

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. The franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **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. The guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

5. Mandatory Minimum Payments. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make payments may result in the termination of your franchise and loss of your investment.

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.

**DOG FRANCHISE GROUP, LLC
FRANCHISE DISCLOSURE DOCUMENT**

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LIST OF EXHIBITS

EXHIBIT A: List Of State Franchise Administrators And Agents For Service Of Process

EXHIBIT B: Franchise Agreement

- ATTACHMENT 1: Marks
- ATTACHMENT 2: Territory
- ATTACHMENT 3: General Release
- ATTACHMENT 4: ACH Authorization
- ATTACHMENT 5: Conditional Assignment of Lease
- ATTACHMENT 6: Statement of Ownership Interests in Franchisee
- ATTACHMENT 7: Internet Advertising, Social Media, Software and Telephone Account Agreement
- ATTACHMENT 8: Guaranty
- ATTACHMENT 9: Confidentiality and Non-Compete Agreement

EXHIBIT C: Multi-Unit Development Agreement

EXHIBIT D: Financial Statements of Dog Franchise Group, LLC

EXHIBIT E: Brand Standards Manual Table of Contents

EXHIBIT F: Outlets as of the date of this Disclosure Document

EXHIBIT G: Franchisee Acknowledgement Statement

EXHIBIT H: State Addenda

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means Dog Franchise Group, LLC, the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a Dogdrop franchise, as “you”, “your” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the State of California on October 9, 2020. Our principal business address is 905 E. 2nd St., Suite 110, Los Angeles, CA 90012 and our telephone number is 213-429-4073. We do business under our company name, “Dogdrop” and its associated logos, slogans and designs (the “Marks”). Our affiliate, DogDrop IP Holding, LLC, has registered, or has filed for registration, our principal service marks on the Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the “Dogdrop” Marks. We began offering franchises in May 2021.

Type of Fee	Amount	Due Date	Remarks
Insurance Reimbursement	Amount paid by us for your insurance obligations, plus an additional ten percent (10%) administrative fee.	As incurred.	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Interim Management Fee	Our then-current per diem rate for on-site management, plus expenses. Our current rate is 10% of Gross Sales during the period of our on-site management, plus travel and other expenses we incur.	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the Continuing Royalty Fee and Brand Development Fund Contributions), payable to us, if we provide on-site management of your Franchised Business. See footnote 7.
Taxes	Reimbursement of our costs.	As incurred.	You must reimburse us for any taxes we must pay due to the operation of your franchised business or payments you make to us.
Examination of Books and Records	Cost of the examination, plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Sales Report, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Indemnification	Amount of loss or damages, plus costs and expenses.	As incurred.	See footnote 8.

separate legal entity and/or obtaining zoning approval. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. ~~We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement.~~ It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your franchise.

¹⁵ All Dogdrop outlets are required to join their local Chamber of Commerce or an approved local business networking group.

¹⁶ To effectively launch Dogdrop and stimulate pre-sales for Founding Memberships, a \$20,000 Pre-Opening Marketing budget is required. This allocation encompasses various essential marketing components such as local marketing flyers, postcards, out-of-home (OOH) advertising, influencer marketing, content creation, social media, local events, hosting a grand opening party, media buying, and more. The Pre-Opening Marketing period starts 60 days before your Franchised Business is scheduled to open, and you will direct these payments to our approved suppliers and to us or our affiliates.

¹⁷ Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Each policy must be written by a responsible carrier or carriers approved by us and must name us and our respective officers, directors, partners, agents and employees as additional insured parties, as their interests may appear. Insurance costs and requirements may vary widely in different localities. The estimate is for the first semi-annual premium for required minimum insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

¹⁸ This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations and assumes your location opens during a slow time of year. We cannot guarantee that you will not incur additional expenses in starting the business ~~that may exceed this estimate.~~ This estimate includes such items as initial payroll and payroll taxes, Royalties (as described in this disclosure document), Brand Development Fund Contributions, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, and other miscellaneous items. These estimates do not include any compensation to you nor do they include debt service.

We relied upon the experience of our affiliate-owned Dogdrop outlet(s) to compile these estimates. If you currently operate a dog daycare services business and are converting it to a Dogdrop franchised business, you may not incur all of the expenses in this table, or your expenses may be lower. ~~You should review these figures carefully with a business advisor before making any decision to invest in the franchise. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; supply chain; the local market for our service; competition; and the sales level reached during your initial period.~~ We estimate that a franchisee can expect to put additional cash into the business during at least the first three ~~to six months, and sometimes longer.~~ ~~Notwithstanding, we cannot estimate or guarantee when, or whether, any individual franchisee will achieve positive cash flow or profits.~~ ~~months.~~ We do not offer financing for any part of the initial investment. All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

Colorado	0	0	1
Florida	1	5	0
Total	1	5	2

* Company-owned stores are operated by affiliated entities.

Exhibit F lists the location of each Dogdrop franchised outlet in our System.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

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

ITEM 21: FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements dated as of December 31, 2023, December 31, 2022, and December 31, 2021 and unaudited financial statements from January 1, 2024 to June 30, 2024.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | | |
|----|-------------------------------------|---------------------|
| 1. | Franchise Agreement | Exhibit B |
| 2. | Multi-Unit Development Agreement | Exhibit C |
| 3. | Franchisee Acknowledgment Statement | Exhibit G (page 63) |

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document as Exhibit I. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Dog Franchise Group, LLC, 905 E. 2nd Street, Suite 110, Los Angeles, CA 90012.

- 10.7. Waiver of Jury Trial and Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.
- 10.8. Injunctive Relief. Nothing herein contained (including, without limitation, Sections 10.1 through 10.3 above) shall bar Franchisor from the right to obtain immediate injunctive relief from a court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders and preliminary injunctions.
- 10.9. Limitations of Claims. Any and all claims by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.
- 10.10. Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

11. ~~WAIVER AND RELEASE OF CERTAIN CLAIMS~~

~~11.1. Waiver of Claim for Lack of Business Success. Developer acknowledges that Developer has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of developing and operating Franchised Businesses. Developer further acknowledges that no representations of performance (financial or otherwise) for the Franchised Businesses provided for in this Agreement has been made to Developer by Franchisor and Developer hereby waives any claim against Franchisor for any business failure Developer may experience as a developer under this Agreement.~~

Initial

11.2. Release of Prior Claims. BY EXECUTING THIS AGREEMENT, DEVELOPER INDIVIDUALLY AND ON BEHALF OF DEVELOPER'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE DOG FRANCHISE GROUP, LLC, DOGDROP IP HOLDING, LLC, DOGDROP, INC., THE DOGDROP INDEMNITEES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND

Dog Franchise Group

Balance Sheet

As of June 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010 PERFBUS CHK (2365) - 4 - 1	1,520.06
Total Bank Accounts	\$1,520.06
Other Current Assets	
1310 Due to/from DogDrop Inc	-147,600.00
1320 Due to/from DogDrop 2	-28,948.00
1340 Due to/from DogDrop 4	18,000.00
1350 Due to/from DogDrop Mobile	1,600.00
1360 Due to/from DogDrop 9+CO	40,000.00
Deferred Commissions	56,500.00
Total Other Current Assets	\$ -60,448.00
Total Current Assets	\$ -58,927.94
TOTAL ASSETS	\$ -58,927.94
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	0.00
Total Accounts Payable	\$0.00
Other Current Liabilities	
Deferred Revenue	113,000.00
Total Other Current Liabilities	\$113,000.00
Total Current Liabilities	\$113,000.00
Total Liabilities	\$113,000.00
Equity	
3000 Opening balance equity	0.00
3100 Investment	195,000.00
9000 Retained Earnings	-307,525.31
Net Income	-59,402.63
Total Equity	\$ -171,927.94
TOTAL LIABILITIES AND EQUITY	\$ -58,927.94

Dog Franchise Group

Profit and Loss

January - June, 2024

	TOTAL
Income	
4020 Services	5,518.01
Total Income	\$5,518.01
GROSS PROFIT	\$5,518.01
Expenses	
6000 Marketing and promotional	12,971.25
6210 Legal & professional services	44,538.35
6300 Office/general administrative	2,188.48
6330 Software subscriptions	4,907.96
6340 Bank charges	314.60
Total Expenses	\$64,920.64
NET OPERATING INCOME	\$ -59,402.63
NET INCOME	\$ -59,402.63

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

9. 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.

**AMENDMENT TO THE DOG FRANCHISE GROUP, LLC FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA**

Section 6.1.1 of the Franchise Agreement is addendum to include the following: The Department has determined that either the franchisor has not demonstrated it is adequately capitalized or that the franchisor must rely on franchise fees to fund operations. The commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all our pre-opening obligations and you are open for business.

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 parties hereto have duly executed this California Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

DOG FRANCHISE GROUP, LLC

By: _____

Shaina Denny, CEO

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

CALIFORNIA ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

Section 4 of the Multi-Unit Development Agreement is addendum to include the following: The Department has determined that either the franchisor has not demonstrated it is adequately capitalized or that the franchisor must rely on franchise fees to fund operations. The commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit is deferred until that unit is open.

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 parties hereto have duly executed this California Amendment to the Multi-Unit Development Agreement on the same date as that on which the Multi-Unit Development Agreement was executed.

FRANCHISOR:

DOG FRANCHISE GROUP, LLC

By:

Shaina Denny, CEO

(Print Name, Title)

FRANCHISEE:

By:

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF HAWAII**

1. As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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

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

Item 5 of the Franchise Disclosure Document is hereby amended to state that the Initial Franchise Fee payable to Franchisor shall be deferred until the Franchisee has opened for business and commenced operations.

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

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813

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.

**AMENDMENT TO THE DOG FRANCHISE GROUP, LLC FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF HAWAII**

Section 6.1.1 of the Franchise Agreement is addendum to include the following: the Initial Franchise Fee payable to Franchisor shall be deferred until the Franchisee has opened for business and commenced operations.

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.

FRANCHISOR:

DOG FRANCHISE GROUP, LLC

By:

Shaina Denny _____, CEO

(Print Name, Title)

FRANCHISEE:

By:

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:



HAWAII ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

Section 4 of the Multi-Unit Development Agreement is addendum to include the following: the Initial Franchise Fee and Development Fee payable to Franchisor shall be deferred until the Franchisee has opened for business and commenced operations. The payment of the development and initial fees attributable to a specific unit is deferred until that unit is open.

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.

FRANCHISOR:

DOG FRANCHISE GROUP, LLC

By:

Shaina Denny, CEO

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

**ADDENDUM TO THE
DOG FRANCHISE GROUP, LLC
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement 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 with the franchise.

Item 5 and 7 of the Disclosure Document, Section 6 of the Franchise Agreement and Section 4 of the Multi-Unit Development Agreement is amended to include the following: “In Minnesota, the Initial Franchise Fee, Development Fee and all initial payments will be deferred until we have satisfied our pre-opening obligations, and you commence your Franchised Business.”

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISOR:

DOG FRANCHISE GROUP, LLC

By: _____
Shaina Denny _____, CEO

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

**ADDENDUM TO THE
DOG FRANCHISE GROUP, LLC
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA**

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* (“NDFIL”). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

Item 17(c) of the Disclosure Document and Section 5.3.5 of the Franchise Agreement requires the franchisee to sign a general release upon renewal of the franchise agreement. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Delete the provision each place it appears in the disclosure document and agreements used in North Dakota.

Item 17(i) of the Disclosure Document and Section 18.1 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Delete the provision each place it appears in the disclosure document and agreements used in North Dakota.

Item 17(u) of the Disclosure Document, Section 20.1-4 of the Franchise Agreement, and Section 10.1-4 of the Multi Unit Development Agreement provides that the franchisee must agree to the arbitration or mediation of disputes, such arbitration or mediation to be held in California. The Commissioner has determined that franchise agreements, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. I suggest that this provision be amended to provide the site of arbitration or mediation be agreeable to all parties and may not be remote from the franchisee’s place of business.

Item 17(v) of the Disclosure Document, Section 20.5 of the Franchise Agreement, and Section 10.5 of the Multi Unit Development Agreement provides that franchisees must consent to the jurisdiction of courts in California. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Delete the provision each place it appears in the disclosure document and agreements used in North Dakota.

Item 17(w) of the Disclosure Document, Section 20.5 of the Franchise Agreement, and Section 10.5 of the Multi Unit Development Agreement provides that the agreement shall be construed according to the laws of the State of California. Apart from civil liability as set forth in section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud) the liability of the franchisor to a franchisee is based largely on contract law. Even though those provisions are not contained in the franchise investment law, those provisions contain substantive rights

STATE EFFECTIVE DATES

The following states 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:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	Pending <u>June 28, 2024</u>
Hawaii	Pending
Illinois	Pending
Indiana	June 15, 2023
Maryland	January 19, 2024 <u>Pending</u>
North Dakota	Pending
Rhode Island	Pending
South Dakota	July 25, 2023
Virginia	Pending <u>June 13, 2024</u>
Wisconsin	<u>May 16, 2024</u>

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

EXHIBIT I

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF DOG FRANCHISE GROUP, LLC
RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Dog Franchise Group, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Dog Franchise Group, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Shaina Denny 905 E. 2 nd Street, Suite 110 Los Angeles, CA 90012 213-429-4073		
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Issuance Date: April 16, 2024

I received a Disclosure Document dated April 16, 2024, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement with Attachments 1 – 9
- EXHIBIT C: Multi-Unit Development Agreement with Attachments 1 – 3
- EXHIBIT D: Financial Statements of Dog Franchise Group, LLC
- EXHIBIT E: Brand Standards Manual Table of Contents
- EXHIBIT F: Outlets as of the date of this Disclosure Document
- EXHIBIT G: Franchisee Acknowledgment Statement
- EXHIBIT H: State Addenda
State Effective Dates
- EXHIBIT I: Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

Please return signed receipt to Dog Franchise Group, LLC

905 E. 2nd Street, Suite 110, Los Angeles, CA 90012

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State Effective Dates
- EXHIBIT I: Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

KEEP FOR YOUR RECORDS