases. This amount represents ~~6.17.0~~ % of our total revenue in fiscal year ~~2023~~2024 of \$~~1,488,433~~1,661,485. We derived these figures from our internally prepared financial reports.

We and our affiliates may derive revenue or other material consideration from purchases made by you and other Franchised Business owners from us, our affiliates, and approved suppliers, but we do not currently do so. Consideration may be in the form of rebates and other consideration paid by third-party approved suppliers and mark-ups on purchases you make from us or our affiliates. Unless provided in the agreement with the approved supplier, neither we nor our affiliates will be obligated to spend funds received from approved suppliers nor are we or they bound to spend these funds in any particular manner or for any particular purpose.

Neither we nor our affiliates derived revenue or other material consideration from suppliers based on required purchases by franchisees during fiscal year ~~2023~~2024.

All of your required purchases represent approximately 95% of your total purchases for the establishment of the Franchised Business and 20% of your overall purchases in operating the Franchised Business. None of our officers owns an interest in any supplier for Franchised Businesses, except ownership interest in us and our affiliates.

Cooperatives

As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above.

Negotiated Prices

As of the date of this Disclosure Document, neither we nor our affiliates have negotiated purchase arrangements with designated and approved suppliers for Franchised Businesses, but we may do so in the future.

Material Benefits

We and our affiliates do not currently provide any material benefits to franchisees based on their use of designated or approved suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Section 2.A.	Item 11
(b) Pre-opening purchases/leases	Section 2	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Section 2	Item 11
(d) Initial and ongoing training	Section 3.A	Items 5 and 11
(e) Opening	Section 2.E	Item 11
(f) Fees	Section 2.C, 4.A-E, 7.L, 9.A-C, 14.C-D and 16.C	Items 5, 6 and 7
(g) Compliance with standards and policies/Operating Manual	Sections 3.C and 7	Items 11 and 16
(h) Trademarks and proprietary information	Sections 5 and 11	Items 13 and 14
(i) Restrictions on products/services offered	Section 7.E	Items 8, 11 and 16
(j) Warranty and customer service requirements	Section 7.H	Item 11
(k) Territorial development and sales quotas	Not applicable	Not applicable
(l) On-going product/service purchases	Sections 7.E-F	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 7.A-D	Item 11
(n) Insurance	Section 8	Item 8
(o) Advertising	Section 9	Items 6, 7, 8 and 11
(p) Indemnification	Section 10.D and 11.E; Section 3 of Exhibit K-1; Section 4 of Exhibit K-2	Item 6
(q) Owner's participation/management/staffing	Section 7.J	Item 15
(r) Records and reports	Section 12	Item 6
(s) Inspections and audits	Section 13	Item 6
(t) Transfer	Section 14	Item 17
(u) Renewal	Section 15	Item 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
(v) Post-termination obligations	Section 17	Item 17
(w) Non-competition covenants	Sections 6.A and 17.F	Item 17
(x) Dispute resolution	Section 18	Item 17
(y) Owners/Shareholders and Spousal Guarantee	Section 1.D	Item 15

Item 10

FINANCING

~~We assist franchisees who meet our qualifications with the financing options described below.~~

~~Pet Butler Franchise Fee Financing~~

~~In our discretion, we may provide financing where we will finance part of the initial franchise fee (“Pet Butler Franchise Fee Financing”). Pet Butler Franchise Fee Financing is provided only if we determine that the franchisee satisfies our then-current criteria for Pet Butler Franchise Fee Financing. Not all franchisees will meet such criteria, and we have no obligation to provide Pet Butler Franchise Fee Financing. Franchisees who use a broker or a third-party will not be eligible to receive financing from us. We may cease offering Pet Butler Franchise Fee Financing at any time. If we approve of such financing, you will sign the Promissory Note (“Franchise Fee Financing Promissory Note”) and Security Agreement (“Security Agreement”) attached as Exhibit M to this Disclosure Document.~~

~~If we decide to provide you financing, at the time you sign the Franchise Fee Financing Promissory Note, you will be required to make a down payment to us of at least \$21,000, plus any portion of the initial franchise fee attributable to additional SFDUs. However, you may elect to pay more of the initial franchise fee up front. The entire balance will be due on the maturity date if not paid in full prior to the maturity date. The typical term of the Franchise Fee Financing Promissory Note is 5 years; however, we and you may agree on a shorter or longer term. The current monthly installment depends on the amount financed, the amount of your down payment and the interest rate. Interest shall accrue monthly on the outstanding principal balance of the Franchise Fee Financing Promissory Note at the annual interest rate of 5% over the Bank of America Prime Rate as of the date you sign the Franchise Fee Financing Promissory Note. (As an example, as of March 10, 2024, the Prime Rate was 8.50%, so the annual interest rate if you signed the Franchise Fee Financing Promissory Note on that date would be 13.50%. We anticipate the Prime Rate will fluctuate, so the Prime Rate on the date you sign the Franchise Fee Financing Promissory Note is likely to be different than 8.50%). We automatically debit your monthly installment from your business checking account. The Franchise Fee Financing Promissory Note may be prepaid, in whole or in part, at any time without penalty or prepayment fee. If you do not pay on time or an event of default occurs under the Franchise Agreement, the Franchise Fee~~

~~Financing Promissory Note, the Security Agreement, or any other agreement with us or our affiliates, we can demand immediate payment of the full outstanding balance.~~

~~Under Pet Butler Franchise Fee Financing, we require you to sign the Security Agreement granting us a security interest in all of your Franchised Business' assets. We may file a financing statement to record our security interest. You shall be in default of the Security Agreement in the event that: (a) you default in the payment or performance of any of the obligations under the Security Agreement; (b) any warranty, representation or statement made or furnished to us by you or on your behalf in connection with the Security Agreement proves to have been false in any material respect when made or furnished; (c) any substantial loss, theft, destruction or damage to the secured assets of the Franchised Business occurs; (d) you make a general assignment for the benefit of creditors, suspend business or commit any act amounting to business failure, or make a voluntary assignment or transfer of your interest in any of the secured assets of the Franchised Business (except as expressly authorized by us in writing or as authorized by the Security Agreement) or in all or substantially all of your property; (e) a petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of your property, or under any other proceeding for the relief of creditors is filed by or against you; or (f) you default in the payment or performance of your obligations under the Franchise Agreement or the Franchise Fee Financing Promissory Note. In addition, upon a default of the Security Agreement or any other agreement with us or our affiliates, you must pay all costs incurred by us in protecting and enforcing our rights under the Security Agreement, including reasonable attorneys' fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the secured assets of the Franchised Business. You also agree to pay all costs of collection and foreclosure (including reasonable attorneys' fees). We also have the right to terminate the Franchise Agreement if you default under the Franchise Fee Financing Promissory Note.~~

~~The Franchise Fee Financing Promissory Note requires you to waive demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold you liable. Under the Security Agreement, in the event of default, you waive to the extent allowed by law all personal property rights of exemption under the Constitution, the laws of Illinois or any other jurisdiction, in connection with the indebtedness secured by the Security Agreement, whether by garnishment, levy, attachment or any other process of law. Additionally, upon a default of the Security Agreement, you waive and release us from any and all claims you may have in connection with our removal of any of the secured assets from your Franchised Business. Except as provided in the previous sentence, neither the Franchise Fee Financing Promissory Note nor the Security Agreement requires you to waive any defenses or legal rights, and they do not prevent you from asserting a defense against us. Under the Franchise Fee Financing Promissory Note and Security Agreement, any action relating to the Franchise Fee Financing Promissory Note or the Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such courts. The Franchise Fee Financing Promissory Note and Security Agreement will be governed by and construed in accordance with the laws of the State of Illinois without regard to such state's conflict of laws principles. Other than the Guaranty and Assumption of Obligations attached to the Franchise Agreement, your owners (if you are a corporation, limited liability company, or partnership) will not need to sign a separate guaranty.~~

~~We may sell, assign or discount any Franchise Fee Financing Promissory Note or other obligation arising out of the Franchise Agreement to a third party.~~

We may ~~also~~ periodically agree with third-party lenders to make financing available to qualified Pet Butler franchisees, and we may refer you to a third-party lender for financing. We have no control over whether financing will be offered to you by any third-party lender. The lender is not obligated to provide financing to you or to any other Pet Butler franchisee that the third-party lender finds that does not meet its credit requirements or loan criteria. We do not currently derive revenue from referrals or placement of financing with any third-party lender. Currently, we do not have any arrangements with third-party lenders. We do not guarantee your obligations to third-parties.

Pet Industry Marketing Financing

~~We currently provide financing to eligible participants of the Pet Industry Professional Program where we will finance the initial marketing campaign fee (“Pet Industry Marketing Financing”). Pet Industry Marketing Financing is provided only if we determine that the franchisee satisfies our then current criteria for Pet Industry Marketing Financing. Not all franchisees will meet such criteria, and we have no obligation to provide Pet Industry Marketing Financing. We may cease offering Pet Industry Marketing Financing at any time. If we approve of such financing, you will sign the Promissory Note (“Pet Industry Marketing Financing Promissory Note”) and Security Agreement attached as Exhibit N to this Disclosure Document.~~

~~The Pet Industry Marketing Financing Promissory Note will have a 5 year maturity beginning on a date that we and you mutually agree as of the execution of the Franchise Agreement. You will be required to pay us 50% of the principal that you are financing in equal monthly installments, with interest accruing but not paid, over the first 2 years of the Pet Industry Marketing Financing Promissory Note. If you have at least 200 Recurring Customers upon the expiration of that two year period (and you and your affiliates have been in full compliance with your agreements with us and our affiliates), then we will forgive the remaining balance of the promissory note that you owe us. Otherwise, you must pay the remaining 50% of the initial marketing campaign fee, plus interest on such balance, over the remaining three years of the promissory note. “Recurring Customer” means a customer of your Franchised Business that has engaged you to perform services at least 1 time per week, every other week, or at least 2 times per week and received more than 8 weeks of service in each of the previous 2 months prior to expiration of that two year period. You must pay any remaining amounts under the Pet Industry Marketing Financing Promissory Note, plus interest on such balance, over the remaining three years of the promissory note. The monthly installments will depend on the amount financed and the interest rate. Interest shall accrue monthly on the outstanding principal balance of the Pet Industry Marketing Financing Promissory Note at the annual interest rate of 5% over the Bank of America Prime Rate as of the date you sign the Pet Industry Marketing Financing Promissory Note, but will be waived for the interest accruing during the first 2 years if you and your affiliates have been in full compliance with your agreements with us and our affiliates during the entire term of the Pet Industry Marketing Financing Promissory Note. (As an example, as of March 10, 2024, the Prime Rate was 8.50%, so the annual interest rate if you signed the Pet Industry Marketing Financing Promissory Note on that date would be 13.50%. We anticipate the Prime Rate will fluctuate, so the Prime Rate on the date you sign the Pet Industry Marketing Financing Promissory~~

~~Note is likely to be different than 8.50%.) We automatically debit your monthly installment from your business checking account. The Pet Industry Marketing Financing Promissory Note may be prepaid, in whole or in part, at any time without penalty or prepayment fee. If you do not pay on time or an event of default occurs under the Franchise Agreement, the Pet Industry Marketing Financing Promissory Note, the Security Agreement, or any other agreement with us or our affiliates, we can demand immediate payment of the full outstanding balance, plus any waived interest during the initial two-year period.~~

~~Similar to the Pet Butler Franchise Fee Financing, we require you to sign the Security Agreement granting us a security interest in all of your Franchised Business' assets. We may file a financing statement to record our security interest when you sign the Pet Industry Marketing Financing Promissory Note. You shall be in default of the Security Agreement in the event that: (a) you default in the payment or performance of any of the obligations under the Security Agreement; (b) any warranty, representation or statement made or furnished to us by you or on your behalf in connection with the Security Agreement proves to have been false in any material respect when made or furnished; (c) any substantial loss, theft, destruction or damage to the secured assets of the Franchised Business occurs; (d) you make a general assignment for the benefit of creditors, suspend business or commit any act amounting to business failure, or make a voluntary assignment or transfer of your interest in any of the secured assets of the Franchised Business (except as expressly authorized by us in writing or as authorized by the Security Agreement) or in all or substantially all of your property; (e) a petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of your property, or under any other proceeding for the relief of creditors is filed by or against you; or (f) you default in the payment or performance of your obligations under the Franchise Agreement or the Pet Industry Marketing Financing Promissory Note. In addition, upon a default of the Security Agreement or any other agreement with us or our affiliates, you must pay all costs incurred by us in protecting and enforcing our rights under the Security Agreement, including reasonable attorneys' fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the secured assets of the Franchised Business. You also agree to pay all costs of collection and foreclosure (including reasonable attorneys' fees). We also have the right to terminate the Franchise Agreement if you default under the Pet Industry Marketing Financing Promissory Note.~~

~~The Pet Industry Marketing Financing Promissory Note requires you to waive demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold you liable. Under the Security Agreement, in the event of default, you waive to the extent allowed by law all personal property rights of exemption under the Constitution, the laws of Illinois or any other jurisdiction, in connection with the indebtedness secured by the Security Agreement, whether by garnishment, levy, attachment or any other process of law. Additionally, upon a default of the Security Agreement, you waive and release us from any and all claims you may have in connection with our removal of any of the secured assets from your Franchised Business. Except as provided in the previous sentence, neither the Pet Industry Marketing Financing Promissory Note nor the Security Agreement requires you to waive any defenses or legal rights, and they do not prevent you from asserting a defense against us. Under the Pet Industry Marketing Financing Promissory Note and Security Agreement, any action relating to the Pet Industry Marketing Financing Promissory Note or the Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. You irrevocably submit to the jurisdiction of such courts and~~

~~waive any objection you may have to either the jurisdiction or venue of such courts. The Pet Industry Marketing Financing Promissory Note and Security Agreement will be governed by and construed in accordance with the laws of the State of Illinois without regard to such state's conflict of laws principles. Other than the Guaranty and Assumption of Obligations attached to the Franchise Agreement, your owners (if you are a corporation, limited liability company, or partnership) will not need to sign a separate guaranty.~~

~~We may sell, assign or discount any Pet Industry Marketing Financing Promissory Note or other obligation arising out of the Franchise Agreement to a third party.~~

~~We may also periodically agree with third party lenders to make financing available to qualified Pet Butler franchisees, and we may refer you to a third party lender for financing. We have no control over whether financing will be offered to you by any third party lender. The lender is not obligated to provide financing to you or to any other Pet Butler franchisee that the third party lender finds that does not meet its credit requirements or loan criteria. We do not currently derive revenue from referrals or placement of financing with any third party lender. Currently, we do not have any arrangements with third party lenders. We do not guarantee your obligations to third parties.~~

Item 11

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

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

Before you open the Franchised Business, we will:

- (a) Provide, at our expense, the services of an instructor to assist you during the opening of the Franchised Business (Section 3.A. of the Franchise Agreement);
- (b) Approve the quantity and quality of equipment and inventory, insurance coverage, and such other features as we may elect to approve to which mandatory specifications, standards or operating procedures relating to the operation of a Franchised Business pertain (Section 2.E. of the Franchise Agreement); and
- (c) Provide the initial training program described later in this Item 11 (Section 3.A. of the Franchise Agreement).

During your operation of the Franchised Business, we will:

- (a) Advise you periodically regarding the Franchised Business based on information disclosed by reports you submit or inspections we make with respect to: (1) standards, specifications, and operating procedures and methods that Franchised Businesses use; (2) purchasing required and authorized operating equipment, and other products and services; (3) advertising and marketing materials and programs; and (4) administrative, bookkeeping, accounting, and financial management. We will furnish such

advice in the form of the Operating Manual, handbooks, other written materials, audio/visual and electronic materials (Section 3.B – 3.C of the Franchise Agreement); and

(b) We may periodically set a maximum or minimum price that you may charge for products or services by your Franchised Business (Section 7.K of the Franchise Agreement)

Site Selection

You will only be allowed to conduct the Franchised Business from locations within the Territory that we have approved, which approval we will not unreasonably withhold. We anticipate that you will operate the Franchised Business from a personal residence, but you may also choose to operate your Franchised Business from an office or a commercial space. You will be responsible for locating a site from which you will operate the Franchised Business, as we do not currently participate in this search process. There is no time limit within which we must approve or disapprove the proposed location for the Franchised Business.

Marketing Fund

We maintain and administer a marketing fund (the “Fund”). (Section 9.A. of the Franchise Agreement) You will be required to contribute 2% of the Gross Sales of the Franchised Business to the Fund, which we may increase up to 4%.

We may use the Fund to meet any and all costs of maintaining, administering, directing, and preparing national, regional, or local advertising materials, programs and public relations activities, including the costs of preparing and conducting video, audio, and written materials and electronic media; employing advertising agencies; conducting market research and testing to determine consumer trends and the suitability of new products and services; providing promotional brochures, decals, and other marketing materials to all Pet Butler Businesses; and developing and maintaining websites or other electronic applications that promote Pet Butler Businesses and/or related strategies. We have no fiduciary obligation to you or any other franchisee in connection with the establishment of the Fund or the collection, administration, or disbursement of monies paid into the Fund. We may cause the Fund to be incorporated or operated through an entity separate from us as we deem appropriate, and such successor entity will have the same rights and duties in connection with the management of the Fund as we do.

We will account for the Fund separately from other funds maintained by us and we will not use the Fund to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration or direction of the Fund and developing or executing its marketing and technology programs (including, without limitation, conducting market research, developing marketing tools, marketing and promotional materials, executing marketing activities and campaigns, and collecting and accounting for contributions to the Fund). We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We may have the Fund audited annually, at the Fund’s expense, by an independent certified public accountant.

We and our representatives may spend in any fiscal year more or less than the aggregate contribution of all Franchised Businesses to the Fund in that year, and the Fund may borrow from us or others (including our affiliates) to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay marketing costs before other assets of the Fund are expended.

You understand and acknowledge that the Fund is intended to maximize general public recognition and patronage of the Marks and Pet Butler Businesses for the benefit of all Pet Butler Businesses and that we undertake no obligation in administering the Fund to ensure that expenditures which are proportionate or equivalent to your contributions are made for the market area of your Franchised Business or that any Pet Butler Business benefits directly or pro rata from the placement of advertising. We will not spend any Fund monies on advertising that is principally for the solicitation and sale of franchises.

We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We may at any time, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for 1 or more periods of any length and terminate (and, if terminated, reinstate) the Fund. However, we will not terminate the Fund until all monies contributed to the Fund have been expended for marketing, public relations, or promotional purposes, or distributed to the contributors in proportion to their respective Fund contributions during the preceding 12-month period.

The Franchised Businesses owned by our affiliates currently contribute to the Fund on the same basis as our other franchisees.

During the fiscal year ending on December 31, ~~2023~~2024, ~~42.7~~41.6% of the funds expended by the Fund was spent on production of advertisements and other promotional materials, 0.1% was spent on administrative expenses, ~~57.2~~58.3% was spent on media placement and Internet marketing and presence.

We do not have an advertising council composed of franchisees that advises us on advertising policies, but we may establish one in the future.

Regional Marketing Program

We may create and administer a regional marketing program ("Regional Marketing") for the benefit of Franchised Businesses located within a particular region if at least 50% of the Franchised Businesses located within such region vote in favor of the formation of the Regional Marketing program. The amounts collected for a particular region will be spent on advertising principally focused on such region. For purposes of voting, franchisees with multiple territories within the geographic region designated by us under multiple franchise agreements will be entitled to cast a vote for each territory operated under a franchise agreement. If a Regional Marketing program is established, you will be required to contribute up to 2% of the Gross Sales of the Franchised Business to the Regional Marketing program. We have the right to determine the composition of all geographic territories and market areas for the implementation of Regional Marketing programs and to require that you participate in such Regional Marketing program if it

is established. The fees collected under the Regional Marketing program may be used to pay regional, multi-regional or national marketing expenses, including administrative costs we or our designees (including its affiliates) incurred in maintaining and administering the Regional Marketing programs. We and our designees also reserve all other rights with respect to the use of the Regional Marketing fees, and the conduct of Regional Marketing programs, as those retained with respect to the Fund. The Franchise Agreement does not require that a Regional Marketing program prepare financial statements or provide them to franchisees. We and our designees may at any time, upon 30 days' prior written notice to you, suspend a Regional Marketing program for 1 or more periods of any length and terminate the Regional Marketing program.

Local Event Marketing

You must participate in local event marketing in connection with the opening of your Franchised Business, such as sponsoring a parade, set up a table or booth at a local pet shop or shelter, etc. We estimate your costs for participating in these events will be in the range of \$500 to \$2,000. These expenditures will not count towards your initial marketing campaign fee obligations

Local Advertising

Each calendar year, you are required to spend an amount equal to 5% of the Gross Sales of the Franchised Business for the previous calendar year or ~~\$14,000~~ 18,000, whichever is greater, for advertising and promotion in your Territory ("Local Advertising Expenditure"). However, if you are obligated to make Regional Marketing contributions, those contributions will count towards fulfilling your required Local Advertising Expenditure. The Local Advertising Expenditure applies to each Territory you operate. This amount is in addition to your Fund contributions, Regional Marketing program contributions. You must also provide documentation that you have met the Local Advertising Expenditure and, if you fail to meet the Local Advertising Expenditure, you must pay us the shortfall which we will contribute to the Fund. You must only use vendors and advertising and promotion materials that we have approved. Before using any vendors or advertising and promotional materials not previously approved by us, you must submit samples to us for approval. If you do not receive our written approval within 15 days from the date we receive such materials, we will be deemed not to have approved such materials. (Section 9.C. of the Franchise Agreement.) We will furnish you with approved advertising plans and materials on the same terms and conditions as such plans and materials are furnished to other Franchised Businesses. If you participate in the Flex Start Program, you may be required to spend at least \$5,000 (and up to \$15,000) (in addition to the initial marketing campaign fee) between the time you sign the Franchise Agreement and the Flex Start Date.

Websites

Except as approved by us in writing, you must not directly or indirectly maintain, develop, authorize or contribute to a website, domain name, URL address, email address, user name, profile, screen name, social network account, other online presence or presence on any electronic medium ("Online Presence") that in any way references the Franchised Business, the Marks or the business conducted by you under the Franchise Agreement, other than a website administered, maintained or managed by us. We will own the rights to each Online Presence. You must grant us access to each Online Presence and to take whatever action we request to prove our ownership of the Online

Presence, or to help us obtain control of the Online Presence. If you post messages relating to the Franchised Business on other websites, you will do so only in accordance with our guidelines detailed in the System Standards or otherwise in writing by us periodically. If we approve the use of any Online Presence, including social networking websites (such as LinkedIn[®], X[™], Facebook[®], Instagram[®], TikTok[®], or YouTube[®]) in the operation of the Franchised Business, or the posting of messages relating to the Franchised Business on other websites, you will do so only in accordance with our guidelines detailed in the Operating Manual or otherwise in writing by us periodically. We may require our approval of any message or commentary related to the Franchised Business you compose for a social networking website or any other website before you post such message or commentary. At our direction, you shall participate in and contribute to a website administered, maintained and/or managed by us in the manner we periodically prescribe.

Technology System

You must obtain and use in the development and operation of the Franchised Business those and only those brands, types and/or models of computer hardware, software, Internet and other electronic connectivity, data warehousing, security, e-commerce and other computer and technology equipment, support and other services we designate (the “Technology System”). The Technology System may only be used for the operation of the Franchised Business, and you may not use any other computer hardware or software to conduct the Franchised Business other than the Technology System. You must input and maintain only the data and information in your Technology System that we prescribe in the Operating Manual, our software programs and otherwise. You must purchase from us, or our designated vendor, new or upgraded hardware, software, equipment, services or other items whenever we determine to adopt these new or upgraded items as part of the Technology System (including certain pet care scheduling software) and there is no contractual limitation on the frequency and cost of this obligation. We currently require you to subscribe to an e-mail account that you must use exclusively for the Franchised Business. We may additionally require you to subscribe to an account with an Online Presence. You must sign any software license agreement, user agreement or similar document that we or our designated vendor prescribes for the software and other components of the Technology System. Currently, you must sign the Sublicense Agreement attached as Exhibit L.

Within 60 days after receiving notice from us, we may require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Technology System. Although we cannot estimate the future costs of the Technology System or required service or support, and although these costs might not be fully amortizable over the remaining term of the Franchise Agreement, you may be required to incur the costs of obtaining the computer hardware and software comprising the Technology System (or additions and modifications) and the necessary service or support. We have no obligation to reimburse you for any Technology System costs.

We or our designated vendor(s) may charge reasonable fees for hardware, software, equipment, services or other items that are sold or licensed to you. We charge an Operating Software Fee (currently, \$~~70~~75 per month but subject to increase per the Fee Adjustment) for your ability to use our proprietary software, which includes the ARF Back Office and Poopnet software systems (collectively, the “Operating Software”). We may also charge you a Technology Fee for certain maintenance, support or other services that we or our designated vendor(s), at our option,

furnish to you. Other than these services, we have no contractual obligation for maintenance, repairs, updates or upgrades to your computer system.

Currently, our minimum computer hardware requirements include a Dell® desktop (Optiplex 3000 Micro) or laptop system (~~Vostro 3410~~[Inspiron 5440](#)) with an Intel® Core™ i5 processor, 8GB RAM and hard disk capacity to run the Windows® 11 operating system, our Operating Software package and additional required software components. Other hardware requirements include a smartphone and Android® or Apple® tablet device that is capable of running our Operating Software and a data plan for each of the smartphone and tablet device. You may purchase or lease most of this hardware and software through suppliers of computer equipment.

You must pay an annual education fee to access our online educational materials, including training modules and learning management systems. The current fee is ~~\$100~~[125](#) per year, although this fee may be increased to include additional education expenses, [subject to the Fee Adjustment](#).

Under our current specifications for the Technology System, you must also acquire and maintain Microsoft Office 365 and QuickBooks Online and high-speed Internet access. We provide an e-mail account that you must use exclusively for the Franchised Business. You must acquire QuickBooks Online (currently, ~~\$899~~ [to \\$235](#) per month). You may purchase the Microsoft software, QuickBooks Online, and Internet access from a supplier of your choice. You must also acquire the right to use designated pet care scheduling software from our designated supplier (currently, \$15 to \$35 per month).

We estimate the total cost of the computer system to begin operating the Franchised Business will be approximately ~~\$2,150~~[1,900 to \\$2,400](#), which includes the ~~\$700~~[750](#) cost of purchasing a smartphone, the \$150 cost for the tablet device with hard cover and ~~\$1,300~~[1,000 to \\$1,500](#) for the cost of purchasing the computer hardware. You must also purchase a data plan for your smartphone and tablet from a service provider. The cost of such data plans varies by service providers, but we estimate that it will cost approximately \$60 per month for the smartphone and tablet device. In addition, you must pay a fee for Microsoft Office 365, which is currently, \$150 per year, per user.

We will have independent access to data and records of your Franchised Business that are generated or stored by the Technology System. There is no contractual limitation on our right to access these data and records.

Accounting Services

You are required to obtain and use specified accounting services from a designated vendor, unless a third-party is otherwise approved by us. The designated vendor may charge fees for the software and services. ~~We~~[For the first year of your operations, we estimate the cost to be \\$1,200 to \\$1,600, and then after that, we](#) estimate the cost to be approximately between \$300 to \$500 per month. The cost of the bookkeeping service will depend on the size and scale of the Franchised Business.

Manual

Our Operating Manual is maintained online in our intranet system. The Table of Contents of our Operating Manual is attached as Exhibit C. The total number of pages in our Operating Manual is 718.

Training

We will provide an initial training program to you (or, if you are an entity, a natural person with at least fifty-one percent (51%) ownership interest and voting power in the entity and who will have the authority of a chief executive officer (the “Managing Owner”)) and your proposed operating manager of the Franchised Business on the operation of the Franchised Business either at our headquarters (currently, Plainfield, Illinois) or at a designated local venue we select. The initial training program will take place before you commence operations of the Franchised Business. However, certain portions of the initial training program may also take place ~~within~~ thebetween 30 to 120 days following the date you commence operations. The training will typically be conducted monthly but may be adjusted in light of the business season and time of year during which the Franchised Business is purchased. You (or your Managing Owner) and your proposed operating manager must complete this training to our satisfaction. Although there are no additional fees for this training, you will be responsible for all of the out-of-pocket and payroll expenses you (or your Managing Owner) and your proposed operating manager incur, including lodging, travel, and meals. The table below describes our training program as of our most recent fiscal year end.

TRAINING PROGRAM

Subject ^{1,2}	Hours of Classroom Training	Hours of On the Job Training ³	Location ⁴
P-B Franchise System, Mission Statement	1.25	0	Our headquarters, a local venue, or virtually
Building a Recurring Revenue Business	0.75	0	Our headquarters, a local venue, or virtually
Computer Operations	+1.25	0	Our headquarters, a local venue, or virtually
Software Training	+24	19	Our headquarters, a local venue, or virtually
Standards of Franchise Operations	0.75	0	Our headquarters, a local venue, or virtually
Operations and Working with NCC	2	0	Our headquarters, a local venue, or virtually
Direct and Digital Marketing	3.25 <u>2.5</u>	2	Our headquarters, a local venue, or virtually
Programs & Services	21.5	0	Our headquarters, a local venue, or virtually

Subject ^{1,2}	Hours of Classroom Training	Hours of On the Job Training ³	Location ⁴
Staff Management, Hiring, Payroll & Communication	2.75 <u>3.75</u>	1	Our headquarters, a local venue, or virtually
Safety	1	0	Our headquarters, a local venue, or virtually
Field Techniques and Scooping Operations	6 <u>7.5</u>	8	Our headquarters, a local venue, or virtually
Managing Goals & Business Plan; One and Five Year goals	6 <u>5</u>	4	Our headquarters, a local venue, or virtually
Sales Technique, Local Events, and Partner Relationships	1	3	Our headquarters, a local venue, or virtually
Hours of Operation & Providing Customer Service	1 <u>2</u>	1	Our headquarters, a local venue, or virtually
Vendors	0.5	0	Our headquarters, a local venue, or virtually
Pet Care Technique & Staff Training	12	3	Our headquarters, a local venue, or virtually
Total	53.25 <u>46.75</u>	41	

1/ James Young, who is our President, has 67 years of experience with us and ~~26~~27 years of experience or training in the subjects taught.

~~Gina Young, who is our Director of Digital Marketing, has 2 years of experience with us, and 21 years of experience or training in the subjects taught.~~

Brian Kish, who is our Vice President of Business Intelligence, has 67 years of experience with us and ~~26~~27 years of experience or training in the subjects taught.

Ted Hofer, who is our Chief Executive Officer, has 67 years of experience with us and ~~26~~27 years of experience or training in the subjects taught.

Lena Brown, who is our Director of Franchise Administration, has ~~10~~11 years of experience with us and ~~10~~11 years of experience or training in the subjects taught.

~~Destiny Griffin~~Andrew Dickson, who is our National Call Center Manager, has ~~4~~less than 1 years of experience with us and ~~6~~has 4 years of experience or training in the subjects taught.

~~Tim Kauffold~~Sarah Kuchcik, who is our ~~Director of~~ Account Management, has 21 years of experience with us and ~~18~~has 3 years of experience or training in the subjects taught.

~~Laurie Kurland~~Jamie Sadowski, who is our Senior Director of ~~Content Strategy~~, ~~has 6~~Marketing Operations, has 2 years of experience with us and ~~28~~has 19 years of experience or training in the subjects taught.

Clay Elleby, who is our Marketing Specialist, has 34 years of experience with us and 67 years of experience or training in the subjects taught.

Paul McDonald, who is our Director of Information Technology, has 67 years of experience with us and ~~24~~25 years of experience or training in the subjects taught.

Jason McConnell, who is our Senior Director of ~~Customer Insights & MarTech Integration~~, ~~has 4~~Marketing Strategy and Account Management, has 5 years of experience with us and 67 years of experience of training in the subjects taught.

Rick Diaz, who is our Pet Butler Company-Owned Franchise Manager, has 67 years of experience with us and ~~32~~33 years of experience or training in the subjects taught.

Angela Meyers, who is our ~~Senior Director~~Vice President of Franchise Operations, supervises the initial training program for Pet Butler franchisees. Ms. Meyers has 23 years of experience with us and has ~~17~~18 years of experience or training in the subjects taught.

Justine Martin, who is our Operations Program Manager, has 45 years of experience with us and has 45 years of experience or training in the subjects taught.

Kevin Anderson, who is our Business Consultant, has 23 years of experience with us and has 78 years of experience or training in the subjects taught.

- 2/ Printed manuals, books, videos, online computer programs and power point presentations will be used as the principal instructional materials.
- 3/ On-the-job training, as of the date of this Disclosure Document, consists of at least two days follow-up field training conducted by us or a third party of the subjects covered in the classroom.
- 4/ If necessary, we may provide initial training virtually, such as through a video-conference service.

If, during any training program, we determine that any designated or proposed operations manager is not qualified to manage your Franchised Business, we will notify you and allow you to select and enroll a substitute operations manager for such training program.

We may require you, your employees and other previously trained individuals to attend and complete, to our satisfaction, ongoing and refresher training programs (including programs provided by third parties) designated by us as part of the System Standards or otherwise in writing. Such training programs may be held at one of our affiliate-owned businesses or at other locations

that we designate or may be conducted remotely through the Internet or other means we specify. You will be responsible for all costs incurred for you and your employees to attend such training and must pay us our then-applicable charge for attending any such training. In addition, we may require you to attend accounting and bookkeeping training if we determine that your books and records do not meet the requirements prescribed by us periodically.

We may also require you (or if you are a legal entity the Managing Owner) and/or your operations manager to attend national and regional meetings. If we require you (or the Managing Owner) and/or your operations manager to attend a national or regional meeting, such attendance is mandatory and we may charge you a fee for holding these meetings. You will also be responsible for all costs incurred to attend such meetings.

Upon the completion of the initial training program to our satisfaction, you must commence operation of the Franchised Business. When you and we sign the Franchise Agreement, we will indicate in the Franchise Agreement the date by which you must successfully complete the initial training program. We estimate that there will be an interval of 1 to 2 months between the time you and we sign the Franchise Agreement and successfully complete the initial training program and commence business, but the interval may vary based upon factors such as the delivery schedule for equipment and vehicles, advertising placement and participation in the Flex Start Program.

Item 12

TERRITORY

The Franchise Agreement grants you the right to operate a Franchised Business within the designated Territory. Territory designations are based on such factors as population density, market statistics, competition and other factors. We do not guarantee any particular minimum area will be included in your Territory. Your Territory will include up to 60,000 SFDUs. If you wish to obtain a Territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs. A Territory description is furnished to you and attached to the Franchise Agreement as an exhibit. We may elect to grant multiple Territories to qualified candidates. If we elect to grant you multiple Territories, you will be required to sign a Franchise Agreement for each Territory.

Subject to our approval, you will select the premises where you will operate your Franchised Business. You will only be allowed to conduct the Franchised Business from a personal residence, office or commercial space located in the Territory and from a site we have approved, which approval we will not unreasonably withhold. You will be permitted to relocate the premises from which you operate the Franchised Business to other locations within the Territory we have approved. You may apply for additional franchises, but the Franchise Agreement does not grant you an option, right of first refusal or similar right to acquire additional franchises in contiguous territories.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, if you are in full compliance with the terms and conditions of the Franchise Agreement and all other agreements with us and our affiliates, we will not, during the

term of the Franchise Agreement, operate or grant others the right to operate any other Pet Butler Business within your designated Territory. You may not solicit or sell pet-waste removal and/or pet care services outside of the Territory. Except with respect to the website administered, maintained or managed by us, you may not engage in any promotional or similar activities, whether directly or indirectly, via any Online Presence. You may not sell any pet-waste removal and/or pet care services through any alternative distribution channels and/or the Internet, catalog sales, telemarketing, or other direct marketing sales, including any Online Presence.

We and our affiliates retain all other rights with respect to our business activities, including:

- (1) the right to establish and operate, and allow others to establish and operate, other Franchised Businesses using the Marks or our franchise system, at any location outside the Territory, and on any terms and conditions we approve;
- (2) the right to establish and operate, allow others to establish and operate, additional concepts or businesses providing products or services similar to those offered by Franchised Businesses anywhere, including within your Territory, under any trade names, trademarks, service marks and commercial symbols other than the Marks;
- (3) the right to establish, and allow others to establish, other distribution channels (including, Internet and retail stores) wherever located or operating, including within the Territory, regardless of the nature or location of the customers, with whom such other distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Franchised Businesses, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Franchised Businesses customarily sell under any terms and conditions we approve;
- [\(4\) the right to conduct services and perform jobs and/or grant other parties the right to conduct Services and perform jobs, for National Account Clients, in any location whatsoever, including in your Territory;](#)
- [\(5\)](#) ~~(4)~~ the right to acquire, or be acquired by (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) a business providing products and services similar to those provided by Franchised Businesses, even if such business operates, franchises and/or licenses competitive businesses; and
- [\(6\)](#) ~~(5)~~ engage in all other activities not expressly prohibited by your Franchise Agreement.

We are not required to pay you if we exercise any of the rights specified above.

Although we have the right to do so, we have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under different trademarks.

Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration or other contingency. We may not alter your Territory without your consent during the term of your Franchise Agreement.

Item 13

TRADEMARKS

We were granted the right to use and sublicense the Marks from Pet Butler Holdings, which owns all rights to the Marks, pursuant to a Trademark License Agreement (the “License Agreement”). The term of the License Agreement began on June 1, 2017 and will continue for 99 years unless terminated. The License Agreement may be terminated (resulting in the loss of our right to use and to sublicense the use of the marks to you) by mutual agreement of the parties, or by Pet Butler Holdings for a number of reasons, including if we default on any obligations, we are dissolved, make an assignment for the benefit of creditors, become insolvent, consent to appointment of a receiver, or our business is seized. If the License Agreement is terminated or expires, it will not affect your right to continue using the Marks pursuant to your Franchise Agreement. All rights in and goodwill from the use of the Marks accrue to Pet Butler Holdings. Except as described above, no agreement significantly limits our rights to use or sublicense the Marks in a manner material to the franchise.

The following table sets forth the registrations filed with the U.S. Patent and Trademark Office (“PTO”) on the Principal Register of the principal marks licensed to you.

Description of Mark	Registration Number	Registration Date
PET BUTLER	3,484,908	Aug. 12, 2008
	7,300,521	Feb. 6, 2024
	7,300,522	Feb. 6, 2024
	5,959,909	Jan. 14, 2020
	7,300,523	Feb. 6, 2024
	7,300,524	Feb. 6, 2024

All required renewals and affidavits of use have been filed in a timely manner.

We may establish new Marks in the future and you must use and display these marks in accordance with specifications and bear all costs associated with changes to Marks or introduction of new Marks.

There is presently no effective determination of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks. We know of no superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us and our and our affiliates' attorneys, regarding any infringement, challenge or claim. We and/or ECH may take the action we deem appropriate and control exclusively any litigation, PTO proceeding or other administrative proceeding from the infringement, challenge or claim or otherwise concerning any Mark. You must sign the documents and take the actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in the Marks. We will reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your use of any Marks, if you have notified us immediately of the proceeding, and complied with our directions in responding to it.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We do not have to reimburse you for your costs, loss of revenue or other expenses of promoting a modified and/or substitute trademark or service mark.

You must not contest, or assist any other person in contesting, the validity of our and Pet Butler Holdings' ownership of the Marks. Your use of the Marks and any goodwill established by that use are exclusively for our and Pet Butler Holdings' benefit.

Under the Franchise Agreement, we must indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark in compliance with the Franchise Agreement is held to constitute trademark infringement, and for all reasonable costs you incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, only if you have timely notified us of the claim or proceeding and comply with our directions in responding to the proceeding. At our option, we and/or Pet Butler Holdings may defend and control the defense of any proceeding from your use of any Mark under the Franchise Agreement.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We have no pending patent applications that are material to the franchise. We or our affiliates claim copyright protection of our written materials, videotapes, DVDs, the contents of our intranet including the Operating Manual, and other written and electronic materials, electronic communications and media related to our franchise system, including our marketing, technology and software programs and systems, although these materials and media have not been registered with the United States Registrar of Copyrights. These materials and media are considered proprietary and confidential and are considered our or our affiliates' property and may be used by you only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which

significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

We or our affiliates have developed, and will continue to develop and acquire, certain confidential information for the operation of a Franchised Business, including: the Operating Manual; the know-how; market research, promotional, marketing and advertising programs for Franchised Businesses; knowledge of specifications for, and suppliers of, equipment, products and supplies; any computer and/or mobile software or similar technology which is proprietary to us or our affiliates; and knowledge of the operating results and financial performance of Franchised Businesses other than your Franchised Business (collectively, the “Confidential Information”).

All ideas, concepts, techniques, or materials concerning a Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must adopt and implement procedures to prevent unauthorized access, use or disclosure of Confidential Information, including by establishing reasonable security and access measures and restricting its disclosure to personnel of your Franchised Business and certain other people and using non-disclosure and non-competition agreements with those having access to Confidential Information in a form determined by us. We may regulate the form of agreement that you use and we will be a third party beneficiary of that agreement with independent enforcement rights.

All customer information is owned by us and you must only use customer information for the promotion of your Franchised Business. You will not use or sell customer information to any third parties and you will comply with all applicable laws governing the use and protection of customer information.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

While we recommend that you (or, if you are an entity, your owners) participate personally in the actual operation of the Franchised Business, you are not obligated by the terms of the Franchise Agreement or other practice to do so. However, you (or your Managing Owner) and your proposed operations manager of the Franchised Business (if such individual is not the Managing Owner) must successfully complete the initial training program described in Item 11. The Franchise Agreement provides that the Franchised Business shall be under the direct full-time supervision of you or of a trained and competent operations manager who has completed our initial training program or equivalent training to our satisfaction. You must keep us informed at all times

of the identity of the operations manager or of any supervisory employee(s) acting as manager(s) of the Franchised Business. If you are an entity, your operations manager and any supervisory employee(s) are not required to own any equity. Supervisory employees you hire after the opening of the Franchised Business may enroll in training programs we conduct, subject to reasonable limitations we prescribe and at your expense for room, meals, living, and travel costs. As described in Item 1, participants in the Flex Start Program can delay the date on which they are obligated to devote their full-time best efforts to the operation of the Franchised Business.

We require your employees to sign a non-disclosure agreement in a form acceptable to us before they participate in training.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement as stated in the Guaranty and Assumption of Obligations attached to the Franchise Agreement. Also, we require the spouses of your owners to consent to the Guaranty and Assumption of Obligations.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement prohibits you from using or selling any product or service that we have not authorized and approved for use or sale by the Franchised Business. The Franchise Agreement also prohibits the use of the Franchised Business or the premises from which it is operated for any purpose other than the operation of a Franchised Business without our prior written approval.

You must, throughout your Territory and during the seasons we specify periodically, offer all services we authorize for sale by the Franchised Businesses. You must complete all scheduled services for customers within your Territory. You may elect to not offer those approved services that we designate as “optional services.” You must maintain an inventory of authorized and approved products sufficient in variety and quality to satisfy customer demand.

We may change the products and services that you are required and/or authorized to offer and promote, and there are no limits on our right to do so.

National Account Clients

We or our affiliates may periodically enter into agreements with clients that require service for multiple locations in different markets (the “National Account Clients”). We may provide these services ourselves or through our affiliates or designees, and/or may subcontract servicing rights to one or more third parties or franchisees, in our discretion. We may establish criteria or qualifications for franchisees that wish to service National Account Clients, including different service standards, requirements for accepting or declining jobs, insurance requirements, or other conditions we establish. If we offer you the right to provide services to a National Account Client, you must provide the services in accordance with all of our System Standards, plus the terms, fees, and conditions that we have negotiated with the National Account Client. We may invoice the

National Account Client and collect payment directly. We may also charge our then-current fees for participation in the program, including dispatch, management, declined job fees, or other processing or administrative fees. In such cases, we will deduct from the payment any applicable fees and any amounts calculated under the Franchise Agreement on the basis of such Gross Sales, and remit to you the balance within a reasonable time following receipt. We may set-off any amount that we owe to you for any services provided to National Account Clients against any amount you or your affiliates owe to us or our affiliates under the Franchise Agreement or any other agreement.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 1.C.	10 years.
b. Renewal or extension of the term	Sections 15.A. – 15.B.	One renewal term of 10 years on new terms and conditions is permitted if you meet certain requirements unless we are no longer granting franchises for Franchised Businesses anywhere in the state(s) in which the Territory is located. If you are renewing your franchise for the renewal term, the Franchise Agreement you sign will not include the right to an additional renewal term.
c. Requirements for franchisee to renew or extend	Section 15.A.	You are substantially in compliance; give us written notice not more than 18 months or less than 1 year before expiration; allow us or our representative to inspect the Franchised Business; sign then current form of Franchise Agreement and ancillary agreements, within 30 days of delivery; sign a general release within 30 days of delivery; make necessary modifications within 90 days of our notice; and you and any required manager and/or employees attend renewal/refresher training.

Provision	Section in Franchise Agreement	Summary
		<p>Renewal will be without payment of initial or renewal franchise fee except that we have the right to charge for services we render and expenses we incur in connection with renewal.</p> <p>In the event the total number of SFDUs within the Territory has increased to twice the then-current minimum Territory size being offered by us, we may require you to sign multiple franchise agreements for the Territory so that the territory under each franchise agreement does not exceed the maximum territory for new franchises then being offered by us.</p> <p>If you seek to renew your franchise at the expiration of the initial term or any renewal term, you will sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights. Although all renewing franchisees will sign our current form of franchise agreement, we may change certain terms for renewing franchisees, including financial terms.</p>
d. Termination by franchisee	Section 16.B.	If we have materially failed to comply and 30 day notice (subject to state law).
e. Termination by franchisor without cause	Not applicable	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	Section 16.A.	We can terminate only if you commit any one of several violations.
g. "Cause" defined – curable defaults	Section 16.A.	You have 72 hours to cure a violation of a health, safety, or sanitation law; 10 days to cure any failure to make payments due to us or our affiliates; and 30 days cure for all other defaults.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - non-curable defaults	Section 16.A.	Material misrepresentation or omission, abandonment, surrender, unauthorized transfers, unauthorized disclosure of know-how, failure to comply with Business Customer Information use, confidentiality and assignment provisions and restrictions, failure to promptly pay third party suppliers, insolvency, understate royalty fees by more than 5% at least two times, failure to provide financial statements, reports or other information twice within a 12-month span, failure to comply with any material provision twice within a 12-month span, repeated violations, conviction of a felony, injure the goodwill of the marks or the System, failure to maintain insurance, failure to complete training, failure to commence the Franchised Business, failure to provide service to customers in accordance with standards and specifications.
i. Franchisee's obligations on termination/non-renewal	Section 17	<p>Cease operating Franchised Business, cease use of System and Marks, cancel assumed or similar name registrations, return materials, cancel or transfer telephone number and/or P.O. Box or de-identify, pay outstanding amounts, cease operation and cancel any rights or accounts of any website or online presence related to the Franchised Business.</p> <p>If the Franchise Agreement is terminated by us or expires because you elect not to exercise your renewal right, or if you fail to comply with any renewal conditions, you must relinquish your right to use the Business Customer Information and deliver all copies of the Business Customer Information to us in the format we request.</p>
j. Assignment of contract by franchisor	Section 14.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 14.B.	Includes assignment of any right or interest in the Agreement, the Franchised Business or you.

Provision	Section in Franchise Agreement	Summary
l. Franchisor's approval of transfer by franchisee	Section 14.B.	You must obtain our approval to transfer or assign the Franchise Agreement, your Franchised Business, substantially all of the assets of your Franchised Business, any direct or indirect ownership of you (if you are a legal entity), or any direct or indirect ownership of your owners (if such owners are legal entities). You may not pledge the assets of the Franchised Business unless we approve and the lender agrees that its claims will be subordinate to any amounts you owe us.
m. Conditions for franchisor approval of transfer	Section 14.D.	You are not in default, assignee qualifies and provides required documents, assumes all your obligations, transfer marketing fee paid, you pay final marketing fund, royalty fees, transfer fee paid by you or assignee (and sourcing fee, if applicable) ; Franchised Business meets then-current standards, you transfer all copies of Business Customer Information, you execute and deliver release, training completed, monetary obligations subordinated; assignee's owners sign guaranty; transferee signs then-current form of franchise agreement; transfer or destroy all materials related to the Marks; return or destroy the Operating Manual; transferee's proof of insurance; and transferee is of good moral character with sufficient business experience.
n. Franchisor's right of first refusal to acquire franchisee's Franchised Business	Section 14.G.	We have right to match offer.
o. Franchisor's option to purchase franchisee's Franchised Business	Not applicable	Not applicable
p. Franchisee's death or disability	Section 14.E.	Franchise must be transferred to an approved buyer within 12 months.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 6.A.	No involvement in any Competitive Business. “Competitive Business” means (i) any business (other than Pet Butler businesses operated under franchise agreements previously entered into between you and us) engaging in (a) pet-waste removal, pet care and other pet related services, or (b) any other services or products approved by us for Pet Butler businesses or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Section 17.F.	No involvement for 2 years in any Competitive Business; for 2 years no diversion or solicitation of current customers of Franchised Businesses anywhere or current or former customers (within the past 24 months) of the Franchised Business located anywhere to any Competitive Business; no purchase of products, equipment or services approved for Franchised Businesses from any of our approved suppliers for 2 years (subject to state law).
s. Modification of the agreement	Section 18.L.	No modifications without writing.
t. Integration/merger clause	Section 18.M.	Only terms of Franchise Agreement are binding (subject to state law). However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	Section 18.G.	Litigation generally must be in courts of Illinois (subject to state law)
w. Choice of law	Section 18.F.	Except for federal laws, laws of state of Illinois (subject to state law)

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit H.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We use historical financial information submitted by our franchisees to compile the information contained in the Table below. The financial information submitted by our franchisees is also used for calculating the Royalty described in Item 6. Franchised Businesses did not typically submit copies of all of the invoices for each customer or list each customer in their period reports to us. The information contained in the Table is based upon the financial information and other data entered by each Franchised Business into the software system described in Item 11.

INDEPENDENT FRANCHISE OWNERS

Statement of the ~~2023~~2024 Revenue Per Stop, Revenue Per Customer and Stops Per Hour for Independent Franchised Businesses in Operation for 1 Full Calendar Year or More as of December 31, ~~2023~~2024⁽¹⁾

Type of Information	Average	Median	Number and Percentage that Attained or Surpassed the Average:
Revenue Per Customer for all 3335 Franchised Businesses ⁽¹⁾⁽²⁾	\$683 710	\$666 655	14 12 of 3335 Franchised Businesses (42 34%)
Revenue Per Stop for all 3335 Franchised Businesses ⁽¹⁾⁽³⁾	\$18.41 18.92	\$17.51 17.78	13 of 3335 Franchised Businesses (39 37%)
Stops Per Hour for 3233 Franchised Businesses ⁽⁴⁾	3.60 3.69	3.36 3.55	13 14 of 3233 Franchised Businesses (41 %) (These 13 Franchised Businesses had more stops per hour than the average 42%)
Revenue Per Truck for all 3335 Franchised Businesses ⁽¹⁾⁽⁵⁾	\$82,152 102,025	\$80,536 110,939	16 21 of 3335 Franchised Businesses (48 60%)

Notes:

(1) As of December 31, ~~2023~~2024, we had ~~3439~~ Franchised Businesses. Of these ~~3439~~ Franchised Businesses, ~~14~~ had not operated for a full year as of December 31, ~~2023~~2024, so we excluded them from the results shown in the table above. We compiled information for the remaining ~~3335~~ Franchised Businesses that were in business for 1 full calendar year or more as of December 31, ~~2023~~2024, and operated for the full calendar year in ~~2023~~2024 (the “Complete Set”).

(2) The Revenue per Customer per Franchised Business for the Complete Set ranged from ~~\$432~~416 to ~~\$1,739~~1,975. To compute the average Revenue per Customer, we totaled the gross revenue from all invoices, for all services, for all Franchised Businesses in the Complete Set for the ~~2023~~2024 calendar year and divided by the number of customers serviced by all Franchised Businesses in the Complete Set during that same calendar year.

(3) The Revenue per Stop per Franchised Business for the Complete Set ranged from ~~\$12.99~~15.02 to ~~\$40.22~~43.05. To compute the average Revenue per Stop, we totaled the gross revenue from all invoices, for all services, for all Franchised Businesses in the Complete Set for the ~~2023~~2024 calendar year and divided by the total number of stops made by all Franchised Businesses in the Complete Set during that same calendar year.

(4) We compiled information for ~~3233~~ out of the ~~3335~~ Franchised Businesses in the Complete Set, and operated for the full calendar year in ~~2023~~2024. ~~2~~ Franchised Businesses in the Complete Set does not currently use all of our tracking software’s features, so we are unable to compute the total number of minutes spent at all stops made by such Franchised Business. The number of Stops per Hour per Franchised Business for the remaining ~~3233~~ Franchised Businesses

in ~~the~~ ranged from ~~1.98~~2.23 to ~~5.45~~5.33. To compute the average Stops per Hour, we totaled the number of Stops entered in our tracking software by the remaining ~~32~~33 Franchised Businesses for the ~~2023~~2024 calendar year, divided by the total number of minutes spent at all stops made by all ~~32~~33 Franchised Businesses and further divided by 60 (to convert minutes to hours), during that same calendar year. The time component of this calculation does not include driving time on the way to the first stop of the day and does not include driving time after the last stop of the day has been completed; however, driving time between stops is included in the calculation.

(5) We compiled Revenue per Truck for all the Franchised Businesses in the Complete Set. To compute the average Revenue per Truck, we totaled the gross revenue from all invoices, for all services, for all Franchised Businesses in the Complete Set for the ~~2023~~2024 calendar year and divided by the number of full-time and part-time vehicles used in connection with all Franchised Businesses in the Complete Set during that same calendar year. The Revenue per Truck per Franchised Business for the Complete Set ranged from \$~~29,617~~51,526 to \$~~173,610~~229,916.

Some Franchised Businesses have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representations, 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 Theodore Hofer, Chief Executive Officer, 11909 Spaulding School Drive, Plainfield, Illinois 60585, (844) 777-8608, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

**SYSTEMWIDE OUTLET SUMMARY FOR
YEARS ~~2021~~2022 to ~~2023~~2024⁽¹⁾**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised ⁽²⁾	2021	31	34	+3
<u>Franchised</u> ⁽²⁾	2022	34	34	0
	2023	34	34	0
Company-Owned ⁽³⁾	2021 2024	+34	239	+1 +5
<u>Company-Owned</u> ⁽³⁾	2022	2	2	0
	2023	2	2	0
Total Outlets	2021 2024	320	362	+40
<u>Total Outlets</u>	2022	36	36	0
	2023	36	36	0
	2024	36	41	+5

- 1/ The numbers are as of December 31 of each year.
- 2/ HomeTask allowed franchisees to obtain multiple Territories per Franchise Agreement. The Total Outlets represent ~~3439~~ franchisees, which collectively cover ~~9294~~ Territories as of December 31, ~~2023~~2024. We now require new Pet Butler franchisees to sign a Franchise Agreement for each Territory.
- 3/ Operated by our affiliate, Chicagoland Scoopers, LLC.

TABLE NO. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS ~~2021~~2022 to ~~2023~~2024⁽¹⁾⁽²⁾**

State	Year	Number of Transfers
Arizona	2021	1 ³
	2022	0
	2023	0
Kansas	2021	0
<u>Kansas</u>	2022	1
	2023	0
Michigan	2021 2024	0

State	Year	Number of Transfers
Michigan	2022	0
	2023	1
New Hampshire	2021 2024	0
New Hampshire	2022	1
	2023	0
Ohio	2021	1
	2022 2024	0
	2023	0
Washington	2021	1 ³
Washington	2022	0
	2023	0
Total	2021 2024	3 2
Total	2022	2
	2023	1
	2024	2

- 1/ The numbers are as of December 31 of each year.
- 2/ HomeTask allowed franchisees to obtain multiple Territories per Franchise Agreement. We now require new Pet Butler franchisees to sign a Franchise Agreement for each Territory.
- ~~3/ These franchisees remain in the system and only transferred a portion of their respective Territories to new franchisees. Those new franchisees are reflected below in Table No. 3 as new outlets and identified on Exhibit D to this Disclosure Document.~~

TABLE NO. 3

**STATUS OF FRANCHISE OUTLETS
FOR YEARS ~~2021~~[2022](#) to ~~2023~~[2024](#)⁽¹⁾⁽²⁾**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other - Other Reasons	Outlets at End of Year
Alabama	2021 2022	1	0	0	0	0	0	1
	2022 2023	1	0	0	0	0	0	1
	2023 2024	1	0	0	0	0	0	1
Arizona	2021	1	1	0	0	0	0	2
Arizona	2022	2	0	0	0	0	0	2
	2023	2	0	1	0	0	0	1
California	2021 2024	2 1	0	0	0	0	0	2 1
California	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Colorado	2021 2024	0 2	1 0	0	0	0	0	1 2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other - Other Reasons	Outlets at End of Year
Colorado	2022	1	0	0	0	0	0	1
	2023	1	1	1	0	0	0	1
Florida	2021 2024	3 <u>1</u>	0 <u>1</u>	0	0	0	0	3 <u>2</u>
Florida	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Georgia	2021 2024	1 <u>3</u>	0	0	0	0	0	1 <u>3</u>
Georgia	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Indiana	2021 2024	1 <u>2</u>	0	0	0	0	0	1 <u>2</u>
Indiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Iowa	2021 2024	1	0	0	0	0	0	1
Iowa	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas⁽³⁾	2021 2024	1	0 <u>10</u>	0	0	0	0	1 <u>2</u>
Kansas⁽³⁾	2022	2	0	0	0	0	1 ⁽⁴⁾	1
	2023	1	0	0	0	0	0	1
Kentucky	2021 2024	1	0	0	0	0	0	1
Kentucky	2022	1	0	0	0	0	0	1
	2023	1	0 <u>10</u>	0	0	0	0	1 <u>2</u>
Louisiana	2021 2024	1	0	0	0	0	0	1
Louisiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021 2024	1	0	0	0	0	0	1
Maryland	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021 2024	2 <u>1</u>	0	0	0	0	0	2 <u>1</u>
Michigan	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Minnesota	2021 2024	1 <u>2</u>	0 <u>2</u>	0	0	0	0	1 <u>4</u>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other - <u>Other</u> Reasons	Outlets at End of Year
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Hampshire	2021 2024	1	0	0	0	0	0	1
New Hampshire	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021 2024	1	0	0	0	0	0	1
New Jersey	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
New York ⁽⁵⁾	2021 2024	1 <u>0</u>	0	0	0	0	0	1 <u>0</u>
New York ⁽⁴⁾	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021 2024	1 <u>0</u>	0	0	0	0	0	1 <u>0</u>
North Carolina	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021 2024	1	0	0	0	0	0	1
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021 2024	1 <u>2</u>	0	0	0	1 <u>0</u>	0	1 <u>2</u>
Ohio	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oregon ⁽⁶⁾	2021 2024	1	0	0	0	0	0	1
Oregon ⁽⁵⁾	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Rhode Island	2021 2024	1	0	0	0	0	0	1
Rhode Island	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021 2024	1	0	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0 <u>1</u>	0	0	0	0	1 <u>2</u>
	2024	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Texas	2021 2022	3	0	0	0	0	0	3
	2022 2023	3	0	0	0	0	0	3
	2023 2024	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other - Other Reasons	Outlets at End of Year
Virginia	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Washington⁽⁷⁾	2021	+0	1	0	0	0	0	2 <u>1</u>
Washington⁽⁶⁾	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Wisconsin	2021	+2	0 <u>1</u>	0	0	0	0	1 <u>3</u>
Wisconsin	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals⁽²⁾	2021	3 <u>1</u>	4 <u>0</u>	0	0	1 <u>0</u>	0	3 <u>4</u> <u>1</u>
Totals⁽²⁾	2022	34	2	1	0	0	1	34
	2023	34	2	2	0	0	0	34
	2024	34	5	0	0	0	0	39

- 1/ The numbers are as of December 31 of each year.
- 2/ HomeTask allowed franchisees to obtain multiple Territories per franchise agreement. The ~~34~~39 outlets represent ~~34~~39 franchisees, which collectively cover ~~92~~94 Territories as of December 31, ~~2023~~2024. We now require new Pet Butler franchisees to sign a Franchise Agreement for each Territory.
- 3/ A portion of the franchisee’s Territory covers an area in Missouri. We have not counted this portion of the Territory in the Missouri figures in the chart above.
- ~~4/ This Territory was transferred to an existing franchisee and remained in operation as of December 31, 2023.~~
- ~~5/ A portion of the franchisee’s Territory covers an area in New Jersey, but a majority of the Territory covers New York. We have not counted this portion of the Territory in the New Jersey figures in the chart above.~~
- ~~6/ HomeTask granted a franchise to a franchisee that allows the franchisee to operate his Pet Butler franchise under the “Dog Butler” trade name. We do not intend to grant franchises under the “Dog Butler” trade name; however, we may do so in the future. This same franchisee’s franchise agreement provides for 4 Territories in Oregon and 1 Territory in Washington, but we have not counted any portion of the Territory in the Washington figures in the chart above.~~
- ~~7/ The franchisee is an affiliate of HomeTask and covers 7 Territories. As of the date of this disclosure document, the franchisee is not our affiliate, so we designate this outlet as a franchised outlet.~~

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS ⁽¹⁾⁽²⁾
FOR YEARS ~~2021~~2022 to ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Illinois	2021 2022	1	0	0	0	0	1
	2022 2023	1	0	0	0	0	1
	2023 2024	1	0	0	0	0	1
Ohio	2021 2022	0 1	0	1 0	0	0	1
	2022 2023	1	0	0	0	0	1
	2023 2024	1	0	0	0	0	1
Totals	2021 2022	1 2	0	1 0	0	0	2
	2022 2023	2	0	0	0	0	2
	2023 2024	2	0	0	0	0	2

1/ The numbers are as of December 31 of each year.

2/ Operated by our affiliate, Chicagoland Scoopers, LLC.

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, ~~2023~~2024

State	Franchise Agreements Signed But Franchised Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Illinois	0	1 2	0
Indiana	0	1	0
Michigan ⁽⁴⁾ Missouri	2 0	2	0
Missouri	0	1	0
Ohio	0	1	0
Oklahoma	0	1	0
Pennsylvania	0	1	0
Virginia Wisconsin	0	1	0
Wisconsin Minnesota	0	1	0
Totals	2 0	10 8	0

1/ ~~These Franchisees have since opened their outlets during 2024.~~

A list of the names of all franchisees and the addresses and telephone numbers of their Franchised Businesses is attached as Exhibit D to this Disclosure Document. A list of the names, cities and states and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise terminated, assigned, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement

during our most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is attached as Exhibit E. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three years, we have entered into one agreement with a franchisee that contained confidentiality restrictions. In such instance, the confidentiality restriction was signed as part of a mutual termination of franchise agreements a former franchisee.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit F are the audited financial statements of SGLC as of December 31, ~~2023~~2024, December 31, ~~2022~~2023, and December 31, ~~2021~~2022, and the related statements of income and expense, retained earnings and changes in financial position for the years then ended. SGLC has guaranteed the performance of obligations to you under the Franchise Agreement and related documents. A copy of the Guarantee of Performance is also attached as Exhibit F.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

- Franchise Agreement – Exhibit B
- Sample General Release – Exhibit G
- State Addenda and Agreement Riders – Exhibit H
- Disclosure Acknowledgment Statement – Exhibit I
- Flex Start Addendum – Exhibit J
- Pet Industry Professional Program Conversion Addendum – Exhibit K-1
- Pet Industry Professional Program Additional Addendum – Exhibit K-2
- Sublicense Agreement – Exhibit L
- ~~- Promissory Note and Security Agreement
(Franchise Fee Financing) – Exhibit M~~
- ~~- Promissory Note and Security Agreement
(Pet Industry Marketing Financing) – Exhibit N~~

Item 23

RECEIPTS

Our and your copies of the Disclosure Document Receipt are attached as Exhibit ~~Q~~M to this Disclosure Document.

EXHIBIT A
**LIST OF STATE AGENCIES/
AGENTS FOR SERVICE OF PROCESS**

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

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We may not be registered to sell franchises in any or all of these states.

CALIFORNIA

Department of Financial Protection &
Innovation
Commissioner of Financial Protection &
Innovation
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90005
(213) 576-7500

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(for service of process)
Commissioner of Securities
of the Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 548-2722

ILLINOIS

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

INDIANA

(for service of process)
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)
Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, ~~IN~~[Indiana](#) 46204
(317) 232-6681

MARYLAND

(state agency)
Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(for service of process)
Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state agency)
Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

(for service of process)
Michigan Department of Commerce,
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, ~~MI~~[Michigan](#) 48909

MINNESOTA

(for service of process)
Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

(for state administrator)
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 296-4026

NEW YORK

(for service of process)
New York Secretary of State
99 Washington Avenue
Albany, New York 12231
Phone: (518) 473-2492

(for other matters)
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
Phone: (212) 416-8285

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept. 414
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
Phone: (605) 773-3563

VIRGINIA

(for service of process)
Clerk, State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

Director Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT B
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

ADDRESS OF BUSINESS

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- Exhibit D - Guaranty and Assumption of Obligations

PET BUTLER, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into by and between PET BUTLER, LLC, an Illinois limited liability company, with its principal business address at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“**we,**” “**us,**” or “**our**”), and _____, a _____ whose principal business address is _____ (“**you**” or “**your**”) as of the date signed by us and set forth opposite our signature on this Agreement (the “**Effective Date**”).

1. GRANT OF FRANCHISE.

1.A. PREAMBLES.

(1) We and our affiliates have, with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity to establish, operate and promote a unique program of professional pet-waste removal, pet care, and other pet related services to residences, businesses and commercial properties under the “Pet Butler” name and Marks (“**Pet Butler Businesses**”).

(2) We and our affiliates use and promote, and license others to use and promote, certain trademarks, service marks, and other commercial symbols in operating Pet Butler Businesses, which have gained and may continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols to identify Pet Butler Businesses (collectively, the “**Marks**”).

(3) Pet Butler Businesses will offer the services and goods we authorize, and use our distinctive business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may improve, further develop, or otherwise modify from time to time (collectively, the “**Franchise System**”).

(4) We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort to own and operate Pet Butler Businesses, and you have applied and been approved for a franchise to own and operate a Pet Butler Business.

1.B. ACKNOWLEDGMENTS.

You acknowledge that:

(1) you have independently investigated this franchise opportunity and recognize that, like any other business, the nature of the business that a Pet Butler Business conducts may (and probably will) evolve and change over time;

(2) we do not guarantee the success of a Pet Butler Business, an investment in a Pet Butler Business involves business risks that could result in the loss of a significant portion or all of your investment;

(3) our officers, directors, employees, and agents act only as representatives of us, and not as individuals, and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;

(4) to induce our entry into this Agreement, you have represented to us that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise;

(5) we have the right to restrict and expand your sources of goods and services, as provided in various sections of this Agreement, including Section 7.E below; and

(6) none of the Company Parties (defined below) shall have any responsibility for the operation of your Business (defined below) or any aspect of the operation of your Business. Further, none of the Company Parties shall be responsible for any decisions which may be made in connection with the operation of your Business.

1.C. GRANT AND TERM OF FRANCHISE.

Subject to this Agreement's terms, we grant you a franchise to use the Franchise System and the Marks to operate a Pet Butler Business ("**your Business**"). The term of this Agreement begins on the Effective Date and expires ten (10) years from the Effective Date, unless sooner terminated as provided herein.

You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote your Business.

1.D. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.

If you are a corporation, limited liability company, or general or limited partnership (collectively, an "**Entity**"), you agree and represent that:

(1) you are validly existing and in good standing under the laws of the state in which you were formed, and have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements;

(2) your organizational documents state that this Agreement restricts the issuance and transfer of any of your ownership interests, and all certificates and other documents representing your ownership interests will bear a legend referring to this Agreement's restrictions;

(3) Exhibit B to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date and each of your owners during

this Agreement's term must sign and deliver to us our then-standard form of Guaranty and Assumption of Obligations, the current form of which is attached as Exhibit D to this Agreement. The spouse of each owner will also be required to acknowledge and consent to the Guaranty and Assumption of Obligations. Subject to our rights and your obligations under Section 14, you and your owners agree to sign and deliver to us a revised Exhibit B to reflect any permitted changes in the information that Exhibit B now contains;

(4) You shall not use any Mark as part of your Entity name;

(5) Your Business and other Pet Butler Businesses, if applicable, will be the only business(es) you operate (although your owners may have other, non-competitive business interests); and

(6) You must identify on Exhibit B one of your owners who is a natural person with at least fifty-one percent (51%) ownership interest and voting power in you and who will have the authority of a chief executive officer (the "**Managing Owner**"). Your Managing Owner may have less than fifty-one percent (51%) ownership interest and voting power in you only with our prior written approval. You must obtain our written consent prior to changing the Managing Owner and agree to deliver to us a revised Exhibit B to accurately identify the Managing Owner.

1.E. TERRITORY

Provided you are in full compliance with the terms and conditions of this Agreement and all other agreements with us and our affiliates, we and our affiliates will not operate or grant a franchise for the operation of another Pet Butler Business that sells pet-waste removal services or pet care services authorized by us to residential and commercial customers located within the territory described on Exhibit A attached hereto (the "**Territory**"). You shall be prohibited from soliciting or selling pet-waste removal and pet care services outside of the Territory.

1.F. TERRITORIAL RIGHTS WE RESERVE.

You acknowledge and agree that the franchise granted under this Agreement is non-exclusive. Other than with respect to Section 1.E. above, you have no territorial protection and we (and our affiliates) retain all rights with respect to the placement of Pet Butler Businesses and other businesses using the Marks, the sale of similar or dissimilar products and services, and any other activities. These rights include:

(1) the right to establish and operate, and allow others to establish and operate, other Pet Butler Businesses using the Marks or the Franchise System, at any location outside the Territory, and on any terms and conditions we approve;

(2) the right to establish and operate, allow others to establish and operate, or acquire the ownership interests or assets of another business that establishes or operates, any business using trade names, trademarks, service marks and commercial symbols other than the Marks (including other pet-waste removal and/or pet care businesses), anywhere in the world (including in the Territory), regardless of the nature or location of the

customers of such business, which may offer products and services that may be identical or similar to products and services offered by Pet Butler Businesses;

(3) the right to establish, and allow others to establish, other distribution channels (including Internet and retail stores) wherever located or operating, including within the Territory, regardless of the nature or location of the customers, with whom such other distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Pet Butler Businesses, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Pet Butler Businesses customarily sell under any terms and conditions we approve;

(4) the right to conduct services and perform jobs and/or grant other parties the right to conduct services and perform jobs, for National Account Clients, in any location whatsoever, including in your Territory.

(5) ~~(4)~~ the right to acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more pet-waste removal and/or pet care businesses located or operating within or outside the Territory, notwithstanding the fact that such pet-waste removal and/or pet care businesses may be the same as or similar to Pet Butler Businesses; and in the event of such an acquisition, we or our affiliates (as applicable) shall have the right to continue to operate such pet-waste removal and/or pet care businesses and to develop additional pet-waste removal and pet care businesses of such concept, and to grant others the right to develop and operate pet-waste removal businesses of such concept, both within and outside the Territory;

(6) ~~(5)~~ the right to be acquired (regardless of the form of transaction) by a business, whether or not such business is a Competitive Business (defined in Section 6.A), even if such business operates, franchises and/or grants licenses for the operation of pet-waste removal and/or pet care businesses which may be the same as or similar to Pet Butler Businesses within the Territory; and in the event of such an acquisition, the acquirer and its affiliates (as applicable) shall have the right to continue to operate such pet-waste removal and/or pet care businesses and to develop additional pet-waste removal and/or pet care businesses of such concept, and to grant others the right to develop and operate pet-waste removal and/or pet care businesses of such concept, both within and outside the Territory; and

(7) ~~(6)~~ engage in all other activities not expressly prohibited by this Agreement, both within and outside of the Territory.

2. DEVELOPMENT AND OPENING OF YOUR BUSINESS

2.A. LOCATION FOR YOUR BUSINESS.

You shall only conduct your Business from locations (the “**Premises**”) within the Territory that we have approved, which may include a personal residence, office, or commercial space. You agree to send us any information that we require for any proposed location(s). Upon receipt of our

prior written approval, you shall be permitted to relocate the Premises to other locations within the Territory that we have approved in writing. Notwithstanding the foregoing, you agree to obtain a P.O. Box for the operation of your Business within the Territory.

2.B. OPERATING EQUIPMENT.

(1) Before you commence operation of your Business, you agree to obtain the Operating Equipment (defined below), Technology System (as defined in Section 2.C), inventory, supplies, products, and other assets that we approve for Pet Butler Businesses as meeting our specifications and standards for quality, design, appearance, function, and performance.

(2) The term “**Operating Equipment**” shall mean and include the service vehicles and equipment, both attached to and separate from, the service vehicle(s), used for the operation of your Business, including the service vehicles and equipment you use to make sales calls on customers and prospective customers.

(3) You agree to use exclusively in the conduct of your Business the brand, make, model and color of Operating Equipment that meets our specifications and standards for design, function, performance, reliability and serviceability. You shall not attach or use, prior to receiving our written approval thereof, any item or device on the Operating Equipment, which item or device is not provided for in System Standards (as defined in Section 3.C. below). You agree to purchase or lease the brands, types, and models of Operating Equipment that we designate or approve. You agree to purchase or lease the Operating Equipment only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

(4) You further agree to display on the Operating Equipment used in your Business only such signs, emblems, lettering and logos that we have specified or approved in writing. The color, size, design and location of said signs, emblems, lettering and logos shall be as we specify. You shall not place any other markings, designs, or decals on the Operating Equipment without our written consent. You agree to remove or obliterate all of the Marks from the Operating Equipment prior to its sale or other disposition.

2.C. TECHNOLOGY SYSTEM.

You agree to obtain and use in the development and operation of your Business those and only those brands, types and/or models of computer/tablet hardware, software, mobile device, Internet and other electronic connectivity, data warehousing, security, e-commerce and other computer and technology equipment, support and other services designated by us (the “**Technology System**”). The Technology System may only be used for the operation of your Business and you may not use any other computer hardware or software to conduct the operation of your Business other than the Technology System. You shall input and maintain only such data and information in the Technology System that we prescribe in the Operating Manual and our software and computer programs. You shall purchase or obtain from us, or our designated vendor, such new or upgraded hardware, software, equipment, services or other items whenever we determine to adopt such new or upgraded items as part of the Technology System. We may require

you to subscribe to an account with an Online Presence (defined in Section 9.E.(2)) that you must use exclusively for your Business. You agree to sign any agreement that we or our designated vendor (which may be us or our affiliates) prescribe for the Technology System and any component thereof.

Our modification of specifications for the Technology System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer/tablet hardware and/or software and to obtain service and support for the Technology System. Although we cannot estimate the future costs of the Technology System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer/tablet hardware and software comprising the Technology System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Technology System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the Technology System components that we designate and to ensure that your Technology System, as modified, is functioning properly.

Although you agree to buy, use, and maintain the Technology System according to our standards and specifications, you will have sole and complete responsibility unless otherwise designated by us for: (1) the acquisition, operation, maintenance, and upgrading of the Technology System; (2) the manner in which your Technology System interfaces at our specified levels of connection speed with our and any third party's computer system; and (3) any and all consequences if the Technology System is not properly operated, maintained, and upgraded. Upon termination or expiration of this Agreement, all items containing software or other intellectual property licensed to you by us or our affiliates or a designated vendor whose software contains Confidential Information, including various forms of digital storage media that we have provided, shall be returned to us in good condition allowing for normal wear and tear.

You agree that we or our affiliates may condition any license of software to you, or your use of technology that we or our affiliates develop or maintain, on you signing the software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology.

You further acknowledge and agree that we or our designated vendor (which may be us or our affiliates) has the right to charge reasonable fees for hardware, software, equipment, services or other items that are sold or licensed to you and other maintenance, support or other services that are furnished to you related to the Technology System, including, without limitation, an operating software fee for your right to use certain software as part of the Technology System (the "**Operating Software Fee**"). Without limiting the generality of the foregoing, we or our affiliates have the right to charge an ongoing technology fee, in addition to the Operating Software Fee, for maintenance, support or other services that we, at our option, furnish to you related to the Technology System (the "**Technology Fee**"). ~~We may increase the amount of the Technology Fee and/or the~~The Operating Software Fee during the term of this Agreement and Technology Fee are subject to increase pursuant to the Fee Adjustment (as defined in Section 4.H below).

We shall have unlimited access to and the right to electronically retrieve all data and information generated or stored by your Technology System, which may include sales information,

Business Customer Information (defined in Section 6.C), and other information related to your Business.

2.D. TELEPHONE NUMBERS.

You must obtain a telephone number for your Business that is not used in any other business operation and that is different from your personal telephone number. You agree that each telephone ~~or facsimile~~ number and any other type of contact information used by or that identifies or is associated with your Business (any “**Contact Identifiers**”) will be used solely to identify your Business in accordance with this Agreement. You acknowledge and agree that, as between us and you, we have the sole rights to, and interest in, all Contact Identifiers and Online Presences. You hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet service provider, and all listing agencies to transfer such Contact Identifiers and Online Presences to us.

2.E. COMMENCEMENT OF OPERATION OF YOUR BUSINESS.

Upon your completion of the initial training program (described in Section 3.A) to our satisfaction, which you acknowledge and agree must occur on or before _____, you agree to commence the operation of your Business. You further agree at your expense to do or cause to be done all those things necessary to operate your Business, beginning on the date of its commencement, in accordance with this Agreement.

Before you commence operation of your Business, we must approve your Operating Equipment and Technology System and the quantity and quality of the inventory and insurance coverage, and we have the right to approve or not approve in our sole discretion other features of your Business to which mandatory specifications, standards or operating procedures relating to the operation of a Pet Butler Business pertain. You agree to secure such approval before you commence operation of your Business. We will not unreasonably withhold our approval for commencement of your Business.

Once you have commenced operation of your Business, you must operate your Business continuously for the remainder of the term of this Agreement.

3. TRAINING AND OPERATING ASSISTANCE.

3.A. INITIAL AND ONGOING TRAINING.

(1) As soon as is mutually agreeable to you and us after execution of this Agreement, we will provide an initial training program in the operation of a Pet Butler Business for a maximum of two (2) individuals designated by you, one of whom must be you (or your Managing Owner) (“**Trainees**”). Trainees must complete such initial training to our satisfaction before you commence the operation of your Business. We will provide initial training at a location we designate, or we may provide initial training virtually (such as through a video-conferencing service). You will be responsible for your Trainee’s travel, lodging, meals, living expenses, wages, and workers’ compensation insurance while attending initial training.

(2) If, during any training program, we determine, in our sole discretion, that any proposed operations manager is not qualified to manage your Business, we will notify you thereof and permit you to select and enroll a substitute operations manager in such training program.

(3) If, during the initial training program, we determine, in our sole discretion, that you (or your Managing Owner) are not qualified to manage a Pet Butler Business, we shall have the right to terminate this Agreement, effective upon delivery of written notice thereof to you. Upon such termination, we will refund (without interest and less our costs, including any fees paid to brokers or referral services) the initial franchise fee paid pursuant to Section 4.A and the initial marketing campaign fee paid pursuant to Section 4.C (less any portion of the initial marketing campaign fee that we have spent with vendors in connection with the initial marketing of your Business) that you paid to us, so long as you and your owners execute and provide us with general releases, in form and substance satisfactory to us, of any and all claims you and your owners may have against us and our affiliates, officers, directors, shareholders, employees, and agents.

(4) We may require that previously trained individuals and other of your employees and agents attend and complete to our satisfaction the ongoing and refresher training programs designated by us in the Operating Manual or otherwise in writing, including programs provided by third parties we designate. Such training may be conducted in person at a location we designate, virtually, or a combination of both. You will be responsible for all costs you and your employees incur in attending such training programs and agree to pay us our then-applicable fees for any such training. You also agree that, notwithstanding any ongoing and refresher training that we may require previously trained individuals to participate in, you are exclusively responsible for the terms and conditions of employment of your employees, and neither we nor our affiliates will be deemed the employer of such individuals.

(5) You agree to provide to your employees the ongoing and refresher training programs designated by us in the Operating Manual or otherwise in writing which relate to the products and services offered by Pet Butler Businesses. Such training programs may be held at the location or locations we designate or may be conducted remotely through an online learning management system or by other means specified by us.

(6) We may periodically organize, produce and present national or regional meetings and may require you (or your Managing Owner) and/or an operations manager to attend such national and regional meetings. If we require you (or your Managing Owner) and/or an operations manager to attend a national or regional meeting, such attendance is mandatory. You will be responsible for all costs you (or your Managing Owner) and your operations manager incur in attending such meetings and agree to pay us ~~our then-applicable fees for any such meetings.~~ a meeting fee in the amount of \$85 per month (January – July), plus expenses. This fee is subject to increase pursuant to the Fee Adjustment.

(7) You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to

continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

3.B. GENERAL GUIDANCE.

We will advise you from time to time regarding your Business's operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Pet Butler Businesses use; (2) purchasing required and authorized Operating Equipment, and other products and services; (3) advertising and marketing materials and programs; and (4) administrative, bookkeeping, accounting, and financial management.

We will not be required to send any of our personnel to the Territory to provide any training, assistance, or services if we determine it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement, including your obligation to pay monies owed to us, and will not serve as a basis for your termination of this Agreement.

3.C. OPERATING MANUAL.

We will, during the term of this Agreement, provide you access to an operating manual, which may consist of one or more handbooks, manuals and other written, audio/visual, and/or electronic materials (collectively, the "**Operating Manual**"), for Pet Butler Businesses. We post the Operating Manual on our intranet or a restricted website to which you will have access. The Operating Manual contains mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating Pet Butler Businesses ("**System Standards**") and suggested procedures for Pet Butler Businesses and information relative to your other obligations hereunder and the operation of a Pet Butler Business. We have the right to add to and otherwise modify the Operating Manual periodically. You must monitor and access our intranet or restricted website for any updates to the Operating Manual. [You must pay us an annual education fee in the amount of \\$125 per year, which provide you access to our intranet or restricted website. This fee is subject to change pursuant to the Fee Adjustment.](#)

You shall at all times treat the contents of the Operating Manual as confidential and shall not at any time disclose, copy, duplicate, record or otherwise reproduce, in whole or in part, or otherwise make such contents available to any unauthorized person.

You acknowledge that we (or our affiliate) claim copyright protection of our written materials, including the Operating Manual, and that such materials are our (or our affiliates') valuable property. You acknowledge that your right to use the copyrighted works is derived solely from this Agreement and is limited to the use of such copyrighted works pursuant to and in compliance with this Agreement.

4. FEES.

4.A. INITIAL FRANCHISE FEE.

You agree to pay us a non-recurring initial franchise fee in the amount of ~~\$36,000~~46,000 for a geographic territory containing up to 60,000 single family dwelling units (“SFDUs”). If you wish to obtain a geographic territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs. The initial franchise fee, plus any portion of the initial franchise fee attributable to additional SFDUs, is due and payable when you sign this Agreement. Except as otherwise provided in Section 3.A, the initial franchise fee is nonrefundable.

4.B. ROYALTY FEE.

You agree to pay us a recurring royalty fee of twelve percent (12%) of Gross Sales (as defined below), calculated and payable weekly on a day of the week specified by us following the end of each reporting week on such Gross Sales for such reporting week.

The term “**Gross Sales**” means the amount billed by you on sales of the services and products authorized to be sold by you pursuant to this Agreement, whether or not sold at or from or under the auspices of your Business, including the fair market value of any services or products received by you in barter or exchange for your Business’s services or products, but deducting: (1) customer discounts, credits and other customer sales adjustments; and (2) if not already deducted in the amount billed, the amount of any sales, use, service, excise, or gross receipts taxes leveled directly on such sales, collected from the purchaser billed on such sales, and paid to the appropriate taxing authorities.

4.C. INITIAL OR TRANSFER MARKETING CAMPAIGN FEE.

(1) If you are purchasing a new franchise in connection with the execution of this Agreement, you agree to pay us, or our affiliate, ~~\$25,000~~30,000 for assistance with an initial marketing campaign. Unless otherwise agreed to by us, the initial marketing campaign fee is payable in a lump sum at the time your Trainees attend the initial training program. Except as otherwise provided in Section 3.A, the initial marketing campaign fee is nonrefundable.

(2) If you are purchasing an existing Pet Butler Business in connection with the execution of this Agreement, you agree to pay us, or our affiliate, a transfer marketing campaign fee equal to the greater of: (a) 5% of annual Gross Sales of the purchased business in the preceding 12 months or (b) our then-current transfer marketing campaign fee (currently ~~\$25,000~~30,000). If you are acquiring multiple Territories from an existing Pet Butler Business, you must pay a transfer marketing campaign fee for each Territory. Unless otherwise agreed to by us, the transfer marketing campaign fee shall be payable in full on or before the date that you close on the purchase of the existing Pet Butler Business. The transfer marketing campaign fee is fully earned when paid and is not refundable under any circumstances.

(3) Upon receipt of the initial marketing fee or transfer marketing fee, we, or our affiliate, will use all of the fee for marketing and advertising in the Territory and will provide assistance with the generation of an initial marketing campaign for your initial property data, which may include the following: direct-response marketing, name-recognition marketing, and print, electronic and other media marketing.

4.D. MARKETING FUND CONTRIBUTION.

You agree to pay us a contribution to the Fund (defined in Section 9.A), payable weekly on a day of the week specified by us. Your weekly contributions to the Fund shall be two percent (2%) of Gross Sales; however, we may periodically modify this Fund contribution percentage, but it shall be no greater than four percent (4%) of Gross Sales during the term of this Agreement.

4.E. INITIAL PROPERTY DATA FEE.

In addition to paying the initial marketing fee described in Section 4.C, you agree to pay us, or our affiliate, the then-current fee for us (or our affiliate or other designee) to collect property data relevant for marketing within the Territory. This “initial property data fee” will vary depending on the size of the Territory. The initial property data fee is payable in a lump sum at the time your Trainees attend the initial training program. The initial property data fee is nonrefundable. During the term of this Agreement, we may require you to pay us a fee for services we (or our affiliate or other designee) provide in collecting additional and updated property data for your Territory.

4.F. INTEREST ON LATE PAYMENTS.

All amounts that you owe us for any reason shall bear interest after their due date at the greater of: (i) one and one-half percent (1-1/2%) per month; or (ii) an annual interest rate of three percent (3%) in excess of the then-current Prime Rate announced by Bank of America; provided that in no event will the interest rate be greater than the highest commercial contract interest rate the law allows. We may debit your bank account automatically for service charges and interest. You acknowledge that this Section 4.F is not our agreement to accept any payments after they are due or our commitment to extend credit to you, or finance the operation of your Business.

4.G. APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to us or our affiliates to any of your past due indebtedness to us or our affiliates. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

4.H. METHOD OF PAYMENT; ADDITIONAL FEES; FEE ADJUSTMENT.

You authorize us and our affiliates to initiate debit entries and credit correction entries to your checking, savings or other account for the payment of royalty fees and Fund contributions, and any other amounts due from you (the “**Electronic Depository Transfer Account**” or

“EDTA”). You shall comply with our procedures and instructions in connection with the direct debit process, and shall sign any document or take any action that may be required to effect this authorization. (Our current EDTA authorization form is attached as Exhibit C hereto. We may change the form at any time and you may be required to sign such new version of the form.) To ensure continuity of your payments, you shall provide at least five (5) days’ prior written notice to us if you wish to change your bank or the account from which we debit your payments, and you will thereafter execute a new EDTA form to reflect any such changes. If there are insufficient funds in the EDTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), we will charge you the processing fee set forth in the Operating Manual to compensate us for our additional administrative expenses. If you fail to report Gross Sales, we will charge you ~~thea \$25~~ late reporting fee ~~set forth in the Operating Manual~~(which is subject to the Fee Adjustment) and may debit the EDTA for one hundred twenty percent (120%) of the average of the previous four (4) weeks of royalty fees and Fund contributions that we debited. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from the EDTA are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your EDTA during the following month. All amounts payable by you or your owners to us or our affiliates must be in United States Dollars (\$USD), unless we specify otherwise.

If, at any time during the term of this Agreement, you fail to timely pay amounts due hereunder to us, our affiliates, or any third-party vendors, you authorize us and our affiliates to obtain a consumer credit report through a credit reporting agency chosen by us or our affiliates. You shall sign any document or take any action that may be required to effect this authorization. You understand and agree that we or our affiliates intend to use the consumer credit report for the purposes of evaluating your financial status. You also acknowledge and agree that if you fail to pay amounts when due, we may report your delinquent payments to credit bureaus.

We may require you to pay the royalty fee, Fund contributions, and other amounts due to us or our affiliates, by means other than automatic debit whenever we deem appropriate, and you agree to comply with our payment instructions.

[If there is an established national advisory council that advises on potential improvements to the franchise system, you must pay the required assessment fee, which will be subject to increase pursuant to the Fee Adjustment.](#)

[We reserve the right to increase certain fees that we require you to pay to us during the term of this Agreement. With respect to any fees that are subject to a “Fee Adjustment” in this Agreement, such fees may be increased by up to 100% annually.](#)

5. CONFIDENTIAL INFORMATION.

In connection with your franchise under this Agreement, you and your owners and personnel may from time to time have access to, be provided with, or otherwise be exposed to certain information about the Franchise System and the operation of Pet Butler Businesses, including your Business (some, but not all, of which may be “trade secrets” under applicable law),

that we consider and protect as confidential (regardless of whether they are marked as such), including the following (collectively, the “**Confidential Information**”):

- (1) training and operations materials, including the Operating Manual;
- (2) technical information and proprietary know-how comprising methods, techniques, drawings, specifications, procedures, information, marketing know-how, systems, and knowledge of and experience in performing pet-waste removal, pet care, and related services;
- (3) the design and operation of Pet Butler Businesses and the purchase and sale of authorized and approved products and services;
- (4) market research, information regarding potential promotional, marketing and advertising programs including list selection, analysis and methods for communication for Pet Butler Businesses;
- (5) knowledge of specifications for, and suppliers of, Operating Equipment, and other inventory, products, and supplies;
- (6) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (7) knowledge of the operating results and financial performance of Pet Butler Businesses, other than your Business;
- (8) the terms, conditions and exclusions set forth in any applicable “Pet Industry Professional Business Consent Agreement”;
- (9) strategic plans, including expansion strategies and targeted demographics;
and
- (10) any other information designated as confidential or proprietary by us.

All Confidential Information will be owned by us (other than Restricted Data, as defined in Section 7.1). You acknowledge and agree that: (i) you will not acquire any interest in any of our Confidential Information, other than the right to use it as we specify in operating your Business during the term of this Agreement, and (ii) that our Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you will protect it. You acknowledge that any unauthorized use or disclosure of our Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and our affiliates. You (and if you are conducting business as an Entity, each of your owners) therefore agree that during and after the term you will, and to cause your spouses, immediate family members, affiliates, and assigns to:

(a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of ~~the Franchised~~your Business in accordance with this Agreement, and not for any other purpose of any kind;

(b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions;

(c) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating ~~the Franchised~~your Business in accordance with this Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;

(d) not make unauthorized copies of any of our Confidential Information;

(e) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of this Agreement; and

(f) at our request, destroy or return any of the Confidential Information.

Without limiting the generality of the foregoing obligations, we reserve the right to require that any employee, agent, or designated third party vendor or supplier that you hire execute a confidentiality agreement to protect the Confidential Information. We reserve the right to regulate the form of confidentiality agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of confidentiality agreement that we require you to use, provide to you, or regulate the terms of (including any forms of confidentiality agreement we may provide you) may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality agreement that your employees, agents and designated third party vendors and supplier's sign.

Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates.

We are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you and your affiliates for any errors or omissions from the Confidential Information.

All ideas, concepts, techniques, or materials relating to a Pet Butler Business and/or the system created by you, your owners or your employees (or for you, your owners or your employees), whether or not protectable intellectual property, must be promptly disclosed to us and will be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, you hereby waive all moral rights in that item, assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

6. EXCLUSIVE RELATIONSHIP DURING TERM.

6.A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you a franchise in consideration of and reliance on your agreement to deal exclusively with us. You therefore agree that, during the term of this Agreement, neither you, any of your owners, nor any of your or your owners’ immediate family members will:

- (1) have any direct or indirect interest as an owner (whether of record or beneficially) in a Competitive Business (defined below), wherever located or operating;
- (2) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;
- (3) divert or attempt to divert any actual or potential business or customer (including offering or selling Business Customer Information (defined in Section 6.C)) to any unauthorized person of your Business to a Competitive Business; or
- (4) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

A “**Competitive Business**” means (i) any business (other than Pet Butler Businesses operated under franchise agreements heretofore entered into by you and us) engaging in (a) pet-waste removal, pet care, and other pet related services, or (b) any other services or products which we may periodically authorize for Pet Butler Businesses, or (ii) any business granting franchises or licenses to others to operate the type of business specified in clause (i).

You agree to obtain similar covenants from the personnel we specify, including officers, directors, and other employees having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

You further agree that, during the term of this Agreement, you, your owners, and your or your owners’ immediate family members will not solicit, interfere, or attempt to interfere with our or our affiliates’ relationships with any customers, vendors, or consultants.

6.B. NON-DISPARAGEMENT.

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) (i) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, the "Pet Butler[®]" brand, the Franchise System, any Pet Butler Business, any business using the Marks, or (ii) take any other action which would, directly or indirectly, subject the "Pet Butler[®]" brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us or the "Pet Butler[®]" brand or constitute an act of moral turpitude. The obligations of this Section 6.B shall survive any expiration or termination of the Agreement.

6.C. BUSINESS CUSTOMER INFORMATION.

You and we acknowledge and agree that "**Business Customer Information**" will be owned by us. You agree to (a) use the Business Customer Information only for the operation, advertisement and promotion of your Business, (b) refrain from using the Business Customer Information in any other business or capacity (other than in connection with your Business), unless we have provided our prior written consent to such use, and (c) maintain the confidentiality of the Business Customer Information. You acknowledge and agree that delivery of Business Customer Information in the format and frequency required by us is crucial in order for us to manage the database of customer information for all Pet Butler Businesses which it may use in connection with marketing, operations and other purposes for the Franchise System. "**Business Customer Information**" includes, without limitation, contact information, buying habits, preferences, demographic information, and any other information relating to current, former and prospective customers of your Business, including persons who have inquired about the services offered by your Business.

7. SYSTEM STANDARDS.

7.A. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining your Business according to System Standards is essential to preserve the goodwill of the Marks and all Pet Butler Businesses. Therefore, you agree at all times to operate and maintain your Business according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard is not in the Franchise System's or your best interests. Although we retain the right to establish and periodically modify System Standards, you (or your Managing Owner) are solely responsible for the management and operation of your Business and for implementing and maintaining System Standards for your Business.

For example, System Standards may regulate any one or more of the following, in addition to the items described in Sections 7.B through 7.M below:

- (1) performance, quality and other relevant characteristics of products, equipment, supplies and services utilized in or sold by your Business;

(2) the standards that your Business must maintain as referenced in the Operating Manual;

(3) maintenance, cleanliness, function and appearance of your Business supplies, Premises, fixtures, equipment, signs, and inventory;

(4) appearance and training of your Business's employees;

(5) use of Marks and use and protection of trade secrets and the Confidential Information;

(6) use and retention of standard supplies, forms and reports;

(7) use of marketing, advertising, signs, posters, displays, standard formats and similar items;

(8) products and services used in the operation of your Business;

(9) suppliers of products and services;

(10) policies for the registration, use, content, or management of Online Presences, or other technology systems, solutions, or products;

(11) ~~(10)~~ funding for, and use and display of, marketing materials for your Business and the Franchise System;

(12) ~~(11)~~ participation in quality assurance and customer satisfaction programs;

(13) participation criteria and standards for servicing our National Account Clients;

(14) ~~(12)~~ standards for property data collected within the Territory;

(15) ~~(13)~~ the form of payment and currency that you may accept from customers of your Business; and

(16) ~~(14)~~ participating in, sponsoring, or affiliating with political or charitable organizations.

System Standards may be incorporated from time to time in the Operating Manual, and you agree that the System Standards we prescribe in the Operating Manual, or otherwise communicate to you in writing or another tangible form (for example, via a Franchise System website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

7.B. VARIATION AND MODIFICATION OF SYSTEM STANDARDS.

You acknowledge that complete and detailed uniformity might not be possible or practical under varying conditions, and that we specifically reserve the right (as we consider best, in our sole discretion) to vary System Standards for any franchise owner based on the peculiarities of any condition that we consider important to that franchise owner's successful operation. We may choose not to authorize similar variations or accommodations to you or other franchise owners. We may also permit variations in the System Standards (as we consider best, in our sole discretion) between Pet Butler Businesses owned by us and Pet Butler Businesses owned by franchisees.

We may periodically modify System Standards. These modifications may obligate you to invest additional capital in your Business and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve buying new Operating Equipment, adding new products and services, adding personnel, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

7.C. CONDITION OF YOUR PREMISES.

During the term of this Agreement you must regularly clean, repaint and repair the interior and exterior of the Premises, and otherwise maintain the condition of the Premises to meet standards of professionalism, cleanliness, sanitation, that are reasonable for the industry, which in no event shall be less than the standard required by applicable laws and regulations.

If the general state of repair, appearance or cleanliness of the Premises does not meet such standards at any time in our reasonable judgment, we may notify you, specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within ten (10) days after you receive our notice, and/or do not complete any required maintenance or refurbishing in good faith and with due diligence, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf.

You will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and marketing materials that we approve from time to time.

7.D. CONDITION AND APPEARANCE OF YOUR OPERATING EQUIPMENT.

You agree to maintain the Operating Equipment in proper mechanical operating condition at all times and to obtain customary periodic preventative maintenance for such Operating Equipment. You agree to (i) effect such maintenance of the Operating Equipment as is reasonably required to maintain its attractive appearance and to keep them in a "like-new" condition, without rust, dents, scratches or other marks, (ii) wash such Operating Equipment when dirty, (iii) paint such Operating Equipment, and (iv) replace signs and decals as required. You agree to use the Operating Equipment displaying the Marks for only those purposes for which we have authorized.

7.E. APPROVED PRODUCTS AND SERVICES.

You agree that your Business will not, without our prior written approval, offer any products or services that are not authorized by us for Pet Butler Businesses, nor shall, without our prior written approval, your Business or the Premises be used for any purpose other than the operation of a Pet Butler Business in compliance with this Agreement. You agree that, throughout the Territory, your Business will offer every product or service authorized by us for sale by Pet Butler Businesses. Your Business shall at all times maintain an inventory of authorized and approved products sufficient in variety and quantity to satisfy customer demand. You recognize that the business of Pet Butler Businesses may change periodically and agree to adopt and implement such changes in the conduct of your Business.

7.F. APPROVED DISTRIBUTORS AND SUPPLIERS.

We may designate, approve or develop standards and specifications for manufacturers, distributors and suppliers of products and services to your Business, which may be us or our affiliates (collectively, “**suppliers**”). You must purchase the products and services we periodically designate only from the suppliers we prescribe and only on the terms and according to the specifications we approve.

We may concentrate purchases with one or more suppliers to obtain lower prices, marketing support, marketing services and/or materials and/or services for any group of Pet Butler Businesses franchised or operated by us or our affiliates. We may also designate a single supplier for any product, service, Operating Equipment, or other material, or approve a supplier only for certain products. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases (including from charging you for products and services we or our affiliates provide to you and from promotional allowances, rebates, volume discounts and other payments, services or consideration we receive from suppliers that we designate or approve for some or all of our franchise owners). We and/or any of our affiliates may use such revenue or profit without restriction.

Approval of a supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

If you would like to purchase or use any products, services, supplies or materials from any unapproved supplier, we may require you to submit to us a written request for approval of the proposed supplier prior to purchasing any such products, services, supplies or materials. We reserve the right to charge you a fee (not to exceed the reasonable cost of the research and inspection and the actual cost of the test) to make the evaluation. We have the right to inspect the proposed supplier’s facilities and to require that product samples from the proposed supplier be delivered either directly to us or to a third party we designate for testing. We will notify you in writing of the approval or rejection of the proposed supplier within a reasonable time after completion of the investigation. If we fail to respond within sixty (60) days, your request will be deemed denied. We may elect to withhold approval of the supplier, in our sole discretion and for

any reason. You acknowledge that we are likely to reject your request for a new supplier without conducting any investigation if we have already designated an exclusive supplier for that product or service. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our criteria. We also reserve the right to charge suppliers a royalty for the right to manufacture products for use by Pet Butler Businesses.

7.G. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain all required licenses, permits and certificates relating to your Business and must at all times operate your Business in full compliance with all applicable laws, ordinances, and regulations. You agree to comply and assist us in our compliance efforts with any and all laws and regulations, including those relating to: truth in lending; truth in advertising; occupational hazards, health, and anti-discrimination laws; anti-terrorist activities (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations); and data sharing and privacy. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Business as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities (as provided in Section 10.D) apply to your obligations under this Section.

The President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). We therefore require certain certifications that the parties with whom we deal with are not directly or indirectly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with your Business, is:

- (a) A person or entity listed in the Annex to the Executive Order;
- (b) A person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (c) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (d) Owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with your Business, will during the term of this Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

You further represent and warrant to us that you are now, and have been, in compliance with all U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us, or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the term of this Agreement, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities (as provided in Section 10.D) apply to your obligations under this Section.

Your Business must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, us, and the public. You agree to refrain from any business or marketing practice which may injure our business and the goodwill associated with the Marks and other Pet Butler Businesses. You must notify us in writing within five (5) days of (i) the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of your Business (including the commencement of any bankruptcy proceeding against you or one of your owners); (ii) the threat or commencement of any audit, investigation, or similar proceeding with respect to pending or threatened actions, suits or proceedings relating to your Business; and (iii) your receipt of any notice that you or your Business may have violated any law, ordinance, or regulation relating to your Business.

7.H. CUSTOMER SERVICE.

You shall hold yourself solely responsible for the quality and results of the services offered by your Business and will provide service to customers in accordance with the System Standards, including within the time period designated in the Operating Manual. You shall complete all scheduled services for customers and acknowledge that failure to complete scheduled services is a material breach of this Agreement. If you fail to comply with these obligations, we (or our designee) have the right, but not the obligation, to service the customers of your Business on an interim basis and you agree to reimburse us for all costs we incur in connection therewith. If we (or our designee) service customers of your Business, you acknowledge and agree that in no event shall such assistance be construed to make us (or our designee) liable to you or to customers of your Business, and that nothing contained herein shall be construed as a waiver of our right to terminate this Agreement pursuant to Section 16.A.

We have developed a guaranty of satisfactory service (the “**Guaranty**”) to be extended to customers of Pet Butler Businesses. You agree that your Business shall administer the Guaranty in accordance with the standards, specifications, directions and processes designated in the Operating Manual.

7.I. INFORMATION SECURITY

You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee

identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”). You may gain access to such Personal Information from us, our affiliates, our vendors, or your own operations. You acknowledge and agree that all Personal Information (other than Restricted Data, defined below) is our Confidential ~~I~~Information and is subject to the protections in Section 5.

During and after the term of ~~the Franchise~~this Agreement, you (and if you are conducting business as an Entity, each of your Owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach. We reserve the right to conduct a data security and privacy audit of any of your Pet Butler Businesses and your Technology Systems at any time, from time to time, to ensure that you are complying with our requirements. You must promptly notify us if you receive any complaint, notice, or communication, whether from a governmental agency, customer, or other person, relating to any Personal Information, or your compliance with your obligations relating to Personal Information under this Agreement, and/or if you have any reason to believe you will not be able to satisfy any of your obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the “**Restricted Data**”): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or your Business; (b) such other Personal Information as we from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which we do not have access. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Data.

7.J. MANAGEMENT OF YOUR BUSINESS.

Your Business shall be under the direct, full-time supervision of you (or if you are an Entity, by the Managing Owner) or a trained and competent operations manager who meets our

minimum qualifications we specify periodically, including completing our training program or equivalent training to our satisfaction. You shall keep us informed at all times of the identity of the operations manager or of any supervisory employee(s) acting as manager(s) of your Business. We may establish minimum criteria for such operations manager or supervisory employee(s) in our discretion, which may include the completion of training, confirmation that they will have no competitive business activities, and/or execution of a non-disclosure agreement or other covenants we require. In addition, you will implement appropriate procedures to ensure the Confidential Information is protected, including developing a protocol for allowing the employees you hire and disallowing the employees you fire certain access to the online learning management system (as further discussed above in Section 5). You (or your Managing Owner) must perform the service required under this Agreement and may not subcontract any such services to be performed by another party.

7.K. PRICING.

We may periodically set a maximum or minimum price that you may charge for products and services offered by your Business. If we impose a maximum price for any product or service, you may not charge more for the product or service than the maximum price we impose. If we impose a minimum price for any product or service, you may not charge less for such product or service than the minimum price we impose. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

7.L. ACCOUNTING SOFTWARE AND SERVICES.

You shall use our designated vendor to provide certain accounting and bookkeeping services for your Business and any accounting or bookkeeping software required by us. We also reserve the right to require you to attend accounting and bookkeeping training if we determine that your books and records do not meet the requirements prescribed by us. You agree to comply with all requirements prescribed by us with regard to said services or software for such services. We reserve the right to designate different vendors (which may include us or our affiliates) for various portions of the bookkeeping or accounting services or software for such services. You agree that we or our designated vendor shall have the right to charge initial and ongoing fees for such services or software.

7.M. TEST MARKETING AND CUSTOMER SURVEYS.

We may periodically conduct customer surveys and market research and testing to determine consumer trends and the performance, quality and salability of new products and services. You agree that the cost of such research and testing shall be paid by the Fund (described in Section ~~9.A.9.A~~). You further agree to cooperate by participating in our customer survey programs, market research programs, test marketing new products and services in your Business and providing us with timely reports and other relevant information regarding such market

research, and you agree to participate in and/or request your Business's customers to participate in any customer surveys, and, in connection with any such customer survey, you will present to your Business's customers any evaluation forms we shall require. We shall, in our sole discretion, determine the beginning and ending dates of any test marketing period. We may require you to pay the cost of any customer survey in which we require you to participate.

7.N. NATIONAL ACCOUNT CLIENTS.

We or our affiliates may periodically enter into agreements with clients that require service for multiple locations in different markets (the "National Account Clients"). We may, at our election, provide these services ourselves or through our affiliates or designees, and/or may subcontract servicing rights to one or more third parties or franchisees, in our discretion. If you are eligible to service these National Account Clients and are interested in doing so, you will be required to sign a separate National Account Service Agreement for each customer identifying the conditions under which products and services will be provided. We may establish criteria or qualifications for franchisees that wish to service National Account Clients, including different service standards, requirements for accepting or declining jobs, insurance requirements, or other conditions we establish. If we offer you the right to provide services to a National Account Client, you must provide the services in accordance with all of our System Standards, plus the terms, fees, and conditions that we have negotiated with the National Account Client. We may invoice the National Account Client and collect payment directly. In addition, to other amounts due under this Agreement you will pay up to 5% of the Gross Sales attributed to services provided to National Account Clients. In such cases, we will deduct from the payment any applicable fees and any amounts calculated under this Agreement on the basis of such Gross Sales, and remit to you the balance within a reasonable time following receipt. We may set-off any amount that we owe you for any services provided to National Account Clients against any amount you or your affiliates owe us and our affiliates under this Agreement or any other agreement.

8. INSURANCE.

You shall at all times during the term of this Agreement maintain in force at your sole expense comprehensive public, product and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Business or otherwise in conjunction with the conduct of business by you. Such insurance coverage shall be maintained under one or more policies of insurance containing minimum liability protection of One Million Dollars (\$1,000,000.00) for each occurrence for bodily and personal injury, death and property damage (or such greater amounts as are required under the lease for the Premises) issued by insurance carriers rated "A minus" or better by Alfred M. Best & Company, Inc.; provided, however, we reserve the right to require you to use a designated vendor as the provider of all or any portion of the insurance required in this Section 8. ~~In addition, you must maintain any insurance specified in the Operating Manual (which may include employment practices liability insurance and/or cyber and privacy liability insurance) or otherwise in writing by us, or otherwise required by law, including workers' compensation insurance.~~ to the above minimum requirements, when you are approved and required to provide Pet Care related services, you must acquire additional pet care liability coverage that meet our requirements for such coverage.

We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy shall name us, our affiliates (as designated by us), and our officers, directors and employees as additional insureds, using a form of endorsement that we have approved, shall contain endorsements by the insurance carriers waiving all subrogation rights against us, our affiliates, and our and their successors and assigns, and shall provide for thirty (30) days' prior written notice to us of any material modification, cancellation, or expiration of such policy. Your obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by us, nor shall the maintenance of such insurance relieve you of any indemnification obligations under this Agreement.

Upon signing this Agreement, you shall provide us with evidence of the insurance required above. Thereafter, prior to the expiration of the term of each insurance policy, you shall furnish us with a copy of each renewal or replacement insurance policy to be maintained by you for the immediately following term and evidence of the payment of the premium therefor. If you fail or refuse to maintain required insurance coverage, or to furnish satisfactory evidence thereof and the payment of the premiums therefor, we, at our option and in addition to our other rights and remedies under this Agreement, may obtain such insurance coverage on your behalf. You shall fully cooperate with us in our effort to obtain such insurance (including by promptly executing all forms or instruments and allowing any inspections of the Premises or your vehicles) and pay to us, on demand, any costs and premiums incurred by us.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for the operation of your Business. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Business that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Your obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by us or any other party. Additionally, no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to the Company Parties under this Agreement.

9. MARKETING.

9.A. MARKETING FUND.

We will maintain and administer a marketing fund (the “**Fund**”) for such marketing programs as we may deem necessary or appropriate to maximize recognition of the Marks and patronage of the services offered by Pet Butler Businesses generally; and you agree to pay us weekly contributions to the Fund as specified in Section 4.D of this Agreement.

We may use the Fund to meet any and all costs of maintaining, administering, directing and preparing national, regional, or local marketing materials, list databases, management of

databases, programs and public relations activities, including the costs of preparing and conducting video, audio, and written and electronic media (including search engine, social media, email, and display ad campaigns); employing advertising agencies to assist therewith; conducting market research and testing; providing promotional brochures, decals and other marketing materials to all Pet Butler Businesses; marketing performance analytics; management of customer relationships, data centers, cloud environments, or facilities used to centralize customer information for marketing purposes; and developing and maintaining websites or other electronic applications (including application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or “next generations” of any such devices) that promote Pet Butler Businesses and/or related strategies.

We shall account for the Fund separately from other funds maintained by us and we will not use the Fund to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration or direction of the Fund and developing and executing its marketing and technology programs (including conducting market research, developing marketing tools, marketing and promotional materials, executing marketing activities and campaigns, and collecting and accounting for contributions to the Fund). We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We may have the Fund audited annually, at the Fund’s expense, by an independent certified public accountant.

We and our representatives may spend in any fiscal year more or less than the aggregate contribution of all Pet Butler Businesses to the Fund in that year, and the Fund may borrow from us or others (including our affiliates) to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay marketing costs before other assets of the Fund are expended.

You understand and acknowledge that the Fund is intended to maximize general public recognition and patronage of the Marks and Pet Butler Businesses for the benefit of all Pet Butler Businesses and that we undertake no obligation in administering the Fund to ensure that expenditures which are proportionate or equivalent to your contributions are made for the market area of your Business or that any Pet Butler Business benefits directly or pro rata from the placement of advertising.

Except as expressly provided in this Section 9.A, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund. You acknowledge and agree that we have no fiduciary obligation to you or any other franchisee in connection with the establishment of the Fund or the collection, administration, or disbursement of monies paid into the Fund.

We have the right to cause the Fund to be incorporated or operated through an entity separate from us at such time as we deem appropriate, and such successor entity shall have all the same rights and duties as us pursuant to this Section 9.A. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund’s expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We may at any time, upon thirty (30) days’ prior written notice to you, reduce or suspend Fund contributions and operations for one (1) or more periods of any length and terminate (and, if

terminated, reinstate) the Fund; provided that we will not terminate the Fund until all monies contributed to the Fund have been expended for marketing, public relations, or promotional purposes, or distributed to the contributors in proportion to their respective Fund contributions during the preceding twelve (12) month period.

9.B. REGIONAL MARKETING PROGRAM.

Although not obligated to do so, we may create a regional marketing program (“**Regional Marketing**”) for the benefit of Pet Butler Businesses located within a particular region if at least fifty percent (50%) of the Pet Butler Businesses located within such region vote in favor of the formation of such Regional Marketing program. The amounts collected for a particular region will be spent on marketing principally focused on such region. For purposes of voting, franchisees with multiple territories within the geographic region designated by us under multiple franchise agreements shall be entitled to cast a vote for each territory operated under a franchise agreement. If a Regional Marketing program is established, you shall contribute up to two percent (2%) of Gross Sales to the Regional Marketing program. We have the right to determine the composition of all geographic territories and market areas for the implementation of Regional Marketing programs and to require that you participate in such Regional Marketing programs as and when established pursuant to this Section 9.B. The fees designated to the Regional Marketing programs may be used to pay regional, multi-regional or national marketing expenses, including administrative costs of us and/or our designees (including our affiliates) incurred in maintaining and administering the Regional Marketing programs. We and our designees also reserve all other rights with respect to the use of Regional Marketing fees, and the conduct of Regional Marketing programs, as those retained in Section 9.A above with respect to the Fund. We and our designees may at any time, upon thirty (30) days’ prior written notice to you, suspend a Regional Marketing program for one (1) or more periods of any length and terminate the Regional Marketing program.

9.C. LOCAL ~~MARKETING~~ ADVERTISING.

In addition to making the Fund contributions required pursuant to Section 4.D and, if applicable, Regional Marketing contributions pursuant to Section 9.B, you agree to spend, in each calendar year, in addition to Fund contributions and amounts spent for telephone directory listings, an amount equal to (i) five percent (5%) of Gross Sales in the previous calendar year or (ii) ~~Fourteen~~Eighteen Thousand Dollars (~~\$14,000~~18,000), whichever is greater, for marketing and promotion of your Business in the Territory (“**Local ~~Marketing~~ Advertising Expenditure**”); provided that, if you are obligated to make Regional Marketing contributions under Section 9.B, those contributions shall count towards fulfilling your Local ~~Marketing spending~~Advertising Expenditure requirements. If you operate your Business in multiple territories under multiple franchise agreements, you shall spend the ~~minimum amount required hereunder~~Local Advertising Expenditure in each territory. On or before March 1 of each year, you shall submit to us documentation, in the format designated or approved by us, of your Local ~~Marketing Advertising~~eExpenditures in the prior calendar year. If your Local ~~Marketing Advertising~~eExpenditures are less than the minimum amount specified herein for the prior calendar year, you shall pay us the amount of the shortfall and we will contribute such amount to the Fund.

You agree to submit for review and approval by us on or before November 1 of each year a marketing plan for the subsequent calendar year. You shall prepare the marketing plan in accordance with the format specified in the Operating Manual or otherwise by us in writing.

9.D. LOCAL EVENT MARKETING

You must participate in local event marketing in connection with the opening of your Business, such as sponsoring a parade, setting up a table or booth at a local pet shop or shelter, etc. You will be required to spend a minimum of \$500 on local event marketing. These local event marketing expenditures will not count towards your initial marketing campaign fee.

9.E. OUR APPROVAL OF MARKETING MATERIALS.

You shall not use any marketing or promotional materials that we have not approved. Through the Fund, we will furnish you with approved marketing plans and materials on the same terms and conditions as such plans and materials are furnished to other Pet Butler Businesses. Before you use any local marketing and promotional materials not prepared by or previously approved by us, you will submit samples of such materials to us for approval. If you do not receive our written approval within fifteen (15) days from the date we receive such materials, we shall be deemed to have disapproved such materials. You agree that your marketing, promotion, and advertising will be completely clear and factual and will conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

9.F. ONLINE PRESENCE.

(1) We will have the right, but not the obligation, to designate one or more web page(s) to describe you and/or your Business, with such web page(s) to be located within our website.

(2) Unless previously approved by us in writing, you must not establish or create any domain names, websites, email addresses, usernames, profiles, screen names, social network accounts, other online presence or presence on any electronic, virtual, or digital medium of any kind (“**Online Presence**”) that uses the Marks or is otherwise related to your Business. We will own the rights to each Online Presence. At our request, you agree to grant us access to each such Online Presence and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive administrative rights in such Online Presence.

(3) We also reserve the right to require you, at your expense, to list and advertise your Business with the online directories we periodically prescribe (such as Yelp[®] and Google[®]) or establish any other Online Presence we require, each in accordance with our System Standards.

(4) If we approve, in writing, the use of any Online Presence in the operation of your Business, or the posting of messages relating to your Business via any Online

Presence, you will do so only in accordance with our guidelines set forth in the Operating Manual or otherwise in writing. We reserve the right to require our prior approval of any message you compose for an Online Presence before you post such message or commentary.

10. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

10.A. INDEPENDENT CONTRACTORS.

You and we understand and agree that each of us is an independent business and that you and we are and will be independent contractors. This Agreement does not create a fiduciary relationship between you and us, and nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously to all persons (including customers, suppliers, public officials, and your employees) as your Business's owner, and indicate clearly that you operate your Business separately and independently from our business operations. You agree to place notices of independent ownership on all interior and exterior signage, forms, business cards, stationery, advertising, and other materials that we may require from time to time.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and designated third party vendors and suppliers that you may hire or engage to assist in the operation of your Business. You agree that any employee, agent or designated third party vendor or supplier that you hire or engage will be your employee, agent or designated third party vendor or supplier, and not our employee, agent or designated third party vendor or supplier. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Business in compliance with federal, state, and local employment laws.

10.B. NO LIABILITY FOR ACTS OF THE OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Business's operation or the business you conduct under this Agreement. In addition, we will not be obligated for any damages to your Business for any suppliers' delay and/or defective products or services.

10.C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied on you or your Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

10.D. INDEMNIFICATION BY YOU.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents and assignees (the “**Company Parties**”) against, and reimburse any one or more of the Company Parties for all claims, obligations, and damages directly or indirectly arising out of or relating to: (1) the operation of your Business, (2) the business you conduct, (3) your breach of this Agreement, ~~or~~ (4) any claim instituted by your employees, or by others that arise from your employment practices, or (5) the products and services offered and sold by your Business, including those claims, obligations, and damages alleged to be or found to have been caused by the Company Parties’ negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Company Parties’ intentional misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, “**claims**” include all obligations, damages, and costs that any Company Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’, 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 Company 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. A Company 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 Section 10.D. A Company Party’s failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that such Company Party may recover from you under this Section 10.D.

11. MARKS.

11.A. OWNERSHIP AND GOODWILL OF MARKS.

You acknowledge that we or our affiliates are the owner of the Marks licensed to you by this Agreement and the Franchise System, that your right to use the Marks and the Franchise System is derived solely from this Agreement and is limited to the conduct of your Business pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by us during the term of this Agreement. Any unauthorized use by you of the Marks or the Franchise System shall constitute an infringement of our intellectual property rights.

All usage of the Marks by you and any goodwill established thereby shall inure to our (or our affiliates’) exclusive benefit, and you acknowledge that this Agreement does not confer any goodwill or other interests in the Marks upon you.

All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols hereafter authorized for use by and licensed to you.

11.B. LIMITATIONS ON YOUR USE OF THE MARKS.

Your right to use the Marks is derived only from this Agreement. You may only use the Marks to operate your Business according to this Agreement and in accordance with System Standards. You have no right to sublicense or assign your right to use the Marks. You shall not use any Mark or variation thereof: (1) as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than the logo licensed to you hereunder); (2) in connection with the sale of any unauthorized product or service; (3) as part of or in connection with any Online Presence, except in accordance with our guidelines set forth in the Operating Manual or otherwise in writing and after obtaining our written approval; or (4) in any other manner not expressly authorized in writing by us. You agree to display the Marks prominently on or in connection with posters and displays, sales invoices, stationery, other forms and packaging materials designated by us, and in the manner prescribed by us, to give such notices of trade and service mark registrations and copyrights as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law.

11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS.

You shall immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim. We shall have sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation or Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in any such litigation or Patent and Trademark Office or other proceeding or to otherwise protect and maintain our (and our affiliates') interests in the Marks. We will reimburse you for your reasonable costs of taking any action that we have asked you to take.

11.D. DISCONTINUANCE OF USE OF MARKS.

We may at any time, in our sole discretion, require you to modify or discontinue using any Mark and/or use one or more additional or substitute Marks. You agree to replace the Marks for your Business with the modified, additional or substitute Marks we specify and comply with all other directions we give regarding the Marks for your Business within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

Our rights in this Section 11.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time

and for any reason in our sole discretion. You acknowledge both our right to take this action and your obligation to comply with our directions.

11.E. INDEMNIFICATION FOR USE OF THE MARKS.

We agree to reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of the proceeding, and complied with our directions in responding to it. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

12. RECORDS AND REPORTS.

You must maintain in a secure location in the Premises (or if you own more than one (1) Pet Butler Business, in a secure location at your principal place of business or such other location as we may approve) during the term of this Agreement, and must preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts from your Business (including sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers) in the form and manner we prescribe in the Operating Manual or otherwise in writing.

You shall comply, at your expense, with the following reporting obligations:

(1) You shall furnish to us each week, in the form prescribed by us, a report accurately reflecting weekly Gross Sales and Business Customer Information;

(2) You shall furnish to us, within fifteen (15) days after the end of each calendar month, a statement of profit or loss for your Business for the preceding calendar month and a balance sheet for your Business as of the end of the preceding calendar month. Monthly financial statements shall be in such form as we prescribe. Without waiving our right to terminate this Agreement pursuant to Section 16.A, if you fail or refuse on two (2) or more separate occasions within any twelve (12) consecutive month period to submit such financial statements, we shall have the right to require you to use, at your sole expense, an accounting and bookkeeping service designated by us (including us or our affiliates) to provide (i) such financial statements and/or (ii) training to you on preparation of such financial statements;

(3) You shall furnish to us, within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Business;

(4) You shall furnish to us, within forty-five (45) days after the end of each fiscal year of your Business, an annual statement of profit or loss for your Business and a balance sheet for your Business as of its fiscal year end. Annual financial statements shall be in such form as we prescribe. If requested by us, such annual financial statements shall be accompanied by an opinion of a certified public accountant or a firm of certified public

accountants selected by you and approved by us, which opinion may be qualified only to the extent reasonably acceptable to us; and

(5) You must timely submit to us, any other forms, reports, records, information and data as we may request.

You agree to sign and verify each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), independently access the Technology System and retrieve and retain all information relating to the operation of your Business.

13. INSPECTION AND AUDITS.

13.A. OUR RIGHT TO INSPECT YOUR BUSINESS.

To determine whether you are complying with this Agreement, we (or our designated agents) shall have the right at any time, and without prior notice to you, to (a) inspect and photograph your Business; (b) interview and photograph you and the employees and customers of your Business; (c) conduct, supervise or observe a physical inventory of the Premises; (d) review all records relating to third-party vendors; (e) inspect your Technology System, including hardware, software, security, configurations, connectivity, and data access; and (f) utilize mystery shoppers to evaluate the performance of the products and services performed by your Business. We also have the right to inspect the records prepared and maintained by you. You shall fully cooperate with our representatives or agents making any such inspection or conducting, supervising or observing any such inventory, or otherwise taking action authorized to be taken by us pursuant to this Section 13.A. You agree that we may periodically contact third-party vendors to obtain information regarding your account with such vendor and you hereby consent to the foregoing. You must reimburse all of our costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with re-inspections or follow-up visits that we conduct after any inspection identifies one or more failures of System Standards.

13.B. OUR RIGHT TO AUDIT.

We have the right at any time during business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, the financial records, business records, cash control devices, bookkeeping and accounting records, sales and income tax records and returns and other records of your Business and the books and records of any business entity that holds any portion of the franchise rights granted by this Agreement. You shall fully cooperate with our representatives and independent accountants to conduct any such inspection or audit.

If any such inspection or audit shall disclose an understatement of Gross Sales, you shall pay to us, within fifteen (15) days after receipt of the inspection or audit report, the royalty fee and any marketing contribution due on the amount of such understatement, plus interest (at the rate and on the terms provided in Section 4.F) from the date originally due until the date of payment. Further, if such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information, as required pursuant to this Agreement, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales for the period of

any audit (which shall not be for less than three (3) months) is determined by any such audit or inspection to be greater than five percent (5%), you shall reimburse us for the cost of such audit or inspection, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

14. TRANSFER OF INTEREST.

14.A. BY US.

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form of organization and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

14.B. BY YOU.

You acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the franchise in reliance on our perception of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) your Business (or any right to receive all or a portion of your Business's profits or losses or capital appreciation related to your Business); (iii) substantially all of the assets of your Business; (iv) any direct or indirect ownership interest in you (regardless of its size); or (v) any direct or indirect ownership interest in any of your owners (if such owners are legal entities). A transfer of your Business's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender, or loss of the possession, control, or management of your Business, or by operation of law.

Additionally, you may not pledge or encumber this Agreement, your Business or an ownership interest in you or your owners (to someone other than us) as security for any loan or other financing, unless (1) we grant our prior written consent and (2) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

14.C. RESALE PROGRAM

If you (or your owner(s)) shall at any time determine to sell an interest in your Business or an ownership interest in you or your owners, we may require you to participate in our program for the resale of Pet Butler Businesses, which may include using valuation services to value your Business (the “**Resale Program**”). If we require you to participate in the Resale Program, you will be required to pay a designated third-party vendor the fee for the valuation services set forth in the Operating Manual. Notwithstanding your required participation in the Resale Program, you (or your owner(s)) may use brokers in any sale of an interest in your Business or an ownership interest in you or your owners; provided, however, (a) we reserve the right to approve the broker or agent and the listing agreement and (b) you may not use any Mark in advertising any prospective transfer requiring our approval under Section 14 without our prior written consent. You further acknowledge and agree that, notwithstanding the foregoing, we shall have a right of first refusal to purchase any such interest pursuant to Section 14.G.

14.D. CONDITIONS FOR APPROVAL OF TRANSFER

Subject to the other provisions of this Section 14, if you and your owners are fully complying with this Agreement, we may approve a proposed transfer that meets all applicable requirements of this Section 14.D; provided, however, it will be in our sole and unfettered discretion whether to approve any such transfer. We will give your request reasonable consideration but may condition our consent on compliance with certain requirements, including the following (which you agree are reasonable):

- (1) you have paid all royalties, marketing contributions, and other amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;
- (2) you have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;
- (3) all your (and your owners’) obligations incurred in connection with this Agreement shall have been assumed by the transferee(s), including all payments to suppliers and customers;
- (4) the transferee(s) (or its managing owner), at the transferee(s)’ expense, shall have satisfactorily completed the training required of new franchisees, or such portion thereof as we deem necessary;
- (5) if applicable, your landlord allows you to transfer the lease or to sublease the Premises to the transferee;
- (6) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of an ownership interest in you or one of your owners), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which

may differ materially from any and all of those contained in this Agreement, including royalty and Fund contributions; provided, however, that if the total number of SFDUs within the Territory has increased to at least two times the then-current minimum territory size for new franchises then being offered by us, we may require the transferee(s) and transferee(s)' owners (if the transferee is an Entity) to sign multiple franchise agreements for the Territory so that the territory under each new franchise agreement does not exceed the maximum territory size for new franchises then being offered by us;

(7) you or the transferee(s) and transferee(s)' owners (if the transferee is an Entity) agree to renovate, refurbish, remodel, or replace, at your or transferee(s)' expense, the real and personal property and vehicles and Operating Equipment, including the then-current Technology System or service required by us, used in operating your Business within the timeframe we specify in order to comply with our then-current image, standards of operation, and performance capability;

(8) you shall have transferred to the transferee(s) all signs, sign-faces, catalogues, marketing materials, forms, invoices and any materials containing any Mark or otherwise identifying or relating to a Pet Butler Business; provided, however, all marketing materials, forms or invoices bearing our corporate or trade name shall be transferred to us or, at our option, destroyed;

(9) you shall have returned to us, or destroyed, at our option, any tangible copies of any portion of the Operating Manual that you may have in your possession;

(10) you or the transferee(s) shall pay us, on the effective date of the transfer, the legal fees, broker fees or other fees incurred by us in connection with the transfer and, in addition, a transfer fee (the "**Transfer Fee**") in an amount equal to two and one-half percent (2-1/2%) of Gross Sales of your Business for the twelve (12) months immediately preceding the effective date of the transfer; provided, however, that in no event shall the transfer fee be less than Seven Thousand Five Hundred Dollars (\$7,500) nor more than Seventeen Thousand Five Hundred Dollars (\$17,500). You or the transferee(s) shall only be required to pay one Transfer Fee in connection with a transfer even if we require the transferee to sign multiple franchise agreements pursuant to Section 14.D(6); provided that you transfer all of your rights hereunder and all of your Business to a transferee pursuant to a single transaction with a single transferee and not multiple transactions over a period of time or with multiple transferees. If you use a broker in connection with the proposed transfer, then we may charge you a sourcing fee (in addition to the Transfer Fee) up to \$30,000 for one Territory and an additional \$15,000 for each additional Territory. The payment of a Transfer Fee is not a prerequisite of:

(a) A transfer in accordance with Section 14.E (*Death or Disability*) or Section 14.F (*Transfer to a Legal Entity*); or

(b) Any transfer which, if consummated alone or together with any related previous, simultaneous, or proposed transfers would have the effect of transferring less than fifty percent (50%) of your interest in this Agreement and the rights granted hereunder, or less than fifty percent (50%) of the ownership interest in you;

(11) you (and your owners) sign a general release, in a form satisfactory to us, of any and all claims against us, our affiliates, and our and our affiliates' owners, officers, directors, employees, and agents;

(12) you provide us all information or documents we request about the proposed transfer, the transferee, and its owners;

(13) we have determined that the material terms and conditions of the proposed transfer, including the purchase price and payment terms, will not adversely affect the transferee's operation of your Business;

(14) all individuals and entities who will be direct or indirect owners must execute or have executed our then-current form of Guaranty and Assumption of Obligations;

(15) you and your transferring owners agree to terminate this Agreement in accordance with its terms, and comply with all applicable post-termination obligations, including by complying with the restrictive covenants found in Section 17.F;

(16) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Business are subordinate to the transferee's obligation to pay royalties, marketing contributions, and other amounts due to us, our affiliates, and third-party vendors related to the operation of your Business and otherwise to comply with this Agreement;

(17) the transferee shall have provided us with proof that it has obtained the then-current insurance coverage required by us;

(18) the transferee agrees to pay us a marketing fee (the "**Transfer Marketing Fee**") in an amount equal to the greater of: (a) five percent (5%) of Gross Sales of your Business during the twelve (12) full calendar months immediately preceding the effective date of the transfer; or (b) our then-current transfer marketing campaign fee (as described in Section 4.C). If the transferee is acquiring more than one franchise agreement, it must pay a Transfer Marketing Fee for each franchise agreement. We will use the Transfer Marketing Fee for marketing and promotional activities for the business being transferred. Unless otherwise agreed to by us, the Transfer Marketing Fee shall be payable in full on or before the date that the transferee closes on the purchase of the existing Pet Butler Business;

(19) the transferee(s) are, in our opinion, individuals of good moral character who have sufficient business experience, aptitude, and financial resources to own and operate your Business and meet our then-applicable standards for franchisees; and

(20) you shall transfer to us all copies, whether in written or electronic form, of the Business Customer Information.

We may review all information regarding your Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Business.

Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

14.E. DEATH OR DISABILITY.

(1) Upon the death or permanent disability of you (or the Managing Owner), the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, members, or partners, must appoint a new manager within a reasonable time, not to exceed thirty (30) days from the date of death or permanent disability. The appointed manager must attend and successfully complete our initial training program within one hundred twenty (120) days of the appointment. If your Business is not being managed by a manager approved by us within thirty (30) days after death or permanent disability, we are authorized, but not required, to immediately appoint a manager to maintain the operations of your Business on your behalf, in accordance with Section 16.C, until an approved assignee is able to assume the management and operation of your Business.

(2) Upon the death of you (or any owner), the executor, administrator, conservator or other personal representative of that person must transfer his interest to a person we approve within a reasonable time, not to exceed twelve (12) months from the date of death.

14.F. TRANSFER TO A LEGAL ENTITY.

Notwithstanding Sections 14.B and 14.D above, if you are in full compliance with this Agreement, you may transfer this Agreement to an Entity in which you maintain management control, and of which you own and control not less than fifty-one percent (51%) of the equity and voting power of all issued and outstanding ownership interests; provided, that (i) that Entity will own all of your Business's assets and operate your Business, and (ii) that Entity will conduct no business other than your Business and, if applicable, other Pet Butler Businesses. The Entity must expressly assume all of your obligations under this Agreement. You agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur and sign the form of consent to assignment and assignment satisfactory to us which may include a general release of any and all claims against us, our affiliates, and our and our affiliates' owners, officers, directors, employees and agents. You further agree to provide us with all organizational documents for the Entity that we require.

14.G. OUR RIGHT OF FIRST REFUSAL.

If you (or any of your owners) shall at any time determine to sell an interest in this Agreement, the franchise granted by this Agreement, your Business, some or all of the assets of

your Business (other than in the ordinary course of business), or an ownership interest in you, you (or your owner(s)) shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to us. We shall have the right, exercisable by written notice delivered to you or your selling owner(s) within thirty (30) days from the date of delivery of an exact copy of such offer to us, to purchase such interest in your Business or such ownership interest in you for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer and shall have not less than thirty (30) days to prepare for closing. Regardless of whether contemplated under the written offer, we shall be entitled to all customary representations and warranties given by the seller of a business, including representations and warranties as to: (1) ownership, condition and title to the ownership interests and/or assets being purchased; (2) liens and encumbrances relating to such ownership interests and/or assets; and (3) validity of contracts and liabilities, whether contingent or not, of any legal entity whose ownership interests are purchased. If we do not exercise our right of first refusal, you (or your owner(s)) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to our approval of the purchaser as provided in Sections 14.B through 14.D, provided that if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such offer to us, or there is a material change in the terms of the sale, we shall again have the right of first refusal herein provided.

15. EXPIRATION OF THIS AGREEMENT

15.A. YOUR CONDITIONAL RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE

Upon expiration of this Agreement, subject to the terms of Section 15.B, you may acquire a successor franchise to operate your Business as a Pet Butler Business for one additional term of ten (10) years, provided that the following conditions have been fulfilled by you and each of your owners:

- (1) you shall have substantially complied with all provisions of this Agreement;
- (2) you shall have given us written notice of your election to acquire a successor franchise (“**Your Notice**”) at least one year, but no more than eighteen (18) months, prior to the expiration of term of this Agreement;
- (3) you shall have permitted us or our representative to inspect the Operating Equipment, inventory, method of operation, and Premises of your Business in order to determine what, if any, modifications thereto may be necessary to bring your Business into compliance with the specifications and standards then applicable under new franchises for Pet Butler Businesses (“**Necessary Modifications**”);
- (4) you shall have made such Necessary Modifications within ninety (90) days of the receipt of Our Notice (as defined in Section 15.B below);
- (5) you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Pet Butler

Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement, within thirty (30) days after their delivery to you;

(6) you and your owners shall sign general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, directors, employees, agents, successors, and assigns, within thirty (30) days after their delivery to you; and

(7) you (or your Managing Owner) and any of your other employees or agents that we may require shall, at your sole expense, attend and complete to our satisfaction any renewal or refresher training programs designated by us in the Operating Manual or otherwise in writing.

The grant of a successor franchise shall be without payment of an initial or renewal franchise fee except that we shall have the right to charge you for services we render to you and expenses we incur (including reasonable attorneys' fees and charges for any renewal or refresher training programs) in conjunction with such grant of a successor franchise.

Notwithstanding anything to the contrary contained herein, in the event the total number of SFDUs within the Territory has increased to twice the then-current minimum territory size we are then offering, we may require you to sign multiple franchise agreements for the Territory so that the territory under each franchise agreement does not exceed the maximum territory for new franchises then being offered by us.

15.B. GRANT OF A SUCCESSOR FRANCHISE

We agree to give you written notice (“**Our Notice**”), not more than one hundred (120) days after we receive Your Notice of your election to renew, of our decision:

- (1) to grant you a successor franchise;
- (2) to grant you a successor franchise on the condition that you correct existing deficiencies in the operation of your Business;
- (3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term or were not in full compliance with this Agreement on the date you gave us Your Notice of your election to acquire a successor franchise; or
- (4) not to grant you a successor franchise because we are no longer granting franchises for Pet Butler Businesses anywhere in the state(s) in which the Territory is located.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. Your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice, which may include actions to cure any operating deficiencies and to complete the Necessary Modifications.

16. TERMINATION.

16.A. TERMINATION BY US.

We shall have the right to terminate this Agreement effective upon delivery of notice of termination to you, if you (or any of your owners):

- (1) have made or make any material misrepresentation or omission in acquiring the franchise rights under this Agreement or operating your Business;
- (2) abandon, surrender, or transfer control of the operation of your Business without our prior written approval;
- (3) make an unauthorized transfer of this Agreement, the franchise rights under this Agreement, your Business, or an ownership interest in you;
- (4) make an unauthorized use or disclosure of the Confidential Information or of any portion of the Operating Manual, or divert or attempt to divert any business or customer of your Business to any Competitive Business, by direct or indirect inducement;
- (5) fail to comply with your obligations under Section 6.C (*Business Customer Information*);
- (6) (i) fail to promptly pay your obligations to third-party vendors as they become due, or (ii) allow to occur any other default under a lease or finance agreement for the real or personal property involved in your Business;
- (7) become insolvent by reason of your inability to pay your debts as they become due or make an assignment for the benefit of creditors or an admission of your inability to pay your obligations as they become due;
- (8) submit to us on two (2) or more separate occasions at any time during the term of this Agreement a report or other data, information or supporting records which understates by more than five percent (5%) the royalty fees due for any period of, or periods aggregating, three (3) or more months, and you are unable to demonstrate that such understatements result from inadvertent error;
- (9) fail or refuse on two (2) or more separate occasions within any twelve (12) consecutive month period to submit or pay when due financial statements, reports or other data, information or supporting records, royalty fees, marketing contributions, amounts due for products and services purchased from us, or other suppliers, or other payments due to us or our affiliates, or otherwise fail or refuse on two (2) or more separate occasions within any twelve (12) consecutive month period to comply with any material provision of this Agreement, whether or not such failures or refusals are corrected after notice thereof is delivered to you;

(10) are convicted of or plead no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of your Business and the goodwill associated with the Marks;

(11) engage in any conduct which is injurious or prejudicial to the goodwill associated with the Marks or the Franchise System or which adversely affects our reputation or the reputation of any Pet Butler Business;

(12) fail to commence the operation of your Business on or before the mutually agreed upon date as indicated in Section 2.E;

(13) fail to complete the training program to our satisfaction;

(14) fail to maintain adequate insurance coverage as required by Section 8;

(15) commit a default under a lease or other agreement with us or our affiliate and fail to cure that default by the date specified in the applicable agreement;

(16) fail to pay us or any of our affiliates any amounts due and do not correct the failure within ten (10) days after written notice of that failure has been delivered;

(17) fail to provide service to customers in accordance with System Standards, including within the time period provided for in the Operating Manual;

(18) violate any health, safety, or sanitation law, ordinance, or regulation, or operate your Business in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have provided to cure such violation; or

(19) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

16.B. TERMINATION BY YOU.

You may terminate this Agreement if you are in full compliance with this Agreement and we materially fail to comply with this Agreement, and (i) we fail to correct the failure within thirty (30) days after you deliver written notice of the material failure to us, or (ii) if we cannot correct the failure within thirty (30) days, we fail to give you within thirty (30) days after your notice reasonable evidence of our effort to correct the failure within a reasonable time. Your termination under this Section will be effective an additional ten (10) days after you deliver to us a written notice of termination following our failure to correct the failure identified in your initial written notice to us. If you terminate this Agreement other than according to this Section 16.B, the termination will be deemed a termination without cause and a breach of this Agreement.

16.C. INTERIM OPERATIONS.

We (or a third party designated by us) have the right (but not the obligation), ~~under circumstances described below,~~ to enter the Premises and operate your Business on an interim basis for a reasonable period of time (i) if you abandon or fail to actively operate your Business, or (ii) pending a transfer pursuant to Section 14.E. All funds from your Business's operation while we (or a ~~third party~~third-party designee) operate it will be accounted for separately, and all expenses will be deducted from that amount including royalties, marketing contributions, and other amounts due under this Agreement ~~a reasonable management fee, plus.~~ As consideration of such interim operations, we will be compensated for our (or the third party's) out-of-pocket costs and expenses, ~~after we assume operation on an interim basis arising from such interim operations plus as follows: (i) a management fee in the amount of \$300 per day, or (ii) any and all Gross Sales that exceed the expenses of your Business during the period of interim operations, as we determine and calculate, whichever is greater.~~ If we (or a third party) operate your Business on an interim basis you acknowledge that we (or the third party) will have a duty to use only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations that your Business incurs, or to any of your creditors for any goods and/or services purchased for your Business while we (or the third party) operate on an interim basis.

~~We (or a third party) may operate your Business on an interim basis under the following circumstances: (a) if you abandon or fail to actively operate your Business; (b) if you fail to comply with any provision of this Agreement or the Franchise System standards and do not cure the failure within the time period we specify in our notice to you; or (c) pending a transfer pursuant to Section 14.E (Death or Disability).~~

If we elect to operate your Business on any interim basis, you must cooperate with us and our designees, continue to support the operations of your Business, and comply with all of our instructions and System Standards, including making available any and all books, records, and accounts. You understand and acknowledge that during any such interim period, you are still the owner of your Business, and you continue to bear sole liability for any and all accounts payable, obligations, and/or contracts. You understand that we are not required to use your employees, vendors, or accounts to operate your Business. You also agree that we may elect to cease such interim operations of your Business at any time with notice to you. Our decision to operate the Business on an interim basis will not affect our right to terminate this Agreement under Section 16.A. Your indemnification obligations set forth under Section 10.D will continue to apply during any period that we or our designee operate the Business on an interim basis.

17. OBLIGATIONS UPON TERMINATION OR EXPIRATION.

17.A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within thirty (30) days after the effective date of termination or expiration of this Agreement, or such later date that we determine, such royalty fees, marketing contributions, amounts owed for products purchased by you from us, interest due to us on any of the foregoing, and all other amounts owed to us or our affiliate which are then unpaid. You acknowledge and agree that we may continue to debit from the EDTA any amounts due to us or our affiliates. You further agree to return to customers (or to us if we have refunded the customers

or arranged for services to be provided to such customers), within thirty (30) days after the effective date of termination or expiration of this Agreement: (a) all amounts prepaid by such customers for services to be rendered after the effective date of the termination or expiration and (b) all amounts otherwise owed to such customers. You further agree to pay any approved third-party vendors any amounts owed for products or services purchased by you which are then unpaid after the effective date of termination or expiration of this Agreement pursuant to the terms of its agreement with the third-party vendor. We have the right to set off any amount you or your owners owe us or our affiliates against any amounts we or our affiliates owe you, your owners, or your affiliates.

17.B. MARKS.

After the termination or expiration of this Agreement, you and your owners will:

(1) not directly or indirectly at any time or in any manner identify yourself or any business as a current or former Pet Butler Business, or as a franchisee, licensee, or dealer of or as otherwise associated with us, or use any Mark, any colorable imitation thereof, or other indicia of a Pet Butler Business in any manner or for any purpose, or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us;

(2) return to us all signs, sign-faces, catalogues, marketing materials, forms, invoices, and any materials containing any Mark or otherwise identifying or relating to a Pet Butler Business, provided, however, all marketing materials, forms or invoices bearing our corporate or trade name shall be transferred to us or, at our option, destroyed;

(3) not access the Operating Manual (and you acknowledge that we will discontinue your online access to the Operating Manual) and return to us, or destroy, at our option, any tangible copies of any portion of the Operating Manual that you may have in your possession;

(4) take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(5) cease using and, at our direction, either disable or instruct the registrar of any Contact Identifiers or Online Presence to transfer exclusive control and access of such Contact Identifiers or Online Presence to us or our designee in accordance with our instructions;

(6) in the event we have approved or required the use of any Online Presence in the operation of your Business, immediately (i) cease using or operating any such Online Presence, and (ii) take any action as may be required to disable, and cancel all rights in and to, any accounts associated with such Online Presence, or transfer exclusive control and access of such Online Presence to us, as we determine in our sole discretion; and

(7) furnish to us within thirty (30) days after the effective date of termination or expiration evidence satisfactory to us of your compliance with the foregoing obligations.

If you fail to take any of the actions (or refrain from taking any of the actions) described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from the Premises or the Operating Equipment.

17.C. CONFIDENTIAL INFORMATION.

You agree that when this Agreement expires or is terminated you will immediately cease using any of our Confidential Information in any business and return to us all copies of the Operating Manual and any other Confidential Information that we have loaned you. You also agree to comply with all of our directions for returning or disposing of Personal Information, in any form, in your possession or the possession of any of your employees. We may require you to certify in writing that you have returned or securely disposed of all Personal Information.

17.D. BUSINESS CUSTOMER INFORMATION

If this Agreement is terminated pursuant to Section 16, you acknowledge and agree that you will immediately transfer the Business Customer Information to us, as we are the sole owner of the Business Customer Information.

17.E. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including all obligations relating to non-disparagement, non-competition, non-solicitation, confidentiality and indemnification.

17.F. POST-TERM COVENANT NOT TO COMPETE

You (and your owners) agree that for a period of two (2) years commencing upon the expiration or termination of this Agreement for any reason or the date on which you ~~cease for whatever reason to conduct your Business~~ (and your owners) begin to comply with the obligations under this Section 17.F, which may be the date a court order is entered enforcing this provision that, neither you, your owners, nor any member of your or your owners' immediate family will:

- (1) within the Territory, engage in, assist in the establishment of, be employed by, or otherwise perform services for, any Competitive Business;
- (2) divert or attempt to divert, or solicit, interfere, or attempt to interfere with, any business or customer (including residential or commercial) which (i) is a current customer of any Pet Butler Business located anywhere or (ii) was at any time within the twenty-four (24) months immediately preceding that date a customer of your Business located anywhere (within and outside the Territory), to any Competitive Business, by direct or indirect inducement (including offering or selling Business Customer Information to any

unauthorized person) or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill of the Marks or Franchise System; or

(3) purchase any products, equipment or services that we have approved for Pet Butler Businesses from our approved suppliers.

18. ENFORCEMENT.

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable. If, for any reason, any portion of this Agreement is held to be unenforceable by decision of any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, such portion shall be deemed not to be a part of this Agreement from the date the time for appeal from that decision expires, if you are a party to the proceeding, otherwise upon your receipt of a notice of non-enforcement thereof from us, provided however that we shall have the right, in our sole discretion, to modify such unenforceable provision in order to render it enforceable and you agree to be bound by any provisions so modified by us. The parties hereto agree that such a decision shall not impair the operation of, or have any unnecessary effect upon, other portions of this Agreement which shall continue to be given full force and effect.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision thereof, as though it were separately articulated in and made a part of this Agreement.

Modifications to this Agreement required pursuant to the laws or decisions of any particular jurisdiction shall be effective only in such jurisdiction, unless we elect to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

18.B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver.

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor, and such approval shall be obtained in writing.

We make no warranties or guaranties upon which you may rely, and assume no liability or obligation to you, by granting any waiver, approval or consent to you, or by reason of any neglect, delay or denial of any request therefor. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us, and may be revoked, in

our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term), by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of you or us to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, including any mandatory specification, standard or operating procedure; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Pet Butler Businesses; or the acceptance by us of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from: (1) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) acts or omissions of the other party; (5) fires, strikes, embargoes, war, or riot; or (6) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

18.C. SPECIFIC PERFORMANCE/INJUNCTIVE RELIEF.

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that, notwithstanding Section 18.G, we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

18.D. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

18.E. COSTS AND ATTORNEYS' FEES.

The prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorney's fees, incurred by the prevailing party in connection with such arbitration or litigation.

18.F. GOVERNING LAW.

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) AND YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

18.G. EXCLUSIVE JURISDICTION.

WE AND YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED AGREEMENT, OR THE RELATIONSHIP BETWEEN YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) AND US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) MUST BE COMMENCED EXCLUSIVELY IN THE STATE OR FEDERAL COURT THAT IS NEAREST TO OUR THEN-CURRENT CORPORATE HEADQUARTERS (CURRENTLY LOCATED IN PLAINFIELD, ILLINOIS), AND WE AND YOU IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OR VENUE IN THOSE COURTS.

18.H. VARIANCES.

You acknowledge that we have and may at different times, in our absolute and sole discretion, approve exceptions or changes from the uniform standards of the Franchise System,

which we deem desirable or necessary under particular circumstances. You understand that you have no right to object to or automatically obtain such variances, and that we must approve in advance and in writing any exception or change in advance. You understand that existing franchisees may operate under different forms of agreements and that the rights and obligations of existing franchisees may differ materially from this Agreement.

18.I. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.

EXCEPT FOR CLAIMS BROUGHT BY US WITH REGARD TO YOUR OBLIGATIONS TO MAKE PAYMENTS TO US AND TO INDEMNIFY US PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU SHALL BE BARRED UNLESS A JUDICIAL PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

18.J. WAIVER OF PUNITIVE DAMAGES; LIMITATION OF LIABILITY.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 10.D, AND EXCEPT FOR CLAIMS FOR TREBLE DAMAGES IN APPROPRIATE CASES UNDER THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. IN NO EVENT SHALL WE BE LIABLE TO YOU (OR YOUR OWNERS, AFFILIATES, SUCCESSORS, OR ASSIGNS) FOR ANY DAMAGES ARISING FROM: (1) ANY SERVICES WE RENDER PURSUANT TO THIS AGREEMENT (INCLUDING SERVICES RELATED TO TRAINING, THE PREPARATION OF MARKETING AND ADVERTISING

MATERIALS, OR THE OPERATION OF ANY SOFTWARE THAT WE PROVIDE) OR (2) ANY CYBER-ATTACK, COMPUTER VIRUSES, DATA HACKS, OR OTHER TYPES OF MALICIOUS CODE REGARDLESS OF WHETHER THE CLAIM FOR SUCH DAMAGES IS BASED IN CONTRACT, TORT, OR OTHER LEGAL THEORY.

18.K. WAIVER OF JURY TRIAL.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.

18.L. BINDING EFFECT.

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operating Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

18.M. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Operating Manual (which may be periodically modified, as provided in this Agreement) and the related documents, constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Business. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.

You agree that whenever this Agreement allows or requires us to take actions or make decisions, we may do so in our sole and unfettered discretion, even if you believe our action or decision is unreasonable, unless the Agreement expressly and specifically requires that we act reasonably or refrain from acting unreasonably in connection with the particular action or decision. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term “control” means

the power to direct or cause the direction of management and policies. The use of the term “including” in this Agreement, means in each case “including, without limitation”.

If two or more persons are at any time the owners of your Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record or beneficially) or voting rights in you (or a transferee of this Agreement and your Business or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement or your Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

The term “your Business” includes all of the assets of your Business you operate under this Agreement, including its revenue and the lease for the Premises.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees (which may include our affiliates), whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

19. NOTICES AND PAYMENTS.

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operating Manual shall be deemed ~~so~~ delivered at the time delivered by hand, one (1) business day after sending by reputable national overnight courier, or two (2) business days after placement in the U.S. Mail by registered or certified mail, return receipt requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. All written notices and reports permitted or required to be delivered by us to you by the provisions of this Agreement or of the Operating Manual may be delivered via email and shall be deemed so delivered on the date of completion of the transmission as shown on the electronic acknowledgement or other records of the applicable electronic delivery system.

All payments and reports required by this Agreement shall be directed to us at the address notified to you, or to such other persons and places as we may direct periodically. Any required payment or report not actually received by us during regular business hours on the date due and postmarked by postal authorities at least two (2) days prior thereto, shall be deemed delinquent.

20. BUSINESS JUDGMENT.

We retain the right to operate, develop and change the Franchise System and the products and services offered by Pet Butler Businesses in any manner that is not specifically prohibited in this Agreement. Whenever we have reserved the right in this Agreement to take or refrain from taking any action, or to prohibit you from taking or refraining from any action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information then readily available to us and on our judgment of what is in our best interests,

the best interests of our affiliates and/or the best interests of Pet Butler Businesses as a whole at the time the decision is made, regardless of whether we could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether our decision or action promotes our interests, those of our affiliates or any other person or entity.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC,
an Illinois limited liability company

FRANCHISEE

By: _____
Theodore T. Hofer, Chief Executive Officer

[Print Name of Franchisee]

DATED*: _____
(*Effective Date of this Agreement)

By: _____
[signature of person signing on behalf of Franchisee]

Title of Signatory: _____

DATED: _____

EXHIBIT A

**TO THE FRANCHISE AGREEMENT
BETWEEN
PET BUTLER, LLC
AND**

The “Territory” as defined in Section 1.E shall consist of the following census tracts, as established by the U.S. Census Bureau on the date of this Agreement: _____

Total number of SFDUs within the Territory is _____.

EXHIBIT B

**TO THE FRANCHISE AGREEMENT
BETWEEN
PET BUTLER, LLC
AND**

Effective Date: This Exhibit B is current and complete as of _____, 20____

FRANCHISEE and FRANCHISEE's Owners

1. **Form of Owner.**

(a) **Individual Proprietorship.** Your owner(s) (is) (are) as follows:

(b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. **Owners.** The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Description of Interest</u>
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Managing Owner.** ~~The Managing Owner is _____.~~

Name: _____

(signature page follows)

PET BUTLER, LLC,
an Illinois limited liability company

FRANCHISEE

By: _____
Theodore T. Hofer, Chief Executive Officer

[Print Name of Franchisee]

DATED: _____

By: _____
[signature of person signing on behalf of Franchisee]

Title of Signatory: _____

DATED: _____

EXHIBIT C

PET BUTLER FRANCHISE AGREEMENT

ELECTRONIC DEPOSITORY TRANSFER ACCOUNT

I, _____, a duly authorized signatory and representative of _____ (“**Franchisee**”), hereby authorize Pet Butler, LLC or its affiliate (“**Pet Butler**”), to deduct electronically from the account indicated below (the “**Account**”) the royalty fees and marketing fund contributions, and any other amounts due from Franchisee to Pet Butler or its affiliate (collectively, the “**Payments**”).

This authorization shall continue in effect until that certain Franchise Agreement dated _____ between Pet Butler and Franchisee, or any subsequent Franchise Agreement between Pet Butler and Franchisee, is terminated. Notwithstanding the foregoing, if (i) there is a termination or expiration of the Franchise Agreement and (ii) amounts are owed to Pet Butler by Franchisee, including, without limitation, royalty fees, marketing fund contributions, amounts owed for products purchased by Franchisee from Pet Butler, or interest due Pet Butler on any of the foregoing, then this authorization shall continue in full force and effect until the bank identified below (the “**Bank**”) has received joint written notification of revocation from Franchisee and Pet Butler.

Unless otherwise advised in writing by Pet Butler, all amounts owed to Pet Butler, including, without limitation, royalty fees and marketing fund contributions, note payments, or lease payments will be electronically transferred from the Account on the dates specified in the Pet Butler Operating Manual or otherwise by Pet Butler in writing periodically.

In addition, Franchisee authorizes and requests the Bank to accept Pet Butler’s requests for Payments and to deduct such Payments from the Account.

Bank Name: _____

City, State, Zip: _____

Transit/ABA #: _____ Account #: _____

Name on Account: _____

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

**TO THE FRANCHISE AGREEMENT
BETWEEN
PET BUTLER, LLC
AND**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated, or supplemented from time to time, the “**Agreement**”) on this date by **PET BUTLER, LLC** (“**us,**” “**we,**” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and dispute resolution requirements.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may periodically grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each Guarantor waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) at our request, each Guarantor shall present

updated financial information to us as reasonably necessary to demonstrate such Guarantor's ability to satisfy the financial obligations of Franchisee under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of Guarantor's undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

The provisions contained in Section 18 (Enforcement) of the Agreement, including Section 18.E (Costs and Attorneys' Fees), Section 18.F (Governing Law) and Section 18.G (Exclusive Jurisdiction) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries, for so long as such delinquency exists, subject to applicable law.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the undersigned has affixed his, her, or its signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____ Ownership Percentage in Franchisee: _____%	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____ Ownership Percentage in Franchisee: _____%	Name: _____ Sign: _____ Address: _____ _____ _____

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1.4.2 2. Professional Communication.....	1 page
1.4.2.1 2.1 Professional Written Communication.....	1 page
1.4.2.1.1 2.1.1 Letterhead.....	2 pages
1.4.2.1.2 2.1.2 Setting up your Email.....	2 pages
1.4.2.2 2.2 Professional Verbal Communication.....	1 page
1.4.2.3 2.3 Setting up your voicemail.....	2 pages
1.4.2.4 2.4 Active Listening.....	1 page
1.4.3 3. Surveys and Testimonials.....	1 page

1.4.3.1 3.1 Handling Customer Surveys	2 pages
1.4.3.2 3.2 Handling Customer Testimonials	2 pages
1.4.3.3 3.3 Loyalty and Retention Campaigns	1 page
1.4.4 4. Handling Service Calls	2 pages
1.4.5 5. Staying Current Education	2 pages
1.5 Control Expenses (WIP)	1 page
1.5.1 1. Material Planning and Usage	1 page
1.5.2 2. Pricing Strategies	1 page
1.5.3 3. Pricing Pet Butler Services	1 page
1.5.4 4. Production Labor Planning	1 page
1.5.5 5. Royalty and Ad Fund Credit for Bad Debts	1 page
1.5.6 6. Business Planning	1 page
1.5.7 7. Monthly Financials	2 pages
1.5.8 8. Strategic Planning	1 page
1.6 Video Library	1 page
1.6.1 Video #1 - Logging In	1 page
1.6.2 Video #2 - Navigating the PBKB	1 page
1.7 Technology	2 pages
1.7.1 ARF	1 page
1.7.2 General Technology	1 page
1.7.2.1 Pet Butler Infrastructure Review	1 page
1.7.2.1.1 Infrastructure Supporting Documentation	2 pages
1.7.2.1.2 Power Point	2 pages
1.7.2.1.3 Videos	1 page
1.7.3 Pet Butler Customer Web	1 page
1.7.4 PoopNET	1 page
1.7.5 Development Request Backlog	7 pages
1.7.5.1 ARF Security Matrix by User Type	5 pages
1.7.5.2 Completed Backlog	1 page
1.7.6 Power Point Presentation	2 pages
1.7.7 Petbutler.net Email Platform	1 page
1.7.7.1 Access Your Inbox via Webmail	4 pages
1.7.7.2 Android Configuration	6 pages
1.7.7.3 iPhone Configuration	4 pages
1.7.7.4 Outlook 2010 Configuration	4 pages
1.7.7.5 Outlook 2016 Email Configuration	5 pages
1.8 Administration (WIP)	2 pages
1.8.1 1. Working with the Pet Butler Support Center	2 pages
1.8.1.1 1.1 Introduction - PB Support Center	1 page
1.8.1.2 1.2 Production Standards	1 page
1.8.1.3 1.3 Technology Requirements	1 page
1.8.1.4 1.4 Credit Card Processing	1 page
1.8.1.5 1.5 Technical Support	1 page
1.8.1.6 1.10 Back Up Service	1 page
1.8.1.7 1.11 Technology Fee	2 pages
1.8.1.8 1.12 Use of Pet Butler Marks	1 page
1.8.1.9 1.13 Public Disclosure of Business Ownership	1 page
1.8.1.10 1.14 Lawn Measurements	1 page
1.8.1.11 1.15 Developing Your Marketing Plan	1 page
1.8.1.12 1.16 Insurance Requirements	1 page
1.8.1.13 1.17 Regular Reporting Requirements	1 page
1.8.1.14 1.18 Payments to the Pet Butler Support Center	2 pages
1.8.1.15 1.19 Authorized Product and Service Requirements	1 page
1.8.1.16 1.20 Authorization to Provide Unauthorized Services	1 page
1.8.1.17 1.21 Access to the Pet Butler Support Center and Support Staff	1 page
1.8.1.18 1.22 National Training Conferences and Peer Group Meetings	1 page
1.8.1.19 1.23 Pet Butler University (PBU)	2 pages
1.8.1.20 1.24 The Pet Butler Ad Fund	1 page
1.8.1.21 1.25 Regional Advertising Program	1 page
1.8.1.22 1.26 National Advisory Council	1 page
1.8.1.23 1.27 Intranet	2 pages
1.8.1.24 1.28 The Pet Butler Web Site	1 page
1.8.1.25 1.29 Selling Your Pet Butler Franchise	1 page
1.8.1.25.1 1.29.1 Resale Process	3 pages
1.8.1.26 1.30 Expanding Your Pet Butler Franchise	1 page
1.8.1.26.1 1.30.1 Franchise Expansion Process Consolidated	2 pages
1.8.1.27 1.31 Renewing your Pet Butler Franchise	1 page
1.8.1.27.1 1.31.1 Steps for Renewing Your Pet Butler Franchise Agreement	2 pages
1.8.1.28 1.32 Operations Restrictions for Franchise Requests	1 page
1.8.2 2. Financial Management and Operations	2 pages
1.8.2.1 2.1 Good Financial Management Practices	1 page
1.8.2.2 2.2 Business Entities	3 pages
1.8.2.3 2.3 Financial Planning	2 pages

1.8.2.4 2.4 Accounting.....	3 pages
1.8.2.5 2.5 Asset Management.....	1 page
1.8.2.6 2.6 Financing the Operation.....	2 pages
1.8.2.7 2.7 Banking.....	1 page
1.8.2.8 2.8 Taxes and Governmental Record Keeping.....	1 page
1.8.3 3. Purchasing.....	2 pages
1.8.3.1 3.1 Purchasing Introduction.....	1 page
1.8.3.2 3.2 Purchasing Programs.....	1 page
1.8.3.3 3.3 The Pet-Butler Support Center as a Supplier.....	1 page
1.8.3.4 3.4 Authorized Suppliers.....	1 page
1.8.3.5 3.5 Working with Other Pet Butler Franchisees.....	1 page
1.8.3.6 3.6 Cooperation Involving Commercial Customers.....	2 pages
1.8.3.7 3.7 Cooperation Involving Residential Customers.....	1 page
1.8.4 4. Guide to Acquisition of Local Competitors.....	1 page
1.8.4.1 4.1 Overview.....	2 pages
1.8.4.2 4.2 The Opportunity.....	1 page
1.8.4.3 4.3 How to Locate Possible Acquisitions.....	2 pages
1.8.4.4 4.4 Contacting the Acquisition Candidates.....	2 pages
1.8.4.5 4.5 Introduction and Exchange of Information.....	1 page
1.8.4.6 4.6 Analyzing & Valuing the Prospective Candidate.....	1 page
1.8.4.7 4.7 Making an Offer and Negotiating a Deal.....	3 pages
1.8.4.8 4.8 Closing a Deal.....	1 page
1.8.4.9 4.9 Sample Asset Purchase Agreement.....	8 pages
1.8.5 5. Human Resources.....	1 page
1.8.5.1 5.1 Introduction.....	1 page
1.8.5.2 5.2 Fundamental Labor and Employment Laws.....	3 pages
1.8.5.3 5.3 Employment Policies and Procedures.....	2 pages
1.8.5.4 5.4 Interviewing & Selection.....	3 pages
1.8.5.5 5.5 Compensation Considerations.....	3 pages
1.8.5.6 5.6 Employee Benefits.....	2 pages
1.8.5.7 5.7 Personnel Files and Records.....	2 pages
1.8.5.8 5.8 Managing Payroll.....	2 pages
1.8.5.9 5.9 Payroll Taxes and Withholding.....	2 pages
1.8.5.10 5.10 Performance Feedback.....	2 pages
1.8.5.11 5.11 Workers Compensation.....	4 pages
1.8.5.12 5.12 Discipline and Termination.....	1 page
1.8.6 6. Resources.....	1 page
1.8.6.1 Accounting Checklist for Accountant.....	1 page
1.8.6.2 Internet Advertising and Social Media Policy.....	2 pages
1.8.6.3 Key Business Drivers.....	1 pages
1.8.6.4 Sample Balance Sheet.....	2 pages
1.8.6.5 Sample Income Statement.....	2 pages
1.8.6.6 Terms of Use for the Pet Butler Corp. Intranet.....	5 pages
1.9 HR & Safety (WIP).....	5 pages
1.10 Credit Cards Declined Recently Report Import copy.....	1 page

EXHIBIT D
LIST OF FRANCHISEES
AS OF DECEMBER 31, ~~2023~~2024

PET BUTLER, LLC
LIST OF FRANCHISEES
AS OF DECEMBER 31, ~~2023~~2024

ALABAMA

Scott Cockrell
29931 Pebble Court
Harvest, AL 35749
(256) 337-0002
Operates 2 Territories

[Tamara Vennen](#)
[3124 S. Parker Rd](#)
[Ste A2 Box 211](#)
[Aurora, Colorado 80014](#)
[720-381-6402](#)
[Operates 1 Territory](#)

ARIZONA

Cesar Jimenez
2425 N. 27th Street
Phoenix, AZ 85082
(602) 363-7934
Operates 4 Territories

FLORIDA

Bill Ewing
98 SW 12th Way
Boca Raton, FL 33486
(561) 314-9678
Operates 1 Territory

CALIFORNIA

Jason Varas de Valdes
4990 Brittany Drive
Fairfield, CA 94534
(925) 816-0267
Operates 3 Territories

Rusty Lenox
7060 70th Street N.
Pinellas Park, FL 33781
(727) 460-7073
Operates 4 Territories

Richard Raymond
21215 Tennyson Rd.
Moreno Valley, CA 92557
(951) 544-6689
Operates 3 Territories

Mary Lester
3123 Rackley Drive
Tallahassee, FL 32305
(850) 405-3198
Operates 1 Territory

COLORADO

Jordan Dalton
P.O. Box 1126
Longmont, CO 80504
(575) 937-4214
Operates 1 Territory

GEORGIA

Rebecca Stewart
P.O. Box 871342
Stone Mountain, GA 30087
(770) 617-0528
Operates 1 Territory

Courtney Elliott
The Atlanta Scoop, LLC
693 Mozley Drive SE
Smyrna, GA 30080
(678) 224-1559
Operates 1 Territory

INDIANA

Tracy Barker
12563 Majestic Way
Fishers, IN 46037
(317) 774-1084
Operates 1 Territory

IOWA

Patrick Lanigan
10028 Valdez Drive
Urbandale, IA 50322
(515) 402-5139
Operates 1 Territory

KANSAS

Andy Wiltz
6465 E. Frontage Road
Merriam, KS 66202
913-735-9798
Operates 5 Territories
(a portion of the Territory is in Missouri)

KENTUCKY

Pat Kelly
920 Albany Circle
Lexington, KY 40502
(859) 983-5021
Operates 1 Territory

~~Robert Moore and Ally Moore
P.O. Box 31026
Clarksville, TN 37040
(317) 525-5566
Operates 1 Territory~~

LOUISIANA

Gary Smothers
1017 Seville Avenue House B
Baker, LA 70714
(225) 220-7002
Operates 2 Territories

MARYLAND

Coby Hough
P.O. Box 10818
Silver Spring, MD 20914
(301) 439-4510
Operates 5 Territories

MICHIGAN

[Michelle & Jeff Wilcox](#)
[13414 Nelson Rd](#)
[Bath, MI 48808](#)
[517-481-3661](#)
[Operates 1 Territory](#)

Stephen Shamou
15399 Merriman Road
Livonia, MI 48154
(734) 904-9927
Operates 2 Territories

[Tamara Porteous](#)
[6757 Cascade Rd SE #80](#)
[Grand Rapids, MI 49546](#)
[269-258-8450](#)
[Operates 1 Territory](#)

Nick Graziano
9725 Main Street, STE 560
Whitmore Lake, MI 48189
(248) 935-3676
Operates 1 Territory

MINNESOTA

Kelly Amundson
41396 County 4 Blvd
Zumbrota, MN 55992
(651) 380-6202
Operates 2 Territories

NEW HAMPSHIRE

Jennifer Folsom
443 Pendleton Lane
Londonderry, NH 03053
(603) 709-4000
Operates 1 Territory

NEW YORK

Gergeann Caperna and Marie Colantuoni
628 Route 303
Blauvelt, NY 10913
(845) 613-7679
Operates 1 Territory
(a portion of the Territory is in New Jersey)

NORTH CAROLINA

Michael Kidd
M&M Scoopers, Inc.
11225 Penny Road
Cary, NC 27518
(919) 819-9327
Operates 2 Territory

PENNSYLVANIA

RoseMarie Richardson
100 Ridge Road #4
Chadds Ford, PA 19314
(610) 937-8823
Operates 1 Territory

OHIO

Todd Figgins
3778 Southview Avenue
Beavercreek, OH 45432
613-878-3994
Operates 5 Territories

OREGON

Tom Arndt¹
3180 NW Division Street, #102
Gresham, OR 97030¹
(503) 661-7667
Operates 4 Territories in OR
Operates 1 Territory in WA

RHODE ISLAND

John Andrade
485 Providence Street
Warwick, RI 02886
(401) 644-6596
Operates 2 Territories

TENNESSEE

Susan Curtis
209 Dandridge Drive
Franklin, TN 37067
(615) 496-4279
Operates 2 Territories

[Robert Moore and Ally Moore](#)
[P.O. Box 31026](#)
[Clarksville, TN 37040](#)
[\(317\) 525-5566](#)
[Operates 1 Territory](#)

TEXAS

Bill Ahring
17150 Betty
Canyon, TX 79105
(806) 220-6727
Operate 1 Territory

Don Stone
2148 Royal Lane, Suite 101
Dallas, TX 75229
(817) 991-1874
Operates 14 Territories

¹ [Franchisee is deceased and his estate is currently operating his franchised business.](#)

Eric Hoffpauir
8322 Timberwilde Street
San Antonio, TX 78250
(830) 496-0305
Operates 5 Territories

VIRGINIA

Andrew Alexander
6 Hartwood Church Rd
Hartwood, VA 22471
571-345-8478
Operates 1 Territory

WASHINGTON

~~Jerrold Sessler~~ Steven Chmiewelski
~~611 SW 152nd~~ 3828 A Street
~~Seattle~~ Tacoma, WA ~~98166~~ 98418
~~(206) 763-6800~~
206-480-9667

Operates ~~7~~ 2 Territories

Yohann & Maria Connell
17701 108th Ave SE
Suite 438
Renton, WA 98055
206-699-9581
Operates 2 Territories

Ryan Leland
15302 85th Avenue NE
Kenmore, WA 98028
425-650-8440
Operates 3 Territories

WISCONSIN

Aimee Braatz
4651 River Road
Oconomowoc, WI 53066
(262) 443-8017
Operates ~~1~~ 2 Territories

PET BUTLER, LLC
LIST OF SIGNED BUT NOT OPENED FRANCHISES
AS OF DECEMBER 31, ~~2023~~2024

MICHIGAN¹None.

~~Tamara Porteus
GR Pet Services, LLC
6783 Cascade Road SE
Grand Rapids, MI 49546
(616) 821-2092
Operates 1 Territory
Michelle Wilcox and Jefferson Wilcox
Tri County Scoopers, LLC
P.O. Box 262
Bath, MI 48808
(517) 898-4098
Operates 1 Territory
Note 1: These Franchisees have since opened their outlets in 2024.~~

EXHIBIT E
FRANCHISEES WHO HAVE LEFT THE SYSTEM
DURING THE PERIOD JANUARY 1, ~~2023~~2024 TO DECEMBER 31, ~~2023~~2024

**FRANCHISEES WHO HAVE LEFT SYSTEM
FOR THE PERIOD JANUARY 1, ~~2023~~2024 THROUGH DECEMBER 31,
~~2023~~2024
(OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF
THE ISSUANCE DATE OF THE FRANCHISE DISCLOSURE DOCUMENT)**

Name	City	State	Phone Number	Reason
Robert Dailey	Gilbert	AZ	(480) 600-6139	Termination
Jennifer Acunto	Firestone	CO	(303) 552-4505	Termination
Mark	Saline <u>Seattle</u>	MI <u>Washington</u>	(734)	Transfer
Sehlieher <u>Jerrold</u>			316-2725 <u>206-76</u>	
Sessler			3-6800	

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

EXHIBIT F
FINANCIAL STATEMENTS



**CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS**

Financial Statements and
Independent Auditor's Report

Spring-Green Lawn Care Corp.

**As of and for the Years Ended
December 31, 2024, 2023 and 2022**

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Spring-Green Lawn Care Corp.
Plainfield, Illinois

Opinion

We have audited the accompanying financial statements of Spring-Green Lawn Care Corp. (a Delaware S-corporation), which comprise the balance sheets as of December 31, 2024, 2023, and 2022 and the related statements of earnings, changes in shareholder's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spring-Green Lawn Care Corp. as of December 31, 2024, 2023, and 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spring-Green Lawn Care Corp. 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 Spring-Green Lawn Care Corp.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spring-Green Lawn Care Corp.'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 Spring-Green Lawn Care Corp.'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.

DHJJ LTD.

Naperville, Illinois
March 19, 2025



Spring-Green Lawn Care Corp.

BALANCE SHEETS

December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 2,142,801	\$ 2,028,185	\$ 1,979,333
Receivables, net	148,761	216,092	214,092
Notes receivable, current portion	88,291	119,213	131,196
Leases receivable, current portion	20,855	25,854	41,079
Inventories	71,418	99,741	87,061
Prepaid expenses	18,844	56,465	1,252
Due from related parties	400,000	308,869	459,115
Total current assets	<u>2,890,970</u>	<u>2,854,419</u>	<u>2,913,128</u>
PROPERTY AND EQUIPMENT			
Vehicles and equipment	88,318	88,318	30,479
Furniture, fixtures, and office equipment	1,107,451	1,107,451	1,107,451
Leasehold improvements	<u>172,119</u>	<u>172,119</u>	<u>172,119</u>
	1,367,888	1,367,888	1,310,049
Accumulated depreciation and amortization	<u>(1,318,006)</u>	<u>(1,305,174)</u>	<u>(1,278,594)</u>
	49,882	62,714	31,455
OTHER ASSETS			
Notes receivable, net of current portion and allowance	94,054	7,993	169,221
Leases receivable, net of current portion and allowance	<u>16,297</u>	<u>16,396</u>	<u>48,297</u>
	<u>110,351</u>	<u>24,389</u>	<u>217,518</u>
	<u>\$ 3,051,203</u>	<u>\$ 2,941,522</u>	<u>\$ 3,162,101</u>

See accompanying notes.

BALANCE SHEETS

December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 2,547	\$ 559	\$ 3,712
Accrued liabilities	216,606	315,448	231,565
Franchisee deposits	2,435	3,079	1,011
Total current liabilities	<u>221,588</u>	<u>319,086</u>	<u>236,288</u>
COMMITMENTS AND CONTINGENCIES	-	-	-
SHAREHOLDER'S EQUITY			
Common stock	458	458	458
Retained earnings	<u>2,829,157</u>	<u>2,621,978</u>	<u>2,925,355</u>
	<u>2,829,615</u>	<u>2,622,436</u>	<u>2,925,813</u>
	<u>\$ 3,051,203</u>	<u>\$ 2,941,522</u>	<u>\$ 3,162,101</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

STATEMENTS OF EARNINGS

Years ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
REVENUES, net	\$ 8,333,484	\$ 7,965,699	\$ 7,627,628
COST OF SALES	<u>182,329</u>	<u>281,051</u>	<u>465,425</u>
Gross profit	8,151,155	7,684,648	7,162,203
OPERATING EXPENSES	<u>6,978,773</u>	<u>6,640,628</u>	<u>6,359,126</u>
Operating income	1,172,382	1,044,020	803,077
OTHER INCOME			
Gain on sale of assets	-	6,341	-
Interest and finance charges earned	<u>34,797</u>	<u>46,262</u>	<u>44,999</u>
	<u>34,797</u>	<u>52,603</u>	<u>44,999</u>
NET EARNINGS	<u>\$ 1,207,179</u>	<u>\$ 1,096,623</u>	<u>\$ 848,076</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

Years ended December 31, 2024, 2023 and 2022

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
BALANCE, December 31, 2021	\$ 458	\$ 2,727,279	\$ 2,727,737
Net earnings	-	848,076	848,076
Distributions	<u>-</u>	<u>(650,000)</u>	<u>(650,000)</u>
BALANCE, December 31, 2022	\$ 458	\$ 2,925,355	\$ 2,925,813
Net earnings	-	1,096,623	1,096,623
Distributions	<u>-</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>
BALANCE, December 31, 2023	\$ 458	\$ 2,621,978	\$ 2,622,436
Net earnings	-	1,207,179	1,207,179
Distributions	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
BALANCE, December 31, 2024	<u>\$ 458</u>	<u>\$ 2,829,157</u>	<u>\$ 2,829,615</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 1,207,179	\$ 1,096,623	\$ 848,076
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	12,832	31,466	49,766
Allowance for marketing stimulus	15,000		
Write off of notes and lease receivable	-	22,445	-
(Gain) on sale of assets	-	(6,341)	-
(Increase) decrease in:			
Receivables	67,331	(2,000)	45,246
Inventories	28,323	(12,680)	8,723
Prepaid expenses	37,621	(55,213)	18,248
Due from related parties	(91,131)	150,246	(256,096)
Increase (decrease) in:			
Accounts payable	1,988	(3,153)	3,091
Accrued liabilities	(98,842)	83,883	(6,754)
Franchisee deposits	(644)	2,068	(42,461)
Net cash provided by operating activities	<u>1,179,657</u>	<u>1,307,344</u>	<u>667,839</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of inventory for leasing	-	-	(42,622)
Issuance of notes receivable	(154,104)	(12,361)	-
Repayments on notes receivable	83,965	172,127	67,505
Issuance of leases receivable	(20,754)	-	-
Repayments on leases receivable	25,852	38,126	84,789
Acquisitions of property and equipment	-	(56,384)	-
Net cash provided (used) by investing activities	<u>(65,041)</u>	<u>141,508</u>	<u>109,672</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions	<u>(1,000,000)</u>	<u>(1,400,000)</u>	<u>(650,000)</u>
Net cash used by financing activities	<u>(1,000,000)</u>	<u>(1,400,000)</u>	<u>(650,000)</u>
NET INCREASE IN CASH	114,616	48,852	127,511
Cash, beginning of year	<u>2,028,185</u>	<u>1,979,333</u>	<u>1,851,822</u>
Cash, end of year	<u>\$ 2,142,801</u>	<u>\$ 2,028,185</u>	<u>\$ 1,979,333</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

STATEMENTS OF CASH FLOWS--continued

Years ended December 31, 2024, 2023 and 2022

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Schedule of cash paid for:

Interest	\$	-	\$	-	\$	-
Taxes	\$	-	\$	-	\$	-

Schedule of noncash investing activities:

Notes receivable exchanged for franchisee marketing deposits	\$	-	\$	-	\$	55,200
Notes receivable written off		-		22,445		-
Increase in allowance for marketing stimulus		15,000		-		-
Issuance of leases receivable for inventory		-		-		42,622

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business Activities

Spring-Green Lawn Care Corp. ("Spring-Green"), a wholly owned subsidiary of Spring-Green Enterprises, Inc. ("Enterprises") was incorporated in the state of Delaware on January 31, 1977, for the purpose of selling lawn care franchises in the United States. In total, there were 156 franchised territories for the year ended December 31, 2024, 148 franchised territories for the year ended December 31, 2023 and 152 franchised territories for the year ended December 31, 2022.

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Use of Estimates

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

Fair Value of Financial Instruments

The carrying value of Spring-Green's cash, receivables, and accounts payable approximate fair value due to the short-term nature or liquidity of these items, the fact that these amounts resulted from recent transactions between willing buyers and willing sellers, and their close proximity to maturity.

Cash

Spring-Green classifies all bank deposits and petty cash as cash.

Receivables

Accounts receivable are uncollateralized franchisee obligations due under normal trade terms requiring payment within 30 days from the invoice date. Unpaid accounts receivable with invoice dates over 30 days bear interest at 1.5% per month. Accounts receivables are stated at the amount billed to the franchisee plus any accrued and unpaid interest. Account balances with invoices dated over 90 days old are considered delinquent.

Notes and leases receivable are stated at principal plus accrued interest. A note receivable is considered delinquent when the debtor has missed two or more payments. A lease receivable is considered delinquent when the lessee fails to make a lease payment on or before the due date. Payments received after the due date on the notes and leases receivable bear interest at 1.5% per month.

Payments of accounts receivable are allocated to the specific invoices identified on the franchisee's remittance advice or, if unspecified, are applied to the most recent unpaid invoices. Payments of notes or leases receivable are allocated first to the current accrued and unpaid interest with any excess payment as applicable applied to the outstanding principal balance.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Receivables-continued

The carrying amounts of accounts, notes and leases receivable are reduced by valuation allowances that reflect management's best estimate of the amounts that will not be collected. Management individually reviews all accounts, notes and leases receivable that exceed 90 days from the invoice date or installment due date, as applicable. Based upon the current creditworthiness, management estimates the portion, if any, that will not be collected, which is then charged to the valuation account.

Inventories

Inventories, consisting of equipment, parts and supplies, are stated at the lower cost and net realizable value; cost is determined using the first-in, first-out method.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is provided using the straight-line method using estimated useful lives of 3 years to 7 years. Amortization of leasehold improvements is provided over the lesser of the estimated useful life or the remaining lease term, including extensions. Depreciation and amortization expense for the years ended December 31, 2024, 2023 and 2022 was \$12,832, \$31,466 and \$49,766, respectively.

Impairment of Long-Lived Assets

Spring-Green reviews long-lived assets, consisting of property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable, but not less frequently than annually. An impairment loss would be recognized when the fair value is less than the carrying amount of that asset. The impairment loss would be measured and recorded by the amount in which the carrying amount exceeds its fair value. There were no impairment losses for the years ended December 31, 2024, 2023 and 2022.

Leases

The Company determines if an arrangement is a lease or contains a lease at the inception of the contract. Operating lease right-of-use ("ROU") assets and lease liabilities are initially measured as the present value of future lease payments over the lease term as determined at each lease's commencement date. Operating lease expense is recognized on a straight-line basis over the term of each lease. Operating lease ROU assets include all fixed contractual lease payments and initial direct costs incurred by the Company, less any lease incentives received from the lessor.

Franchise Deposits

Franchisee deposits represent pre-payments received by Spring-Green for advertising activities and sale of equipment and supplies.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Revenue Recognition

Spring-Green's revenues consist of fees from initial sales and renewals of franchise rights, royalties based on a percent of sales in accordance with the provisions of the Franchise Disclosure Document, and sales of equipment, parts and supplies.

Beginning January 1, 2019, Spring-Green adopted the guidance under Accounting Standards Codification ("ASC") "Revenue Recognition – Revenue from Contracts with Customers" (Topic 606). The core principle of ASC 606 is that a reporting entity should recognize revenue in a manner that depicts the probability that a reporting entity will collect the consideration into which it will be entitled, in exchange for the goods or services that will be transferred to the customer.

On January 28, 2021, Accounting Standards Update (ASU) 2021-02, *Franchisors-Revenue from Contracts with Customers* (Subtopic 952-606): *Practical Expedient* was issued which provides a practical expedient that allows a private-company franchisor that enters into a franchise agreement to account for certain preopening services provided to a franchisee as a single performance obligation. ASU 2021-02 is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, with early adoption permitted. Management elected to early adopt ASU 2021-02. As such, Spring-Green's accounting policy for 2024, 2023 and 2022, is to recognize sales of initial franchise rights in revenue upon the completion of training services provided by Spring-Green.

The standard does not change the recognition of royalties from franchisees, which are calculated as a percentage of sales in each calendar year the franchise agreement is in effect. Royalties represent sales-based royalties that are related entirely to Spring-Green's performance obligation under the franchise agreement and are recognized as the underlying franchise sales occur.

The standard also does not change the recognition of revenue from sales of equipment, parts and supplies as those sales are recognized upon delivery of the goods, when the customer takes physical possession of the goods, legal title is transferred, the customer has all the risks and rewards of ownership and an obligation to pay for the goods is created.

The standard also does not change the recognition of revenue from its notes and leases receivable with franchisees (Note C).

Initial franchise fees are approximately \$50,000, with additional initial investment costs of approximately \$67,000 to \$76,000 for vehicles, equipment, software, inventory, and marketing deposits. One franchise territory was sold in each of the years ended December 31, 2024, 2023, and 2022.

Sales Tax

The state of Illinois imposes a sales tax of 7.00% on Spring-Green's equipment and parts sales to nonexempt customers. Spring-Green collects that sales tax from the franchisees and remits the entire amount to the state. Spring-Green excludes the tax collected and remitted to the state from sales and cost of sales.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Advertising

Spring-Green expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2024, 2023, and 2022 was \$35,917, \$18,909, and \$83,996, respectively.

Income Taxes

Spring-Green is a non-tax paying entity for federal and state income taxes as Enterprises consolidate the accounts of Spring-Green in its tax return. When applicable, Spring-Green reimburses Enterprises for state replacement taxes owed as a result of Spring-Green operations.

Spring-Green's accounting policy is to record a liability for uncertain tax positions, including interest and penalties, if any, when it is probable that a loss has been incurred, and the amount can be reasonably estimated. Management reviews all tax positions at least annually to determine whether the recording of a liability or additional financial statement note disclosure is necessary. Such an accrual would be made when it is probable a loss has been incurred, and the amount can be reasonably estimated. Potential interest or penalties related to such potential liability would be recognized, accordingly, as interest expense and other operating expenses. Management has deemed no such liability or disclosure was applicable as of December 31, 2024, 2023 and 2022 as all tax positions would be upheld upon examination by a tax authority. Management also continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Generally, the Internal Revenue Service ("IRS") can include returns filed within the last three years in an audit. If a substantial error is identified, the audit could be expanded to include up to six of the preceding years.

Concentration of Credit Risk

Spring-Green's financial instruments subject to credit risk are, primarily, cash and receivables. Spring-Green averts its risk by depositing its excess cash only in established, high quality financial institutions. Generally, management does not require collateral or exercise its lien rights in order to support accounts receivable. Notes and leases receivable are secured by the franchisee's trucks and lawn care equipment. Management believes that any risk of loss is significantly reduced by its ongoing credit evaluations and the close working relationship developed with its customers.

Adoption of New Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in the ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years ending after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company has made an accounting policy election not to recognize ROU assets and lease liabilities that arise from short-term leases for any class of underlying asset.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Adoption of New Accounting Pronouncements - continued***Leases-continued*

The new standard aligned the lessee reporting with previously existing reporting requirements for lessors. As such, the new standard did not materially affect the Company's accounting for lease receivables and lease revenue recognition.

Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. FASB issued this ASU to amend the current accounting guidance which requires the measurement of all expected losses to be based on historical experience, current conditions, and reasonable and supportable forecasts. For trade receivables, loans, and other financial instruments, the Company will be required to use a forward-looking expected loss model that reflects probable losses rather than the incurred loss model for recognizing credit losses. The Company adopted the standard for the fiscal year beginning January 1, 2023, and it did not have a material impact on the Company's financial statements and disclosures.

Date of Management's Review

Management has evaluated subsequent events through March 19, 2025, which is the date the financial statements were available to be issued.

NOTE B--RECEIVABLES

Receivables consist of the following on December 31:

	2024	2023	2022	2021
Accounts receivable	\$ 158,761	\$ 226,092	\$ 224,092	\$ 269,338
Allowance for credit losses	(10,000)	(10,000)	(10,000)	(10,000)
	<u>\$ 148,761</u>	<u>\$ 216,092</u>	<u>\$ 214,092</u>	<u>\$ 259,338</u>

NOTE C--NOTES AND LEASES RECEIVABLE

Notes receivable arise primarily from the sale of franchise rights to new franchisees or from refinanced accounts receivable. Leases receivable have been issued to franchisees for the financing of equipment. The notes are secured by the franchisee trucks and lawn care equipment, accounts receivable and rights to customer lists. The leases are secured by the underlying equipment. Notes bear interest ranging from 0% to 13.50%. The leases bear interest at 8.25% to 10.50%. Management believes all notes and leases are extended to credit worthy franchisees. No note or lease receivables are more than ninety days past due.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE C--NOTES AND LEASES RECEIVABLE-continued

The following is an analysis of notes receivable on December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Notes receivable	\$ 212,345	\$ 142,206	\$ 315,417	\$ 382,922
Current portion	(88,291)	(119,213)	(131,196)	(153,495)
Allowance for uncollectible notes	<u>(30,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>
Long-term portion	<u>\$ 94,054</u>	<u>\$ 7,993</u>	<u>\$ 169,221</u>	<u>\$ 214,427</u>

The following is an analysis of leases receivable on December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Leases receivable	\$ 52,152	\$ 57,250	\$ 104,376	\$ 146,543
Current portion	(20,855)	(25,854)	(41,079)	(59,141)
Allowance for uncollectible leases	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>
Long-term portion	<u>\$ 16,297</u>	<u>\$ 16,396</u>	<u>\$ 48,297</u>	<u>\$ 72,402</u>

The notes and leases principal payments are scheduled to be received as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2025	\$ 109,146
2026	87,021
2027	37,071
2028	14,967
2029	<u>16,292</u>
	<u>\$ 264,497</u>

NOTE D--LINE OF CREDIT AGREEMENT

On March 9, 2018, Enterprises entered into a revolving note agreement with a financial institution. Borrowings are limited to a maximum principal of \$1,000,000. In March 2022, the revolving note agreement was amended. The maximum borrowings allowed under the amended revolving note increased to a maximum principal of \$1,500,000. The loan is guaranteed by Enterprises, Spring-Green and Superior Lawns, Incorporated ("Superior Lawns") and secured by Enterprises', Spring-Green's and Superior Lawns' assets (see Note I). The revolving note, originally maturing on March 9, 2019 was extended through March 1, 2026. Beginning in 2023, the revolving note bears interest at 0.500 percentage points under the prime rate (7.00%, 8.00% at December 31, 2024 and 2023, respectively). For the year ending December 31, 2022, the revolving note beard interest at the prime rate (7.50% at December 31, 2022). No outstanding borrowings exist under this note at December 31, 2024, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE E--ACCRUED LIABILITIES

Accrued liabilities on December 31 consists of:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Payroll, payroll taxes and benefits	\$ 158,256	\$ 194,060	\$ 148,816
Other accrued expenses	58,350	121,388	82,749
	<u>\$ 216,606</u>	<u>\$ 315,448</u>	<u>\$ 231,565</u>

NOTE F--COMMON STOCK

The following is a schedule of Spring Green's common stock, authorized, issued and outstanding at December 31, 2024, 2023, and 2022:

<u>Class</u>	<u>Shares authorized</u>	<u>Shares issued</u>	<u>Shares outstanding</u>
A	100	25	25
B	1,750	433	433
	<u>1,850</u>	<u>458</u>	<u>458</u>

NOTE G--REVENUE RECOGNITION

Spring-Green adopted ASC 606 from the previous standards on January 1, 2019, using the modified retrospective transition method and has elected to use the practical expedient allowed under ASU 2021-02 for non-public franchisors when assessing performance obligations relating to the initial franchise fees and other direct cost to obtain a contract (see Note A).

Revenues recognized at a point-in-time during the years ended December 31, 2024, 2023 and 2022 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Initial and renewal franchise fees	\$ 35,000	\$ 5,000	\$ 5,000
Royalties	7,881,581	7,558,901	7,057,976
Equipment, supply and computer sales	203,134	310,698	509,074
Other	213,769	91,100	55,578
	<u>\$ 8,333,484</u>	<u>\$ 7,965,699</u>	<u>\$ 7,627,628</u>

NOTE H--POST RETIREMENT BENEFIT PLAN

Spring-Green's 401(k) plan covers substantially all employees and provides for matching contributions and allows for profit sharing contributions at the discretion of the board of directors. Total matching contributions for the years ended December 31, 2024, 2023, and 2022 were \$35,981, \$27,033, and \$30,080, respectively. A discretionary contribution of \$24,133, \$16,764, and \$17,598 was authorized by the board of directors for the years ended December 31, 2024, 2023, and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE I--COMMITMENTS AND CONTINGENCIES

During 2024, 2023 and 2022, Spring-Green sub-leased portions of facilities from Superior Lawns on a month-to-month basis. For the portion of the spaces utilized by Spring-Green in 2024, 2023, the monthly rent and common area maintenance was \$6,020. For the portion of the spaces utilized by Spring-Green in 2022, the monthly rent and common area maintenance was \$5,223. Annual rent expense for the years ended December 31, 2024, 2023, and 2022 was \$72,240, \$72,234 and \$62,676, respectively.

Spring-Green leases additional office space on a month-to-month basis with no formal agreement from Spring-Green Enterprise. Spring-Green's rent expense, including common area maintenance, under this lease for the years ended December 31, 2024, 2023 was \$109,332 and \$106,644 for the year ended December 31, 2022.

These leasing arrangements meet the definition of a short-term lease because the lease term is 12 months or less. Consistent with the Company's accounting policy election, the Company does not recognize the right of use asset and the lease liability arising from the lease arrangements.

Spring Green established a lease program with a third-party leasing company for its franchisees. The third-party leasing company will provide financing for eligible equipment to qualified green industry businesses ranging, individually, from \$25,000 to \$100,000 with an annual cap of \$500,000. Credit approvals are at the discretion of the third-party leasing company. Spring-Green will sign a recourse agreement, guaranteeing each qualifying signed lease.

NOTE J--RELATED PARTY TRANSACTIONS

Spring-Green is owed \$400,000, \$300,000, and \$455,000 from the Spring-Green Lawn Care Corp. Advertising Fund (the "Ad Fund") at December 31, 2024, 2023, and 2022, respectively, for certain reimbursements. The Ad Fund has been authorized by Spring-Green to collect up to 2.00% of the franchisees' gross sales for the purpose of advertising programs that enhance the goodwill and public image of Spring-Green Lawn Care franchisees. The balances accrue interest at the prime rate (7.50%, 8.50% and 7.50% at December 31, 2024, 2023 and 2022, respectively). Interest income accrued and received was \$24,818, \$27,062 and \$12,772 during the years ended December 31, 2024, 2023 and 2022, respectively.

Spring-Green is owed \$ - , \$8,869, and \$4,115 at December 31, 2024, 2023 and 2022, respectively, from related party entities for certain reimbursements.

Spring-Green received royalties in the amount of \$1,594,881, \$1,349,248, and \$1,314,264 for the years ended December 31, 2024, 2023 and 2022, respectively, from Superior Lawns and Superior Irrigation, LLC ("Superior Irrigation"). Superior Lawns, a wholly-owned subsidiary of Enterprises, owns and operates lawn care franchises in five locations, primarily in Illinois, during the years ended December 31, 2024, 2023 and 2022, respectively. Enterprises has 100% ownership interest in Superior Irrigation. Superior Irrigation maintains commercial and residential irrigation systems.

Spring-Green incurred and paid fees to Enterprises and SGE Marketing Services, Inc. ("SGE Marketing") for management, marketing and technology services. The expenses for 2024, 2023 and 2022 were \$4,803,408, \$4,329,924, and \$4,159,920, respectively.

Distributions during 2024 and 2023 were used to reduce the balance owed from Spring-Green Enterprises. At December 31, 2024, 2023 and 2022, there was no balance due from Spring-Green Enterprises.

Spring-Green Lawn Care Corp.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024, 2023 and 2022

NOTE K--UNINSURED CASH BALANCES

All deposits are combined for purposes of determining uninsured deposits exceeding \$250,000 per the Federal Deposit Insurance Corporation ("FDIC"). The total uninsured cash for all accounts is \$1,897,801, \$1,799,143, and \$1,775,129, at December 31, 2024, 2023 and 2022, respectively. Spring-Green has not experienced any losses in these accounts and does not believe that a significant credit risk exists at this time.

GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, **SPRING-GREEN LAWN CARE CORP.**, a Delaware corporation located at **11909 SPAULDING SCHOOL DRIVE, PLAINFIELD, IL 60585** (the "Guarantor"), absolutely and unconditionally guarantees the performance by **PET BUTLER, LLC**, located at **11909 SPAULDING SCHOOL DRIVE, PLAINFIELD, IL 60585** (the "Franchisor"), of all of the obligations of Franchisor in accordance with the terms and conditions of the franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees as amended, modified or extended from time to time. This guarantee continues in full force and effect until all obligations of the Franchisor under its franchise registrations, and Franchise Agreements are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive notice of Franchisor's default. This guarantee is binding on the Guarantor and its successors and assignees.

The Guarantor signs this guarantee at Plainfield, Illinois on the 31 day of March 2025.

GUARANTOR:

SPRING-GREEN LAWN CARE CORP.

By: 
Name: Theodore T. Hofer
Title: CEO & Executive Vice President

EXHIBIT G
SAMPLE GENERAL RELEASE

PET BUTLER, LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

PET BUTLER, LLC (“we,” “us,” or “our”) and the undersigned franchisee or franchisee owner,

_____ (“you” or “your”), currently are parties to a certain franchise agreement (the “Franchise Agreement”) dated _____, 20____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, members, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Pet Butler Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Pet Butler Parties, including without limitation, (1) arising out of or related to the Pet Butler Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Pet Butler Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Pet Butler Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

IF THE FRANCHISE YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE PET BUTLER

PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE PET BUTLER PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date stated below.

PET BUTLER, LLC,
an Illinois limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE:

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

By: _____

Name: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

OWNER:

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT H
STATE ADDENDA AND AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
PET BUTLER, LLC**

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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

The following are additional disclosures for the Franchise Disclosure Document of Pet Butler, LLC required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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

~~2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A FRANCHISE DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.~~

2. BEFORE THE FRANCHISOR CAN ASK YOU TO MATERIALLY MODIFY YOUR EXISTING FRANCHISE AGREEMENT, SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES THE FRANCHISOR TO FILE A MATERIAL MODIFICATION APPLICATION WITH THE DEPARTMENT THAT INCLUDES A DISCLOSURE DOCUMENT SHOWING THE EXISTING TERMS AND THE PROPOSED NEW TERMS OF YOUR FRANCHISE AGREEMENT. ONCE THE APPLICATION IS REGISTERED, THE FRANCHISOR MUST PROVIDE YOU WITH THAT DISCLOSURE DOCUMENT WITH AN EXPLANATION THAT THE CHANGES ARE VOLUNTARY.

3. OUR WEBSITE, www.petbutler.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

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

Neither we, our parent, predecessor or affiliate nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. The following statement is added to the end of Item 6:

The maximum interest rate allowed in California is 10% annually.

6. The following paragraphs are added to the end of Item 17:

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

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

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

The Franchise Agreement requires application of the laws of the State of Illinois. This provision may not be enforceable under California law.

The Franchise Agreement requires you to sign a general release of claims on renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

7. [The following sentence is added at the end of Item 17t:](#)

Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

8. ~~7.~~ The following paragraph is added at the end of Item 19:

The financial performance representations do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

9. ~~8.~~ Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable; (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

10. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

MARYLAND

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

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the “Summary” section of Item 17(h), entitled “Cause’ defined – non-curable defaults”:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following sentence is added to the end of the “Summary” sections of Item 17(v), entitled “Choice of forum”:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

MINNESOTA

1. **Insufficient Funds**. The amount listed under “Insufficient Funds” and referenced in Note 9 in Item 6 is amended to be \$30.

2. **Trademarks**. The following sentence is added to Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the proprietary marks, we will protect your rights to use the proprietary marks and we also will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the proprietary marks, in accordance with Minn. Stat. Sec. 80C.12, Subd. 1(g).

3. **Renewal, Termination, Transfer and Dispute Resolution**. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days’ notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release as a condition of renewal and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

Minn. Rule Part 2860.4400J might prohibit a franchisee from waiving rights to a jury trial; or waiving rights to any procedure, forum or remedies

provided by the laws of the jurisdiction. However, we and you will enforce these provisions in our Franchise Agreement to the extent the law allows.

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

With regard to us, our predecessor, our parent, affiliates, the persons identified in item 2, or an affiliate offering franchises under our *principal trademark*:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, no such party has civil actions pending against that party, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- B. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo

contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices; or comparable allegations.

- C. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

With regard to us, our affiliate, our predecessor, officers or general partners, or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document, no such party, has during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; or (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

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

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

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

non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following is added to the end of the “Summary” section of Item 17(d), entitled **Termination by franchisee**:

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

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

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

8. The following is added to the end of the “Summary” sections of Item 17(v), entitled **Choice of forum** and Item 17(w), entitled **Choice of law**:

However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

RHODE ISLAND

1. The following language is added to the end of the “Summary” sections of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of law**:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA

1. The following is added to the end of the “Summary” section of Item 17(e), entitled **Termination by franchisor without cause**:

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

WASHINGTON

1. The following paragraphs are added at the end of Item 17:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede provisions in the franchise agreement in or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement in or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including the areas of termination and renewal of your those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights ~~executed by in the franchise agreement or related agreements purporting to bind the~~ franchisee ~~may not include rights to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

Provisions ~~such as those which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The franchisee may terminate the franchise agreement under any grounds permitted under state law.

Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflicts with these limitations ~~are~~ is void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the

inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180\(2\)\(b\).](#)

~~The Franchise Disclosure Document does not waive any liability we may have~~
~~u~~Under the Washington Franchise Investment Protection Act, ~~RCW 19.100, and~~
~~the rules adopted thereunder.~~

~~2. a “We may use the services of franchise brokers to assist us in selling” is~~
defined as a person that engages in the business of the offer or sale of franchises. A
franchise broker represents the franchisor and is paid a fee for referring prospects to
~~us~~the franchisor and/or selling the franchise. ~~Do not rely only on the~~If a franchisee is
working with a franchise broker, franchisees are advised to carefully evaluate any
information provided by atthe franchise broker about a franchise. ~~Do your own~~
~~investigation by contacting our current and former franchisees to ask them about their~~
~~experience with us.~~

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA**

This Rider is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, having its principal place of business at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (the “we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** You and we are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that is being signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in California and the Pet Butler Business that you will operate under the Franchise Agreement will be located in California, and/or (b) the offer or sale of the franchise either originated from or was directed to or accepted in the State of California.

2. **Construction.** The first paragraph of Section 18.M of the Franchise Agreement is deleted in its entirety and replaced with the following:

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Operating Manual (which may be periodically modified, as provided in this Agreement) and the related documents, constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, the franchise relationship, or your Business. Any understandings or agreements reached before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

3. **Acknowledgments.** Sections 1.B(1), 1.B(2), and I.B(6) of the of the Franchise Agreement are deleted in their entirety.

4. **Governing Law.** For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

5. **Covenant Not to Compete.** If the Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise, a provision that restrains a franchisee from engaging in a lawful trade or business beyond the term of the agreement may be void under California Business and Professions Code Section 16600.

(signature page follows)

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

By: _____
Theodore T. Hofer,
Chief Executive Officer

[Print Name of Franchisee Entity]

DATED*: _____
(*Effective Date of this Rider)

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Rider is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, having its principal place of business at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (the “we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** You and we are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that is being signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Pet Butler Business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **LIMITATION OF CLAIMS and CLASS ACTION BAR AND WAIVER OF PUNITIVE DAMAGES; LIMITATION OF LIABILITY.** The following paragraph is added to the end of Sections 18.I. and 18.J. of the Franchise Agreement:

**HOWEVER, THIS SECTION SHALL NOT ACT AS A
CONDITION, STIPULATION OR PROVISION PURPORTING TO BIND
AY PERSON ACQUIRING ANY FRANCHISE TO WAIVE
COMPLIANCE WITH ANY PROVISION OF THE ILLINOIS
FRANCHISE DISCLOSURE ACT AT SECTION 705/41 OR ILLINOIS
REGULATIONS AT SECTION 200.609.**

3. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following paragraph is added as Section 18.N of the Franchise Agreement:

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

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. ACKNOWLEDGMENT. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including

fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(signature page follows)

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Pet Butler Business that you will operate under the Franchise Agreement will be located in Maryland.

2. **Releases.** The following is added to the end of Sections 3.A.(3), 14.D.(11), 14.F and 15.A.(6) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **Insolvency.** The following sentence is added to the end of Section 16.A.(7) (“Termination by Us”) of the Franchise Agreement:

Section 16.A.(7) may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **Exclusive Jurisdiction.** The following sentence is added to the end of Section 18.G (“Exclusive Jurisdiction”) of the Franchise Agreement:

YOU MAY BRING A LAWSUIT IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

5. **Limitations Of Claims And Damages.** The following sentence is added to the end of Section 18.I (“Limitations of Claims and Class Action Bar”) of the Franchise Agreement:

YOU MUST BRING ANY CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW WITHIN 3 YEARS AFTER WE GRANT YOU THE FRANCHISE.

6. **Acknowledgments.** The following is added to the end of the Franchise Agreement as a new Section 21:

21. ACKNOWLEDGMENTS.

All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

(signature page follows)

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

By: _____
Theodore T. Hofer,
Chief Executive Officer

[Print Name of Franchisee Entity]

DATED*: _____
(*Effective Date of this Rider)

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Rider is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota; and/or (b) the Pet Butler Business that you will operate under the Franchise Agreement will be located in Minnesota.

2. **Notification of Infringements and Claims.** The following sentence is added to Section 11.C of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the proprietary marks, we will protect your right to use the proprietary marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the proprietary marks, in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **Training.** The last sentence of Section 3.A.(3) of the Franchise Agreement is deleted and replaced with the following:

Upon such termination, we shall refund (without interest) the initial franchise fee paid pursuant to Section 4.A, and the initial marketing campaign fee paid pursuant to Section 4.C, less the our costs, including any fees paid to brokers or referral services, as long as you and its owners execute and provide us general releases, in form and substance satisfactory to us, of any and all claims they may have against us and our affiliates, officers, directors, shareholders, employees and agents except to the extent prohibited by the Minnesota Franchises Law.

4. **Releases.** The following is added to the end of Sections 14.D.(11), 14.(F) and 15.A.(6) of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **Renewal and Termination.** The following is added to the end of Sections 15.A and 16.A of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

6. **Specific Performance/Injunctive Relief.** Section 18.C of the Franchise Agreement is deleted and replaced with the following:

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that, notwithstanding Section 18.G, we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if a bond is required.

7. **Governing Law.** Section 18.F of the Franchise Agreement is deleted and replaced with the following:

18.F. GOVERNING LAW.

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) AND YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT (1) ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH, AND (2) NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

8. **Exclusive Jurisdiction.** Section 18.G of the Franchise Agreement is deleted and replaced with the following:

18.G. EXCLUSIVE JURISDICTION.

WE AND YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) AND US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) MUST BE COMMENCED EXCLUSIVELY IN THE STATE OR FEDERAL COURT THAT IS NEAREST TO OUR THEN-CURRENT CORPORATE HEADQUARTERS (CURRENTLY LOCATED IN PLAINFIELD, ILLINOIS), AND WE AND YOU IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OR VENUE IN THOSE COURTS. NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. NOTHING IN THIS AGREEMENT SHALL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTE CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

9. **Waiver of Punitive Damages and Jury Trial.** If and then only to the extent required by Minnesota Franchises Law, Sections 18.J and 18.K of the Franchise Agreement are deleted.

10. **Limitation of Claims and Class Action Bar.** The following is added to the end of the first paragraph of Section 18.I of the Franchise Agreement:

; PROVIDED, HOWEVER, THAT MINNESOTA LAW PROVIDES THAT NO ACTION MAY BE COMMENCED UNDER MINN. STAT. SEC. 80C.17 MORE THAN 3 YEARS AFTER THE CAUSE OF ACTION ACCRUES.

(signature page follows)

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK**

This Rider is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, having its principal place of business at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (the “we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **BACKGROUND.** You and we are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that is being signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the Pet Butler Business that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **RELEASES.** The following language is added to the end of Sections 3.A., 14.D.(11), 14.F., and 15.A.(6) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

3. **TRANSFER OF INTEREST – BY US.** The following language is added to the end of Section 14.A. of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION - BY YOU.** The following language is added to the end of Section 16.B. of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW and CONSENT TO EXCLUSIVE JURISDICTION.** The following statement is added at the end of Sections 18.F. and 18.G. of the Franchise Agreement:

THIS SECTION SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE PROVISIONS OF ARTICLE 33 OF THE NEW YORK STATE GENERAL BUSINESS LAW, AS AMENDED, AND THE REGULATIONS ISSUED THEREUNDER.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Rider)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Pet Butler Business that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW/EXCLUSIVE JURISDICTION.** The following language is added to Section 18.F and 18.G of the Franchise Agreement:

SECTION 19-28.1-14 OF THE RHODE ISLAND FRANCHISE INVESTMENT ACT PROVIDES THAT “A PROVISION IN A FRANCHISE AGREEMENT RESTRICTING JURISDICTION OR VENUE TO A FORUM OUTSIDE THIS STATE OR REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE IS VOID WITH RESPECT TO A CLAIM OTHERWISE ENFORCEABLE UNDER THIS ACT.”

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

FRANCHISEE

By: _____
Theodore T. Hofer,
Chief Executive Officer

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

DATED*: _____
(*Effective Date of this Rider)

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**WASHINGTON ADDENDUM TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT AND RELATED AGREEMENTS
FOR USE IN WASHINGTON**

This Rider is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** You and we are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington; (b) you are domiciled in Washington; and/or (c) the Pet Butler Business that you will operate under the Franchise Agreement will be located in Washington.

2. **Acknowledgments.** Section 1.B(2) of the of the Franchise Agreement is deleted in its entirety.

3. **Washington Law.**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede provisions in the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor. Franchise agreement provisions, including the areas of termination and renewal of your those summarized in Item 17 of the fFranchise Disclosure Document, are subject to state law.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights ~~executed by ain the franchise agreement or related agreements purporting to bind the~~ franchisee ~~may not include rights to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by

~~independent counsel.~~ in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

Provisions ~~such as those which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The franchisee may terminate the franchise agreement under any grounds permitted under state law.

Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflicts with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

4. **Waiver of Obligations.** We and you acknowledge and agree that the first sentence of the third paragraph of Section 18.B. of the Franchise Agreement is deleted and replaced, in its entirety, with the following:

We make no warranties or guaranties, and assume no liability or obligation to you, by granting any waiver, approval or consent to you, or by reason of any neglect, delay or denial of any request therefor.

(signature page follows)

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

By: _____
Theodore T. Hofer,
Chief Executive Officer

[Print Name of Franchisee Entity]

DATED*: _____
(*Effective Date of this Rider)

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT I

DISCLOSURE ACKNOWLEDGEMENT STATEMENTS

DISCLOSURE ACKNOWLEDGEMENT STATEMENT
(NEW PET BUTLER FRANCHISE)

**DISCLOSURE ACKNOWLEDGMENT STATEMENT TO
PET BUTLER FRANCHISE AGREEMENT**

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of the Disclosure Acknowledgement Statement is for Pet Butler, LLC (“Pet Butler”) to determine that _____ (herein after referred to as “you”) fully understands and comprehends that the purchase of a Pet Butler franchise is a business decision, complete with its associated risks, and that it is the company policy of Pet Butler to verify that the you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the Pet Butler franchise which have not been authorized by Pet Butler. Please review the following carefully and provide honest and complete responses to each question.

1. Do you recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the Pet Butler franchise subject to many variables, including among other economic and business factors, your (and those of your partners’, officers’ and employees’) skills and abilities, the hours you and your associates work, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and costs and the market place, and that the success of your Pet Butler franchise depends primarily on your efforts and not those of Pet Butler. Check one: (___) Yes (___) No
If no, please comment: _____

2. Did you receive a copy of the Pet Butler Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Pet Butler Franchise Agreement? Check one: (___) Yes (___) No
If no, please comment: _____

3. Have you carefully reviewed the Pet Butler Franchise Disclosure Document and the Pet Butler Franchise Agreement? Check one: (___) Yes (___) No
If no, please comment: _____

4. Did you have the opportunity to seek professional assistance of an accountant and/or attorney to review the Pet Butler franchise documents, and to consult with your accountant and/or attorney regarding the risks associated with the purchase of a Pet Butler franchise?

Check one: (___) Yes (___) No If no, please comment: _____

Note: Questions 5 through 8 DO NOT RELATE TO information you may have been given directly by any existing Franchisee of Pet Butler.

5. Has your decision to enter into this business been predicated upon any oral representations, assurances, warranties, guarantees or promises made by any employee or other persons speaking on behalf of Pet Butler, including as to the success of the Pet Butler franchise?

Check one: (___) Yes (___) No If yes, please comment: _____

6. Did any employee or other persons speaking on behalf of Pet Butler make any statement, promise or assurance to you concerning any matter related to the Pet Butler franchise (including, without limitation, those regarding advertising, training, support service or assistance provided by Pet Butler) that is contrary to, or different from, the information contained in the Pet Butler Franchise Disclosure Document? Check one: (___) Yes (___) No

If yes, please describe the details: _____

7. Except as stated in Item 19 of the Pet Butler Franchise Disclosure Document, did any employee or other persons speaking on behalf of Pet Butler make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted, forecasted or projected sales, revenues, expenses, earnings, income or profit levels at any Pet Butler location or business, or the likelihood of success at your Pet Butler franchise?

Check one: (___) Yes (___) No If yes, please describe the details: _____

8. Except as stated in the Pet Butler Franchise Disclosure Document, did any employee or other persons speaking on behalf of Pet Butler make any statement, promise or assurance regarding the costs involved in operating a Pet Butler franchise that is not contained in the Pet Butler Franchise Disclosure Document or that is contrary to, or different from the information in the Pet Butler Franchise Disclosure Document? Check one: (___) Yes (___) No If yes, please describe the details: _____

9. Have you been referred to Pet Butler by a franchise referral service or a business referral

service? Check one: (___) Yes (___) No **If NO**, please describe how you learned about a Pet Butler franchise opportunity: _____

If YES, What is the name of the referral service that referred you to Pet Butler: _____

Do you recognize and understand that the franchise referral service or business referral service will be paid a fee for the referral? Check one: (___) Yes (___) No

If no, please comment: _____

10. The President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). Pet Butler therefore requires certain certifications that the parties with whom it deals are not directly or indirectly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with the Pet Butler franchise, is:

- (a) A person or entity listed in the Annex to the Executive Order;
- (b) A person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (c) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (d) Owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with your Pet Butler franchise, will during the term of the Pet Butler Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

[Signature Page Follows]

FRANCHISEE:

Sign here if you are taking the franchise as an

INDIVIDUAL(S)

Signature

Print Name: _____

Signature

Print Name: _____

Date: _____

Sign here if you are taking the franchise as a

**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name: _____

Title: _____

Date:

**DISCLOSURE ACKNOWLEDGEMENT STATEMENT
(PURCHASE OF EXISTING PET BUTLER FRANCHISE)**

**DISCLOSURE ACKNOWLEDGMENT STATEMENT TO
PET BUTLER FRANCHISE AGREEMENT**

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of the Disclosure Acknowledgement Statement is for Pet Butler, LLC (“Pet Butler”) to determine that _____ (herein after referred to as “you”) fully understands and comprehends that the purchase of an existing Pet Butler franchise from _____ (herein after referred to as “Seller”) is a business decision, complete with its associated risks, and that it is the company policy of Pet Butler to verify that the you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the existing Pet Butler franchise which have not been authorized by Pet Butler. Please review the following carefully and provide honest and complete responses to each question.

1. Do you recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the existing Pet Butler franchise subject to many variables, including among other economic and business factors, your (and those of your partners’, officers’ and employees’) skills and abilities, the hours you and your associates work, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and costs and the market place, and that the success of the existing Pet Butler franchise depends primarily on your efforts and not those of Pet Butler. Check one: (___) Yes (___) No
If no, please comment: _____

2. Did you receive a copy of the Pet Butler Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Pet Butler Franchise Agreement? Check one: (___) Yes (___) No
If no, please comment: _____

3. Have you carefully reviewed the Pet Butler Franchise Disclosure Document and the Pet Butler Franchise Agreement? Check one: (___) Yes (___) No
If no, please comment: _____

4. Did you have the opportunity to seek professional assistance of an accountant and/or attorney to review the Pet Butler franchise documents, and to consult with your accountant and/or attorney regarding the risks associated with the purchase of an existing Pet Butler franchise? Check one: (___) Yes (___) No If no, please comment: _____

Note: Questions 5 through 8 DO NOT RELATE TO information you may have been given directly by any existing Franchisee of Pet Butler.

5. Has your decision to enter into this business been predicated upon any oral representations, assurances, warranties, guarantees or promises made by any employee or other persons speaking on behalf of Pet Butler, including as to the success of the existing Pet Butler franchise? Check one: (___) Yes (___) No If yes, please comment: _____

6. Did any employee or other persons speaking on behalf of Pet Butler make any statement, promise or assurance to you concerning any matter related to the existing Pet Butler franchise (including, without limitation, those regarding advertising, training, support service or assistance provided by Pet Butler) that is contrary to, or different from, the information contained in the Pet Butler Franchise Disclosure Document? Check one: (___) Yes (___) No
If yes, please describe the details: _____

7. Except as stated in Item 19 of the Pet Butler Franchise Disclosure Document, did any employee or other persons speaking on behalf of Pet Butler make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted, forecasted or projected sales, revenues, expenses, earnings, income or profit levels at any Pet Butler location or business, or the likelihood of success of the existing Pet Butler franchise?
Check one: (___) Yes (___) No If yes, please describe the details: _____

8. Except as stated in the Pet Butler Franchise Disclosure Document, did any employee or other persons speaking on behalf of Pet Butler make any statement, promise or assurance regarding the costs involved in operating a Pet Butler franchise, that is not contained in the Pet Butler Franchise Disclosure Document or that is contrary to, or different from the information in the Pet Butler Franchise Disclosure Document? Check one: (___) Yes (___) No
If yes, please describe the details: _____

9. If Pet Butler provided you with a sample Letter of Intent to provide to Seller to use in your purchase of Seller's existing Pet Butler franchise, do you understand that the Letter of Intent was provided to you by Pet Butler as an example only, that Pet Butler did not intend to provide you with any legal counsel, and that both you and Seller are responsible for obtaining legal counsel? Check one: (___) Yes (___) No
If no, please comment: _____

10. If Pet Butler provided you with a sample Purchase Agreement to provide to Seller to use in your purchase of Seller's existing Pet Butler franchise, do you understand that the Purchase Agreement was provided to you by Pet Butler as an example only, that Pet Butler did not intend to provide you with any legal counsel, and that both you and Seller are responsible for obtaining legal counsel? Check one: (___) Yes (___) No If no, please comment: _____

11. Do you understand that Pet Butler reviewed the Purchase Agreement between you and Seller for the purpose of approving the transaction as a franchisor, that Pet Butler was not reviewing the Purchase Agreement on your behalf, and that both you and Seller are responsible for obtaining legal counsel? Check one: (___) Yes (___) No
If no, please comment: _____

12. Do you understand that Pet Butler's consent to your purchase of Seller's Pet Butler franchise was not a representation by Pet Butler as to the fairness of the terms of the Purchase Agreement or another other contract between you and Seller, a guarantee by Pet Butler of the existing Pet Butler franchise or your prospects of success in operating the existing Pet Butler franchise, or a representation by Pet Butler as to the value of the geographic area in which the existing Pet Butler franchise operates. Check one: (___) Yes (___) No
If no, please comment: _____

13. Have you been referred to Pet Butler by a franchise referral service or a business referral service? Check one: (___) Yes (___) No **If NO**, please describe how you learned about a Pet Butler franchise opportunity: _____

If YES, What is the name of the referral service that referred you to Pet Butler: _____

Do you recognize and understand that the franchise referral service or business referral service will be paid a fee for the referral? Check one: (___) Yes (___) No

If no, please comment: _____

14. The President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). Pet Butler therefore requires certain certifications that the parties with whom it deals are not directly or indirectly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with the existing Pet Butler franchise, is:

(a) A person or entity listed in the Annex to the Executive Order;

(b) A person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(c) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(d) Owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with the existing Pet Butler franchise, will during the term of the Pet Butler Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

[Signature Page Follows]

FRANCHISEE:

Sign here if you are taking the franchise as an

INDIVIDUAL(S)

Signature

Print Name: _____

Signature

Print Name: _____

Date: _____

Sign here if you are taking the franchise as a

**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name: _____

Title: _____

Date: _____

EXHIBIT J
FLEX START ADDENDUM

**FLEX START ADDENDUM
TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT**

This Addendum is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Addendum. The Franchise Agreement is hereby amended as follows. Capitalized terms not defined in this Addendum shall have the meaning provided in the Franchise Agreement.

2. **Best Efforts.** The second paragraph of Section 1.C of the Franchise Agreement is deleted and replaced with the following:

You (or if you are an Entity, its Managing Owner) agrees that you will at all times faithfully, honestly and diligently perform your obligations hereunder, and that you will continuously exert your best efforts to promote and enhance the sales of your Business. You agree that, beginning on [_____] (the “Flex Start Date”), you will cease to engage in any other business or activity that requires management or other responsibilities which conflict with your obligations hereunder.

3. **Management of Your Business.** Section 7.J of the Franchise Agreement is deleted and replaced with the following:

Except as allowed below, your Business shall be under the direct, full-time supervision of you (or if you are an Entity, by the Managing Owner) or a trained and competent operations manager who has completed our training program or equivalent training to our satisfaction. You shall keep us informed at all times of the identity of any supervisory employees acting as regular managers of your Business.

You (or if you are an Entity, the Managing Owner) will be the initial manager of your Business. We agree that you (or if you are an Entity, the Managing Owner) may devote less than his full-time efforts to the supervision of your Business during the initial, start-up period of the operations of your Business, which shall end on the Flex Start Date. Upon expiration of the initial start-up period, you (or if you are an Entity, the Managing Owner) must devote his or her full-time efforts to the supervision of your Business.

4. **Flex Start Marketing.** In addition to your Local Marketing obligations under Section 9.C of the Franchise Agreement, you may be required to spend at least \$5,000 (and up to \$5,000 15,000) between the time you sign the Franchise Agreement, and the Flex Start Date on local marketing for your Franchised Business.

5. **Interpretation.** If there is any conflict between the provisions of this Addendum and any of the provisions of the Franchise Agreement, the provisions of this Addendum will prevail.

6. **Effect.** This Addendum shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Addendum shall remain in full force and effect as written.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC,
an Illinois limited liability company

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Addendum)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT K-1

PET INDUSTRY PROFESSIONAL PROGRAM CONVERSION ADDENDUM

**PET INDUSTRY PROFESSIONAL PROGRAM CONVERSION ADDENDUM
TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT**

This Addendum is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

WHEREAS, you operate an existing business under the name _____ (the “Existing Business”) that provides, among other things, pet-waste removal services and/or pet care services (the “Pet Industry Segment”);

WHEREAS, you and us have entered into a franchise agreement dated _____, 20____ (the “Franchise Agreement”);

WHEREAS, you desire to convert the Pet Industry Segment of the Existing Business into a Pet Butler business; and

WHEREAS, the parties agree to certain modifications of the Franchise Agreement as set forth below to reflect the conversion of the Pet Industry Segment of the Existing Business into a Pet Butler business.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and such other and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

1. **Recitals**. The Recitals above are hereby incorporated herein as part of the terms of this Addendum.

2. **Initial Franchise Fee**. We acknowledge and agree that ~~we waive our right to collect any you will pay us a reduced~~ initial franchise fee ~~from you, and as a result the first sentence in Section 4.A of the Franchise Agreement is deleted in its entirety~~ in the amount of \$27,600 for a geographic territory containing up to 60,000 single family dwelling units (“SFDUs”). If you are granted a Territory over 60,000 ~~single family dwelling units (“SFDUs”)~~, you will still pay us \$0.50 per additional SFDU over 60,000 at the time you sign the Franchise Agreement, which is non-refundable.

3. **Indemnification**. Notwithstanding anything contained in Section 10.D of the Franchise Agreement to the contrary, you hereby agree to indemnify, defend, and hold harmless the Company Parties against, and reimburse any one or more of the Company Parties for all claims, obligations, and damages directly or indirectly arising out of or relating to: (1) your operation of the Existing Business; and (2) the products and services offered and sold by the Existing Business, including without limitation, the products and services offered and sold by the Pet Industry Segment of the Existing Business, prior to the date you commence operation of your Business under Section 2.E of the Franchise Agreement.

4. **Customer Information.** The last sentence of Section 6.C of the Franchise Agreement is hereby deleted in its entirety and restated as follows:

“Business Customer Information” includes, without limitation, contact information, buying habits, preferences, demographic information, and any other information relating to current, former and prospective customers of your Business or the Pet Industry Segment of the Existing Business, including persons who have inquired about the services offered by your Business or the Pet Industry Segment of the Existing Business.

5. **Competitive Business.** The definition of “Competitive Business” located in Section 6.A of the Franchise Agreement is hereby deleted in its entirety and restated as follows:

“Competitive Business” means (i) any business (other than Pet Butler Businesses operated under franchise agreements heretofore entered into by you and us and the Existing Business) engaging in (a) pet-waste removal, pet care, and other pet related services, or (b) any other services or products which we may periodically authorize for Pet Butler Businesses, or (ii) any business granting franchises or licenses to others to operate the type of business specified in clause (i).

6. **Business and Customers of the Existing Business.** Section 16.A.(4) and Section 17.F.(2)(ii) of the Franchise Agreement are hereby amended by replacing the term “customer of your Business” with “customer of your Business or the Pet Industry Segment of the Existing Business.”

7. **Books and Records.** You, at your expense, shall furnish us, upon our request, exact copies of all state sales tax returns, federal and state income tax returns and any other forms, reports, records, financial statements and other information related to you and your operation of the Pet Industry Segment of the Existing Business as we may require. You shall make such financial and other information available at such locations as we may reasonably request (including at our office), and shall afford us (and our agents) full and free access thereto at any office of the Existing Business during regular business hours. We (and our agents) shall have the right to communicate freely with your employees, as well as employees of the Existing Business associated or involved with the Pet Industry Segment, and shall have the right to make extracts from, and copies of, all such information.

8. **Interpretation.** If there is any conflict between the provisions of this Addendum and any of the provisions of the Franchise Agreement, the provisions of this Addendum will prevail. Capitalized terms that are used but not defined in this Addendum will have the meanings ascribed to them in the Franchise Agreement, as amended.

9. **Effect.** This Addendum shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Addendum shall remain in full force and effect as written.

(Signature Page Follows)

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Addendum)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signator: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT K-2
PET INDUSTRY PROFESSIONAL PROGRAM ADDITION ADDENDUM

**PET INDUSTRY PROFESSIONAL PROGRAM ADDITION ADDENDUM
TO THE PET BUTLER, LLC
FRANCHISE AGREEMENT**

This Addendum is made and entered into by and between Pet Butler, LLC, an Illinois limited liability company, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

WHEREAS, you operate an existing business under the name _____ (the “Existing Business”) that provides, among other things, pet-related services;

WHEREAS, you and us have entered into a franchise agreement dated _____, 20__ (the “Franchise Agreement”);

WHEREAS, you desire to add pet-waste removal and pet care services (the “Pet Industry Segment”) as a Pet Butler business to the Existing Business; and

WHEREAS, the parties agree to certain modifications of the Franchise Agreement as set forth below to reflect the addition of the Pet Industry Segment as a Pet Butler business to the Existing Business.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and such other and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

1. **Recitals.** The Recitals above are hereby incorporated herein as part of the terms of this Addendum.

2. **Initial Franchise Fee.** We acknowledge and agree that ~~we waive our right to collect any you will pay us a reduced~~ initial franchise fee ~~from you, and as a result the first sentence in Section 4.A of the Franchise Agreement is deleted in its entirety~~ in the amount of \$27,600 for a geographic territory containing up to 60,000 single family dwelling units (“SFDUs”). If you are granted a Territory over 60,000 ~~single family dwelling units (“SFDUs”)~~, you will still pay us \$0.50 per additional SFDU over 60,000 at the time you sign the Franchise Agreement, which is non-refundable.

3. **Competitive Business.** The definition of “Competitive Business” located in Section 6.A of the Franchise Agreement is hereby deleted in its entirety and restated as follows:

“Competitive Business” means (i) any business (other than Pet Butler Businesses operated under franchise agreements heretofore entered into by you and us and the Existing Business) engaging in (a) pet-waste removal, pet care, and other pet related services, or (b) any other services or products which we may periodically authorize for Pet Butler Businesses, or (ii) any business granting franchises or licenses to others to operate the type of business specified in clause (i).

4. **Indemnification.** Notwithstanding anything contained in Section 10.D of the Franchise Agreement to the contrary, you hereby agree to indemnify, defend, and hold harmless the Company Parties against, and reimburse any one or more of the Company Parties for all claims, obligations, and damages directly or indirectly arising out of or relating to: (1) your operation of the Existing Business; and (2) the products and services offered and sold by the Existing Business, prior to the date you commence operation of your Business under Section 2.E of the Franchise Agreement.

5. **Books and Records.** You, at your expense, shall furnish us, upon our request, exact copies of all state sales tax returns, federal and state income tax returns and any other forms, reports, records, financial statements and other information related to you and your operation of the Existing Business as we may require. You shall make such financial and other information available at such locations as we may reasonably request (including at our office), and shall afford us (and our agents) full and free access thereto at any office of the Existing Business during regular business hours. We (and our agents) shall have the right to communicate freely with your employees, and shall have the right to make extracts from, and copies of, all such information related to the Existing Business.

6. **Interpretation.** If there is any conflict between the provisions of this Addendum and any of the provisions of the Franchise Agreement, the provisions of this Addendum will prevail. Capitalized terms that are used but not defined in this Addendum will have the meanings ascribed to them in the Franchise Agreement, as amended.

7. **Effect.** This Addendum shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Addendum shall remain in full force and effect as written.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

PET BUTLER, LLC, an Illinois limited liability company

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Addendum)

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signator: _____

DATED: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT L
SUBLICENSE AGREEMENT

Pet Butler Software Sublicense Agreement

Sublicensor Information

Pet Butler, LLC
an Illinois limited liability company

11909 Spaulding School Drive
Plainfield, IL 60585
~~Telephone: 844-777-8608~~

Sublicensee Information

Legal Name: _____
a: _____

(State of business entity)	(type of business entity)
----------------------------	---------------------------

Address: _____

~~Telephone:~~ _____

Effective Date: _____

This Agreement sets forth the terms and conditions under which Pet Butler, LLC ("Sublicensor") will, pursuant to a license agreement with Pet Butler Holdings, LLC, an Illinois limited liability company, of 11909 Spaulding School Drive, Plainfield, Illinois 60585 ("Pet Butler"), sublicense the Software and Documentation (both defined below) to the sublicensee identified above ("Sublicensee"). This Agreement is effective as of the Effective Date (set forth above) upon its execution by both Sublicensor and Sublicensee and continues until terminated as hereinafter provided. For purposes of this Agreement, "Software" means the ARF Back Office Software, Poopnet Software and any subsequent updates, corrections, modifications, and supplements provided by Pet Butler Holdings, and "Documentation" means all manuals, user documentation and other related materials pertaining to the Software which are furnished to Sublicensee by Pet Butler or Sublicensor. Third party software embedded or used in connection with the Software or Documentation are solely those of that publisher and are not proprietary to Pet Butler.

1. LICENSE

1.1 Subject to the terms of this Agreement, Sublicensor grants to Sublicensee the non-exclusive license for a User (defined below) to utilize the Software in connection with the Franchise Agreement by and between Sublicensor and Sublicensee (the "Franchise Agreement") and the terms of this Agreement. For purposes of this Agreement, "User" is a general or collective reference to one of the following user types: (i) single-user; (ii) multi-user; or (iii) remote site user. A single-user is a single location, which may exist on a network, with only one user accessing the Software at a time. Different users may access the Software, but there is only one concurrent user. A multi-user is a single location that has a network and may have multiple users accessing the Software at the same time; provided that all users are on the same network and no user is a remote site user; the number of users may vary: 2, 3-4, 5 and over. A remote site user is a secondary location that accesses the Software remotely.

1.2 Sublicensee shall not take any action designed to circumvent a reproduction or use restriction or other software protection scheme implemented by Sublicensor or Pet Butler. Sublicensee shall not translate, adapt, modify, decompile, reverse engineer or reverse assemble the Software, nor analyze or otherwise examine any such software for reverse engineering purposes. Sublicensee shall permit Sublicensor and/or Pet Butler to make reasonable inquiries concerning Sublicensee's compliance with this Section and Section 1.1.

1.3 Pet Butler or its suppliers retain all title, copyright and other proprietary rights in or related to the Software. Sublicensee does not acquire any rights, express or implied, in the Software except to utilize the Software in accordance with the terms of this Agreement and the Franchise Agreement.

1.4 Sublicensee acknowledges and agrees that Sublicensor shall have unlimited access to and the right to electronically retrieve all data and other information generated or stored by Sublicensee using the Software (the "Data"). Sublicensor will use the Data in connection with gathering and analyzing both marketing and business intelligence.

2. FEES AND MAINTENANCE

2.1 Pursuant to Section 2.C of the Franchise Agreement, Sublicensee agrees to pay the then-current Technology Fee (as defined in Section 2.C of the Franchise Agreement) as consideration for the license granted herein.

2.2 Sublicensee acknowledges and agrees that Sublicensor has no obligation to provide any Software maintenance and support services.

3. WARRANTIES; LIMITATION OF LIABILITY

3.1 EXCEPT FOR ANY WARRANTY OF PET BUTLER THAT IS ASSIGNABLE TO SUBLICENSEE, SUBLICENSOR PROVIDES THE SOFTWARE AND DOCUMENTATION HEREUNDER "AS IS WITH ALL FAULTS," AND DISCLAIMS ALL OTHER WARRANTIES AND CONDITIONS, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY (IF ANY) WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SOFTWARE AND THE DOCUMENTATION. Neither Pet Butler nor Sublicensor warrants that there are no discrepancies between the Software and the Documentation, nor that errors cannot arise during use of the Software.

3.2 IN NO EVENT WILL EITHER OR BOTH OF PET BUTLER OR SUBLICENSOR BE LIABLE FOR ANY LOST PROFITS, LOST SAVINGS OR OTHER INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES, SPECIAL OR INDIRECT DAMAGES OR OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES ARISING OUT OF OR IN ANY MALFUNCTION, DELAY OR LOSS OF PROFITS, INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATORY PROFITS OR OTHER DAMAGES ARISING HEREUNDER OR UNDER ANY LEGAL THEORY EVEN IF IT HAS OR THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES. THE ENTIRE RISK AS TO THE RESULTS, USE AND PERFORMANCE OF THE SOFTWARE OR DOCUMENTATION IS ASSUMED BY SUBLICENSEE. IN ANY EVENT, SUBLICENSOR'S LIABILITY ARISING OUT OF ANY KIND OF LEGAL CLAIM (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN CONNECTION WITH THE SOFTWARE OR DOCUMENTATION WILL NOT EXCEED \$99.00.

4. TERMINATION

4.1 Termination shall occur (a) automatically with the termination of the Franchise Agreement, (b) upon the expiration or termination of the Software master license agreement between Pet Butler and Sublicensor, or (c) upon 60 days prior written notice by Sublicensor. Sublicensor may also terminate this Agreement upon written notice to Sublicensee in the event: (a) Sublicensee fails to pay (i) Sublicensor any expenses or fees owed to Sublicensor or (ii) Pet Butler for maintenance or support services within 60 days of billing or invoice; (b) Sublicensee breaches any of the terms of Section 1; or (c) Sublicensee purports to transfer or assign this Agreement or any of its rights hereunder without the prior written consent of Sublicensor. Notwithstanding anything to the contrary in this Agreement, termination of this Agreement shall neither relieve Sublicensee of any accrued obligations to pay money to Sublicensor or Pet Butler nor entitle Sublicensee to any refund of fees for licenses, maintenance and support services or other amounts paid hereunder.

4.2 The remedies set forth in this Agreement are not exclusive unless expressly so provided and, unless exclusive, are in addition to all other remedies available under applicable law. The parties' rights and obligations under Sections 1.2, 3, 4.1, 4.3 and 5 survive termination or expiration of this Agreement.

4.3 Upon termination of this Agreement, Sublicensee shall immediately discontinue use of the Software and purge all copies from its computer systems, storage media and files and return to Sublicensor all copies of the Software and Documentation within 10 days of such termination. Sublicensee shall certify

in writing to Sublicensor that, prior to or upon termination, it has destroyed all copies of the Software and Documentation in its possession.

5. MISCELLANEOUS PROVISIONS

5.1 All notices required to be given under this Agreement shall be given in writing and deemed to have been given at the time delivered by hand, 1 business day after sending by commercial overnight courier, telegraph or comparable electronic system or 2 business days after placed in the Mail by Registered or Certified Mail, Return Receipt Requested postage prepaid and addressed to the party to be notified at its address set forth above.

5.2 A party shall be excused for failures and delays in performance of its respective obligations caused by catastrophes or other occurrences beyond the control and without the fault of such party. This provision shall not release such party from using its best efforts to avoid or remove such cause and such party shall continue performance hereunder with the utmost dispatch whenever such causes are removed. Upon claiming any such excuse or delay for non-performance, such party shall give prompt written notice thereof to the other parties.

5.3 Without the prior written consent of Sublicensor, Sublicensee shall not assign or transfer (by operation of law, in bankruptcy or otherwise) the provisions of this Agreement, and any purported assignment or transfer without such consent shall be null and void; provided that Sublicensor will not unreasonably withhold such consent. Further, any change in control of Sublicensee shall be deemed a desire by Sublicensee to assign or transfer this Agreement. Notwithstanding the foregoing, Sublicensee may assign provisions of this Agreement to a transferee of its franchise pursuant to the terms of the Franchise Agreement provided that the transferee pays the fee in accordance with Section 2.1 and signs Sublicensor's then current form of sublicense agreement if required by Sublicensor or Pet Butler.

5.4 If any provision of this Agreement shall be found to be illegal or unenforceable, then, notwithstanding such illegality or unenforceability, this Agreement shall remain in full force and effect and such provision shall be deemed to be deleted. Except as expressly provided in this Agreement, any failure or delay by a party in exercising any right or remedy will not constitute a waiver.

5.5 This Agreement constitutes the final, complete and exclusive statement of the agreement between the parties regarding the subject matter hereof and supersedes all prior and contemporaneous understandings regarding the subject matter hereof. This Agreement supersedes the terms of any click-through license agreement initiated by access to the Software. This Agreement may be modified only by a writing signed by Sublicensor and Sublicensee. Sublicensee shall be responsible for any federal, state and local taxes as a result of this agreement.

5.6 Sublicensee and Sublicensor acknowledge and agree that the dispute resolution provisions of the Franchise Agreement will govern this Agreement and the parties' relationship hereunder. Capitalized terms not defined herein shall have the definition assigned to it in the Franchise Agreement.

THUS, signed by the parties shown below and made effective on the Effective Date.

SUBLICENSOR:

SUBLICENSEE:

PET BUTLER, LLC

By: _____

By: _____

Theodore T. Hofer, Chief Executive Officer

Title: _____

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

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

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

State	Effective Date
California	June 28, 2024 Pending
Illinois	March 22 31, 2024 2025
Indiana	March 26, 2024 Pending
Maryland	March 27, 2024 Pending
Michigan	March 25 31, 2024 2025
Minnesota	April 15, 2024 Pending
New York	April 15, 2024 Pending
Rhode Island	March 28, 2024 Pending
South Dakota	March 22, 2024 Pending
Virginia	March 29, 2024 Pending
Washington	April 11, 2024 Pending
Wisconsin	March 22 31, 2024 2025

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 ~~0~~M

RECEIPTS

**RECEIPT
(OUR COPY)**

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

If Pet Butler, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Pet Butler, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this Disclosure Document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Pet Butler, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Pet Butler, LLC, located at 11909 Spaulding School Drive, Plainfield, Illinois 60585. Its telephone number is (800) 777-8608.

Issuance Date: March ~~2023~~, ~~2024~~2025

The franchise seller for this offering is:

- | | | | |
|--------------------------|------------------------------|--------------------------|-----------------------------------|
| <input type="checkbox"/> | _____ | <input type="checkbox"/> | Name of Franchise Seller: _____ |
| | Pet Butler, LLC | | Principal Business Address: _____ |
| | 11909 Spaulding School Drive | | Telephone Number: _____ |
| | Plainfield, IL 60585 | | |
| | (844) 777-8608 | | |

Pet Butler, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a disclosure document issued on March ~~2023~~, ~~2024~~2025, that included the following Exhibits:

- | | | | |
|--------------|--|-------------------------|--|
| A | List of State Agencies/Agents for Service of Process | K-1 <u>H</u> | Pet Industry Professional Program Conversion State Addendum and Agreement Riders |
| B | Franchise Agreement | <u>I</u> | <u>Disclosure Acknowledgement Statements</u> |
| C | Table of Contents – Operating Manual | K-2 <u>J</u> | Pet Industry Professional Flex Start Program Addition Addendum |
| D | List of Franchisees | <u>K-1</u> | <u>Pet Industry Professional Program Conversion Addendum</u> |
| E | Franchisees Who Have Left the System | L | Sublicense Agreement <u>K-2 Pet Industry Professional Program Addition Addendum</u> |
| F | Financial Statements | M | Promissory Note and Security Agreement (Franchise Fee Financing) <u>L</u> <u>Sublicense Agreement</u> |
| G | Sample General Release | <u>M</u> | <u>Receipts</u> |
| H | State Addenda and Agreement Riders | N | Promissory Note and Security Agreement (Pet Industry Marketing Financing) |
| I | Disclosure Acknowledgement Statements | O | Receipts |
| J | Flex Start Program Addendum | | |

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____

Date

Signature

Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or facsimile, to Pet Butler, LLC, 11909 Spaulding School Drive, Plainfield, Illinois 60585. Phone: (844) 777-8608, Facsimile: (815) 436-9056.

**RECEIPT
(YOUR COPY)**

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

If Pet Butler, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Pet Butler, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this Disclosure Document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Pet Butler, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Pet Butler, LLC, located at 11909 Spaulding School Drive, Plainfield, Illinois 60585. Its telephone number is (800) 777-8608.

Issuance Date: March ~~2231~~, ~~2024~~2025

The franchise seller for this offering is:

- | | | | |
|--------------------------|------------------------------|--------------------------|-----------------------------------|
| <input type="checkbox"/> | _____ | <input type="checkbox"/> | Name of Franchise Seller: _____ |
| | Pet Butler, LLC | | Principal Business Address: _____ |
| | 11909 Spaulding School Drive | | Telephone Number: _____ |
| | Plainfield, IL 60585 | | |
| | (844) 777-8608 | | |

Pet Butler, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a disclosure document issued on March ~~2231~~, ~~2024~~2025, that included the following Exhibits:

- | | | | |
|--------------|--|-------------------------|---|
| A | List of State Agencies/Agents for Service of Process | K-1 | Pet Industry Professional Program Conversion State Addendum and Agreement Riders |
| B | Franchise Agreement | <u>I</u> | <u>Disclosure Acknowledgement Statements</u> |
| C | Table of Contents – Operating Manual | K-2 <u>J</u> | Pet Industry Professional Flex Start Program Addition Addendum |
| D | List of Franchisees | <u>K-1</u> | <u>Pet Industry Professional Program Conversion Addendum</u> |
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| G | Sample General Release | <u>M</u> | <u>Receipts</u> |
| H | State Addenda and Agreement Riders | N | Promissory Note and Security Agreement (Pet Industry Marketing Financing) |
| I | Disclosure Acknowledgement Statements | O | Receipts |
| J | Flex Start Program Addendum | | |

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____

Date

Signature

Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.