

FRANCHISE DISCLOSURE DOCUMENT



POOP 911®

Hounds Mounds, Inc.
a Texas corporation
3824 Cedar Springs Rd., Ste 200
Dallas TX 75219
214-395-9420
www.poop911.com
franchises@poop911.com

We offer Poop 911 franchises, which will operate a Poop 911 Pet waste removal service business. The total investment necessary to begin operation of a Poop 911 franchise business ranges from \$3,620 to \$25,970. The initial fees paid to us are \$0 (zero dollars).

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 document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor, its parent or an affiliate in connection with the proposed franchise sale. Note, however, no governmental 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 Franchise Administration, Poop 911, 3824 Cedar Springs Rd., Ste 200, Dallas TX 75219, franchises@poop911.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.

Issued: September 3, 2024

STATE COVER PAGE

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 G-1 and G-2.
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 B 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 Poop 911 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 Poop 911 franchisee?	Item 20 or Exhibits E-1, E-2 and E-3 list current and former franchisees and authorized dealers. 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 mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may for you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **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.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and a loss of your investment.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

INFORMATION FOR RESIDENTS OF THE STATE OF MICHIGAN

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.

(A) A prohibition of 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 terms 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 hereof and a reasonable opportunity, which in no event need be more than 30 days, to cure each 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 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 the 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 qualification or standards.

(ii) the fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(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.

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 the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchisor Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, 517-373-7117.

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EXHIBITS

Addendum to FDD and FA: State Regulations and Requirements for California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, N. Dakota, Rhode Island, Virginia and Washington

- A LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B FINANCIAL STATEMENTS
- C FRANCHISE AGREEMENT (FA)
 - Exhibit A Agreement for the Sale of Receivables
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 - Exhibit C Acknowledgment & Representation Regarding Controlling Persons
 - Exhibit D Restrictive Covenant Agreement
- D OPERATIONS MANUAL TABLE OF CONTENTS
- E LIST OF POOP 911 FRANCHISEES
- F GENERAL RELEASE

STATE EFFECTIVE DATES are listed immediately preceding RECEIPTS pages (last pages of FDD).

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Hounds Mounds, Inc., a Texas corporation. For ease of reference, Hounds Mounds, Inc. will be referred to as "we" or "us" in this Disclosure Document. We will refer to the person who buys the franchise as well as your owners if you are a corporation, partnership or other entity as "you" throughout the Disclosure Document. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also apply to your owners and will be noted.

We are a Texas corporation incorporated on November 15, 2005 under the name "Hounds Mounds, Inc." Since inception, our principal business address has been 3824 Cedar Springs Rd, Ste 200, Dallas, TX 75219. Our agents for service of process are listed in Exhibit A.

We have no parent or affiliates that offer franchises in any line of business or provide products or services to the franchisees of the franchisor.

We have no predecessors or affiliates.

Our Business:

We offer Poop 911 franchises, granting the right to operate a pet waste removal service business under our trade name of "Poop 911". Operating and franchising Poop 911 pet waste removal service businesses is our only business. Although we intend to concentrate on the direct marketing of pet waste removal services through a system of independent franchisees, we reserve the right to develop alternative methods of distribution of pet waste removal services and related pet products.

We do not engage in any other business activities other than the sale of Poop 911 franchises, the oversight of the Poop 911 franchise system and the operation of the back office administration, scheduling and customer billing services we provide. Since November 2005, we have owned and continue to operate a pet waste removal service business in the Dallas/Fort Worth metropolitan area that is substantially similar to the Poop 911 franchise business. We offered a business opportunity that some states have determined is a franchise from March 2008 to February 2012. We have been offering this current franchise format since September 30, 2012.

The Poop 911 Franchise Business:

The Poop 911 pet waste removal service business is designed to allow franchisees in the pet waste removal industry to build a strong customer base quickly. Our goal is to grant franchises to individuals who have the desire, common sense and general business acumen to operate a Poop 911 franchise business. Each franchisee works independently either alone or with their employees within an exclusive territory. A Poop 911 franchise is a mobile business that typically is based at the franchisee's home and operates from its vehicle(s), although a commercial office is also an option. The franchisee must oversee or perform a substantial portion of the work. Each Franchise Business provides pet waste removal services, primarily to residential customers as well as home owner associations, apartment complexes and commercial properties. We provide extensive marketing through our web site, a central call and scheduling center and a website for the franchise system. Appointments for service are made into the system and routing and customer billing provided through our automated BARCS system.

The franchisee will develop customer accounts within the exclusive territory we grant. So long as certain conditions are met, the customers you service within your territory will be exclusive to your business, except for those customers whose requirements you are unable to meet or that you decline to serve.

We provide a complete package of back office support services for the Poop 911 franchisee to start business immediately upon completion of training. We have developed a unique software platform and part of the back office support that we provide you is access to our Billing, Administration, Routing, Customer Scheduling program (BARCS). With minimal administrative requirements, you may maintain an office in your home or you may lease office space in a commercial building, typically an office suite. You will focus your efforts on marketing Poop 911 pet waste removal services, developing, maintaining and servicing customer accounts. While you may employ full or part-time employees, you must still oversee or perform a substantial portion of the day to day operations/work yourself. You determine your business schedule following the guidelines set forth in the Operations Manual. The BARCS central routing, scheduling and billing system allows you to manage the work schedule of your Business via the franchise system website. Customer service and sales skills are necessary for a successful Business. Your customers are typically the general public who own or rent a home or apartment, as well as home owner associations, apartment complexes and commercial properties. We provide caps, T shirts and promotional items and media as part of the package. Our back office support and BARCS services relieve you of much of the administrative and recordkeeping burdens typical of small businesses as well as to provide some support personnel.

We will offer franchises solely under the terms of individual Franchise Agreements depending upon our evaluation of your desires, qualifications, general business background and ability to finance or obtain financing for your franchise business. To qualify, applicants must satisfy us that they have the ability, business experience, a strong work ethic and a reasonable business plan to enable them to develop a successful pet waste removal business.

The Poop 911 business is a service that we have developed and operated. We anticipate further developing this concept as franchises expand. Poop 911 businesses markets primarily to pet owners who reside in single family dwellings, as well as home owner associations, apartment complexes and commercial properties. The pet waste removal services business is highly competitive. You should expect to compete with national, regional and local franchised pet waste removal businesses and a variety of local independent businesses that offer a selection of pet waste removal and personnel services.

Competition

Although a relatively new industry, there is considerable competition for pet waste removal services. It varies considerably throughout the country, and depends upon the market. You should expect competition with national franchise systems, regional companies and a variety of local independent operators that offer pet waste removal services. We do expect our franchisees to comply with any changes we implement to keep the Poop 911 businesses growing and competitive.

Industry Laws and Regulations

We are not aware of any laws or regulations specific to the pet waste removal business, but you must comply with all local, state and federal laws regulating your business and remain current on best practices and compliance with state and federal employment and labor laws as they may develop. You will also be responsible for staying abreast of and complying with employment, workers' compensation, insurance, corporate, tax, and similar laws and regulations, as well as any federal, state,

or local laws of a more general nature that may affect the operation of your franchised business. We recommend that you consult with state and county officials and your business and legal advisors for further information about applicable laws and required permits. Many local governments also require business licenses and other local statutory requirements. You are strongly advised to thoroughly investigate such laws for the state and city in which you intend to operate the Franchise Business. You must comply with all local, state and federal laws regulating your business.

Prior Business Experience:

We own and have operated one pet waste removal business similar to our franchise in Dallas, Texas, since November 2005. Our founder, Geoffrey Bodle has directed the establishment and operation of pet waste removal services in Texas since 2005.

Other Lines of Business

We have not offered franchises in other lines of business.

Item 2

BUSINESS EXPERIENCE

Geoffrey Bodle - President and Secretary:

Mr. Bodle has been our Chairman and President since we were incorporated in November 2005. He also serves as a Business Consultant for Ernst & Young in Dallas, Texas since July 2004.

Item 3

LITIGATION

Except as described below, no litigation is required to be disclosed in this Item.

On June 25, 2012, the State of California, Department of Corporations, (now the Department of Business Oversight) issued a Desist and Refrain Order, finding we and Geoffrey Bodle, our President and Secretary had been offering and/or selling Poop 911 franchises in the state of California without complying with the California Franchise Investment Law (CFIL) and ordering us to desist from offering or selling franchises unless and until the offers are registered pursuant to the CFIL. On June 28, 2012, we signed a Stipulation to the Entry of the Order, agreeing that we would not offer or sell franchises unless we are registered as required by the CFIL.

On March 12, 2013, we voluntarily entered into a Consent Order with the Securities Division, Washington Department of Financial Institutions. The Consent Order, No. S-13-1191-13CO01, found that we had violated RCW 19.100.080 by offering and selling a Poop 911 franchise business to a Washington resident without first being registered to sell franchises in the state of Washington and without providing the requisite disclosure document. We agreed that we would not offer or sell franchises unless we are registered and paid \$875.00 to reimburse the Securities Division's investigation costs.

On August 13, 2013, Hounds Mounds, Inc. (Claimant) filed a demand for arbitration with the American Arbitration Association for breach of contract against a former franchisee Adrian Finch (Respondent) in the Ft. Lauderdale, Florida area, who had abandoned his franchised business and claimed to terminate the franchise agreement. [AAA Case #71-20-1300-0449] Hounds Mounds, Inc. dba Poop 911 vs Adrian Finch.] Claimant subsequently amended the arbitration demand to include claims for trademark infringement under both state trademark law and the Lanham Act, as well as unfair competition, fraud, tortious interference with contractual relations, and breach of the implied covenant of good faith and fair dealing. Claimant sought actual and consequential damages, declaratory relief, lost profits and punitive damages for wilful and malicious conduct. Respondent filed a general denial response and request for a continuance in the arbitration. On April 18, 2016, the arbitrator found that, since neither party could provide evidence that a signed franchise agreement ever existed and insufficient evidence was offered to support the damage claims although Respondent may have breached some terms in the unsigned franchise agreement, no damages were awarded. Because Claimant was deemed to have abandoned the general Ft. Lauderdale area and the non-competition clause overly broad, no injunction was granted. Administrative fees of \$7,889 and arbitrator fees of \$5,250.00 were ordered borne equally, with Respondent ordered to reimburse Claimant \$6569.50 for excess fees it incurred.

On September 30, 2013, Finch filed a complaint, Adrian vs Hound Mounds, Inc. in the 17th Judicial Circuit Court in Ft. Lauderdale, Broward County, Florida, Case No. CACE13021959 alleging violations of the Florida Deceptive and Unfair Trade Practices act and the Florida Franchise Act. Hounds Mounds, Inc. filed a motion to stay the suit pending arbitration under the Florida Arbitration Act. On October 16, 2018, a Final Order and Directions to the Clerk to Close the Case was issued, dismissing the case without prejudice for lack of prosecution.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

We do not charge an Initial Franchise for a Poop 911 franchise to offer and provide pet waste removal services within an exclusive territory. We do require that after you sign the franchise agreement and before you start training you must have your vehicle wrapped for our specified signage and advertising requirements. We will provide you with specifications for the vehicle wrap after signing. You may use any vendor who can meet our specifications, and we will pay the vendor directly.

We do not guarantee any note, lease or obligation you may incur. Neither we, nor any affiliate offers financing that requires you to waive notice, confess judgment or waive a defense against us, although you may lose your defenses against us in a collection action on a note that is sold or discounted.

Refundability

There are no initial fees to refund.

Item 6

OTHER FEES

Name of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Royalty (Note 2)	25% of Gross Revenues	Deducted from Gross revenues at the end of each Settlement Period	"Gross Revenues" means all revenues received by the Business from any source, excluding sales tax, customer adjustments and credits.
Targeted Local Marketing Fee	Up to 1% of Gross Revenues	Deducted from Gross Revenues at the end of each Settlement Period (not currently charged)	When we decide there are sufficient franchisees within a region, we may require you join a local franchisee advertising co-op, then you must agree and contribute the amount we specify.
Additional or Refresher Training (Note 3)	None at present	Before attending training.	We reserve the right to charge a reasonable fee for additional training. Amount of any training fee will be determined by the trainer, type and extent of training provided.
Transfer Fee (Note 4)	\$3000 or \$5000	Upon final approval of proposed transferee.	If proposed within two years of beginning operation \$5000. If more than two years then \$3000. If actual costs are greater then actual costs.
Finders Fee	1% of purchase price	At closing	If we locate and refer buyer
Audit Costs	In addition to understated amounts, if understatement found, you pay reasonable cost of audit.	Upon receipt of invoice.	Includes all costs incurred because of the inspection and audit, such as reasonable accounting and attorney fees.
Required Purchases	Will vary under circumstances	As incurred	Purchases are from various sources. See Item 8.
Late Fees (generally) (Note 5)	Greater of \$150 OR, interest of 1.5% per month of the unpaid amount or legal maximum	Upon receipt of invoice.	We may charge a late fee for each notice on any payment you owe us that we do not receive by the due date.

Name of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Chargebacks and Penalties	The amount of any chargebacks for your customers	Upon notice.	If credit card charges are reversed (“chargeback”) by applicable merchant processing, then you must reimburse us for those costs
Costs and Attorneys Fees	Will vary under the circumstances.	As incurred.	Payable upon your failure to comply with the Franchise Agreement or because of other claims involving our relationship.
Renewal Fee	\$5000 or 3% of the Initial Franchise Fee then being charged, whichever is greater.	Six months before expiration of term of Franchise Agreement.	However, royalties and other fees may increase to the amount(s) then being charged new and renewing franchises.
Insurance (Note 6)	\$325- \$500	Upon receipt of invoice	You have to reimburse us, if we purchase insurance for you because you failed to do so.
Indemnification	Will vary under circumstances	As Incurred	You have to reimburse us if we are held liable for claims, damages or lawsuits from your operation of the Franchise Business.
Call Center Services (Note 7)	Will vary under the circumstances	As incurred	May be charged for outbound calls, customer support and lead generation follow-up.

Note 1 *Generally:* Unless otherwise specifically noted, all fees are imposed by and payable to us. All fees are non-refundable unless we specify otherwise.

Note 2 Settlement periods are bi- monthly, ending on the 15th and the 30th or 31st of each month, with a total of 24 settlement periods per calendar year.

Note 3 Currently, we will provide initial and refresher training at no charge on a space available basis, but this is subject to change. If additional training is provided at your location, then we may charge for our representatives actual expenses incurred for travel, lodging and meals.

Note 4 We may require a copy of the signed purchase agreement contingent upon our approval of the transfer.

Note 5 Interest begins from the date of non-payment.

Note 6 Insurance costs will vary depending upon the nature and value of the physical assets, gross revenues, and other factors bearing on risk expense practices. The range listed above reflects our experience in Texas markets. See Item 8 for information on insurance requirements.

Note 7 In the future additional call center services may be available to you.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee (Note 1)	None	Lump sum (Note 1)	Upon signing Franchise Agreement	Us
Rent (Note 2)	0 to \$1000	As arranged	As incurred	Landlord
Opening Advertising	\$100 - \$200 / Month	As Arranged	As incurred	Third Parties
Internet Advertising via Partner Websites	\$45 / Month	Monthly	2 nd Monday Every Month	Us, but not currently required
Office furniture Computers, GPS, Phone (Note 3)	\$0- \$1000	As arranged	As incurred	Approved Vendors, Third parties
Liability Insurance (Note 4)	\$300 - \$525	As arranged	As incurred	Insurance Companies
Vehicle Wrap / Advertising / Signage (Note 1)	\$1000 - \$2,500	As arranged	Before you can start training	Approved Vendors, Third Parties
Vehicle (unless already owned)	\$0 - \$15,000	As arranged	As incurred	Approved Vendors, Third Parties
Training Costs / Travel (Note 5)	\$325 - \$1000	As Arranged	As Incurred	Airlines, Hotels, Third Parties
Professional Fees (Note 6)	\$500 - \$2000	Before opening	As incurred	Your attorney, accountant, and other business advisors
Pet Waste Equipment	\$100 - \$200	As arranged	As incurred	Third Parties
Additional Funds (3 months)	\$1250-\$2500	As incurred	As incurred	Various vendors and service providers
TOTAL ESTIMATED INITIAL INVESTMENT) (Notes 8 and 9)	\$3,620 to \$25,970			

NOTES:

1. We do not charge an Initial Franchise Fee, but you may not attend training until your vehicle has been wrapped according to our specifications using an approved vendor. We will pay the vendor directly and you pay nothing for the vehicle wrap.
2. You may base your business operations from your home, or you may lease office space or executive office suite space suitable for your business. Monthly rent and related charges will vary greatly depending upon the size of the space, its location and general rental market. Lease rental or mail service is the estimated cost for a three month period.
3. Basic office furniture and supplies include, desk, chair, file cabinet, office supplies. You must maintain telephone or cable/broadband line with high speed internet capability, as well as a cell phone and GPS device. You will need to provide computer, printer and scanner of your choice. You may already have adequate equipment and furniture in place.
4. You must obtain public liability insurance for bodily injury, property damage, and motor vehicle insurance, commercial general liability, errors and omissions and automobile insurance in a minimum limit of \$1,000,000 (One Million Dollars). Actual cost of required liability limits may vary according to the geographic location. You must also obtain business risk and casualty insurance, in limits and on terms acceptable to us and adequate to protect our interests in your continuing operation. Insurance costs will vary depending upon the nature and value of the physical assets, gross revenues, and other factors bearing on risk expense practices.
5. You must pay for your travel and lodging, and meals costs while attending training in Dallas, Texas or at the operating franchise nearest to you we designated..
6. You may desire to retain legal counsel to review your initial agreements and an accountant to advise on financial and tax matters. The fees they charge will depend on the scope of services you request and could exceed this amount.
7. This estimates your initial start up expenses for a 3-month period. We recommend you have initial operating capital of \$1,250 to \$2,500 to provide operating cash and miscellaneous costs. The amount required may fluctuate due to expenses of the Business such the efficiency of your operation, the local market for your services, the length of time it takes to establish customers and then bill and collect from customers for services. Many suppliers, utilities and tradesmen require you pay their fees and deposits before providing services, e.g. sales tax deposits, business license fees, etc. In addition, you will incur costs such as gasoline, insurance, phone, and other fees identified in Item 6, possibly office lease or purchase payments and the like before we have collected and paid you for the initial work you perform for new accounts. Operating capital and recommended additional funds are calculated solely for your Business expenses and does not include any funds you may need for personal use or salary. You should consult a business advisor before making any commitments or decisions to enter into a franchise agreement with us.
8. All fees and payments you pay to us are non-refundable, unless otherwise specifically stated. The refundability of payments to other third parties and vendors will depend upon the terms you negotiate.
9. We base the estimated initial investment on our experience and the experience of Hounds Mounds, Inc.'s founder, Geoffrey Bodle. Mr. Bodle has ten years in the industry and in the development and operation of pet waste removal businesses. We anticipate identifying more

variables in expenses as we gain experience through establishing Poop 911 franchise business in different regions of the country.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To preserve the quality and consistency of the Poop 911 Business and of the services available to customers at your Business, we require you buy or lease certain services and items either from us or from an approved supplier. As we provide you with access to our BARCS scheduling and customer database and Recruiter Services, media materials and brochures, you will have everything you need to start your Poop 911 Business with an approved office location. You must use all our scheduling, routing and back office (scheduling, billing and credit card processing) services.

As described in Items 1 and 6, we provide customer scheduling, routing, customer billing, credit card processing and administrative services. We have developed a unique software platform and part of the back office support that we provide you is access to our proprietary Billing, Administration, Routing, Customer Scheduling program (BARCS), primarily through our BARCS software system. You must use all of our services unless we agree otherwise.

Trademarked and Proprietary Items

While operating your business, you may have the occasional need to purchase certain promotional materials (e.g., stationery, brochures, business forms) either from us or from an approved vendor. Your equipment, supplies and software products must meet any standards and specifications we may establish. As applicable, we will provide you with standards, specifications and a list of any approved vendors. We have the right to change such a list at any time. We will issue standards to you and suppliers if needed upon request. We will notify you of any approvals and disapprovals in writing.

Approved Vendors

To obtain our approval of a vendor who desires to obtain an Approved Vendor designation, you or the vendor must submit to us the information we consider appropriate, including financial and business condition and reputation, facilities, insurance, credit rating; as well as appropriate service or product information. The cost of review, evaluation and any testing of this information and sampling will be your obligation or that of the vendor seeking approval. Within twenty (20) days of receipt of all required information, we will advise you or the applying vendor of our decision in writing. We will not unreasonably withhold our approval, but the final decision is solely within our discretion.

At present, we derive no income from franchisees' purchases from any approved vendor because there are no purchases made directly from us. We do not receive any money, rebates or advertising allowances from approved suppliers, but may do so in the future. Neither we, nor any of our officers owns an interest in any approved supplier, except that our President Geoffrey Bodle owns the website "poopbutler.com," a directory of pet waste removal suppliers.

We are currently the sole approved vendor for the trademarked and logo items used in the Poop 911 Business. At this time, those items are logoed sticky note pads and occasional promotional items. We control the purchase of these items to assure protection of our trademarks, trade secret rights and for

quality control and uniformity of products and services within the franchise system. We sell the promotional items at or below competitive market prices where similar items may exist. Occasionally we may consent to your request to have our logo applied to an item you purchase from a local vendor, but we are not obligated to do so.

Revenues from Purchases

We do not provide you with any material benefit, if you use our recommended or approved suppliers. During our last fiscal year ending 12/31/23 we had total revenues of \$1,757,428, all of which consisted of revenue from the royalties (commissions) charged to franchisees. All of your required purchases represent 83% percent of your total purchases in connection with the establishment of your Business and approximately 1% of your overall purchases in operating the Business. However, you will make few purchases during the operation of your Business, and none of them will be from approved vendors, unless a replacement vehicle wrap is necessary. We also do not currently receive payments or other compensation from an approved vendor based on our franchisees' purchases, although we reserve the right to do so.

Advertising

You must conduct, in a professional and dignified manner, all marketing and promotion of any kind and in any medium and must conform to our specified standards. We must approve all advertising and promotional materials before you may use them. If you do not receive our written approval within 30 days, we will deemed to have given the required approval.

Insurance

Before you open your office, you must obtain the insurance coverage specified in the Franchise Agreement. You must maintain this coverage for the duration of the franchise. You must also furnish us with copies of all insurance policies showing the coverage and payment of premiums required by your Franchise Agreement and then continue to provide renewal certificates. All insurance must be obtained from a responsible carrier acceptable to us holding a Best's rating of not less than A- and must name us as additional named insureds and include a waiver of subrogation rights in a form acceptable to Us. You must maintain all insurance required by law, as well as commercial general liability and automobile insurance for our current requirements of not less than One Million Dollars (\$1,000,000.00) each, together with property damage liability and casualty insurance, inland marine and business risk insurance, all in such policy limits and from such reputable insurers as are reasonably acceptable to Us. We may modify or require additional types and amounts of insurance by revisions in the Manual. You must also furnish us with copies of all insurance policies showing the coverage and payment of premiums required by your Franchise Agreement and then continue to provide renewal certificates.

No purchasing or distribution cooperatives exist. We do not negotiate purchase agreements with any suppliers for the benefit of franchisees. We may however negotiate with vendors to offer discounts to franchisees for favorable pricing for advertising, mail service, etc. These discounts are negotiated and offered to you at no profit to us. As a pet waste removal services business, Poop 911 Franchise Businesses do not distribute products and make no purchases of any significance or quantity.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Poop 911™ Franchise Agreement

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Not Applicable	Items 7 and 11
b. Pre-opening purchases/ leases	Sections 3.5.2, 4.2, 5.2, and 6.1.2	Items 5 and 8
c. Site development and other pre-opening requirements	Not Applicable	Items 6, 7 and 11
d. Initial and on going training	Section 5.2 *	Item 11
e. Opening	Section 2.2	Item 11
f. Fees	Sections 3.1 - 3.6	Items 5, 6 and 7
g. Compliance with standards and policies/ Operating Manual	Sections 6.1*, 6.3.1 and 6.3.2	Items 8 and 11
h. Trademarks and proprietary information	Section 6.3*	Items 13 and 14
i. Restrictions on products/services offered	Sections 2.3, 6.1.5, 6.3.2	Items 11 and 16
j. Warranty and customer service requirements	Section 6.1.11	Item 8
k. Territorial development and sales quotas	Not applicable	Not applicable
l. Ongoing product/service purchases	Sections 5.4, 6, 6.1.2, 6.3.2,, 6.7	Item 8
m. Maintenance, appearance and upgrading requirements	Sections 6.1, 6.1.9, 8.2.3	Item 8
n. Insurance	Section 6.2	Items 7 and 8
o. Advertising	Sections 6.5-6.7	Items 6, 7 and 11
p. Indemnification	Section 7.7–7.8	Item 6
q. Owner's participation/ management	Sections 7.4, 7.5,, 8, 12.1 and 12.3	Items 11 and 15

Obligation	Section in Franchise Agreement	Item in Disclosure Document
r. Records and reports	Section 3.5*	Item 8
s. Inspections and audits	Section 3.5.3	Item 6
t. Transfer	Section 9*	Item 17
u. Renewal	Section 8.2*	Item 17
v. Post-termination obligations	Section 10*	Item 17
w. Non-competition covenants	Section 7.9* and Exhibit D	Item 17
x. Dispute resolution	Section 15*	Item 17
y. Confidentiality and Non-Disclosure	Sections 6.3.6 and 6.3.7	Items 14 and 15

* Includes numbered subsections

Item 10.

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

Item 11

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

Except as listed below Hounds Mounds, Inc. is not required to provide you with any assistance.

Before you open your Poop 911 Business, we will:

- 1) License you to use our trade name and trademarks. (Franchise Agreement - Paragraph 2.1 and 2.2)
- 2) Designate your exclusive territory. (Franchise Agreement - Paragraph 4.1 and 4.4 and Exhibit B)
- 3) Approve a home office or commercial location, develop a sales plan and prepare you for start up of your franchise business. (Franchise Agreement - Paragraph 4.2)
- 4) Help you with initial marketing, including planning and implementation. (Franchise Agreement - Paragraph 5.1)
- 5) Provide you with specifications and approved vendors for purchase of personal computer, peripherals and phone system as needed. (Franchise Agreement - Paragraph 5.4.1)
- 6) Provide you with initial scooper technician supplies for one technician at our expense and certain basic supplies for marketing including:

5 T-Shirts with logo

2 Hats with logo

Thank you for your business door hangers

(Franchise Agreement - Paragraph 5.1.2)

We will update you with any recommendations for vendors and specifications if needed, usually by email and Operations Manual.

- 7) Provide you with one vehicle wrap to be applied at our expense at the vendor of your choice, prior to training you in our proprietary and trade secret methods of operation, marketing techniques, proprietary customer service strategies, customer and pet waste removal services (Franchise Agreement - Paragraph 5.2 and subsections); and
- 8) Provide you with one copy of our Operating Manual, as applicable, which will include operating procedures and standards, rules and regulations for the Franchise System, before you start training. (Franchise Agreement - Paragraph 5.3.1)

During the operation of your Poop 911 Business, we will:

- 1) Provide you with administrative and back office support in the form of customer billing, processing, routing and scheduling services, using our BARCS system. (Franchise Agreement - Paragraph 3.3)

- 2) Remit Net Proceeds of all amounts, after deduction for royalties and all applicable fees and any adjustments and credits, collected from your customers to you each Settlement Period. (Franchise Agreement - Paragraphs 3.3, 3.3.2 and 3.3.3)
- 3) Each bi-monthly settlement period (24 settlement periods per calendar year), we will pay you Net Receipts on the 6th and 21st day of each month based on your customers' collected billings. (Franchise Agreement - Paragraph 3.3.2)
- 4) Provide you with updates to our Manual, as applicable, which will include operating procedures and standards, our current policies, rules and regulations and other confidential information for the Franchise System. (Franchise Agreement - Paragraph 5.3.1)
- 5) Provide you with phone and web training sessions support for your first 90 days in business to help in marketing and establishing your initial customer accounts (Franchise Agreement - Paragraph 5.3.2)
- 6) Provide you with advice and guidance on business operations, including interpretation and implementation of the policies and procedures in the Operating Manual (Franchise Agreement - Paragraph 5.3.3)
- 7) Periodically advise of any approved vendors. (Franchise Agreement - Paragraph 5.4.1, see also Item 8)
- 8) Provide an exclusive, dedicated telephone number which is the only telephone number you may use for your Poop 911 Business, and Our call center will answer all inbound calls and forward or route them to the appropriate local Business. (Franchise Agreement - Paragraph 5.5)
- 9) Maintain a central Web Site promoting Poop 911 pet waste removal services and providing contact information for its franchisees in good standing. (Franchise Agreement - Paragraph 5.6)
- 10) Market the franchise system and franchisees by means of pet services listings on specialized website directories. (Franchise Agreement - Paragraph 5.6)
- 11) When 100 Poop 911 franchises are operating, we may appoint a National Franchisee Advisory Council to facilitate communications and serve in an advisory capacity. (Franchise Agreement - Paragraph 6.4)
- 12) Although we have the right as allowed by law to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for Poop 911 services and products, we are not obligated to assist in establishing prices although will be available to advise as requested. (Franchise Agreement - Paragraph 6.6)

Site Selection

We only grant an exclusive territory within which you are authorized to operate your Business, not a specific site. You will operate your Poop 911 Business at your choice of your home, commercial office space, or executive office suite meeting our current criteria. Choice of location is yours, but we have the right to disapprove (Franchise Agreement - Paragraph 4.2), if we determine the location is detrimental or in any way reflects badly on the Poop 911 trade name and business reputation. You may

relocate only with our prior written approval. There is no time limit on notice of approval or disapproval but we intend to respond promptly.

BARCS - Customer Billing, Processing and Scheduling System

Under our Customer Billing, Processing and Scheduling System (BARCS), you send us copies of all customer agreements you have for Poop 911 pet waste removal services which must be in a form we approve. Concurrent with signing the Franchise Agreement, you will sign an Agreement for Sale of Receivables so that we may collect from the customer. (Franchise Agreement - Exhibit A)

We will pay you net proceeds (after royalties and all adjustments and deductions authorized in the Franchise Agreement) based on amounts received from your customers twice a month, 6th and 21st day of each month. Under the Franchise Agreement, we are only required to send you the balance of the amounts actually collected as of the 15th and 31st of each month (Franchise Agreement-Paragraph 3.3.2).

We bill your customers and collect monies due by periodically charging the customer's credit card on file with us. If the credit card charge is denied or charged back to us, then we may take the steps we consider appropriate to collect. If a customer pays you directly, then you must remit the amount without deduction to us within 24 hours of receipt. However, you have the ultimate responsibility for ensuring your customers pay. If you propose a customer who does not meet our standards for creditworthiness, we may decline to approve their agreement.

Franchisee Groups and Advertising Information; Internet Related Activities

We currently have not activated national or regional franchisee advisory or marketing activities, but may do so in the future.

National Franchisee Advisory Council - There is no council of franchisees who advise us on advertising policies or other matters, but we will form a National Advisory Council when there are at least one hundred operating franchises. Paragraph 6.4 of the Franchise Agreement does not give us the power to form change or dissolve an advertising council.

We are not obligated to maintain any advertising program or to spend any amount on advertising in your area or territory.

Targeted Local Marketing (TLM)- We do not have any advertising fund to which you must contribute nor any specified amount you must spend on advertising in your territory. We do have the right to require you to pay us up to 1% of your gross revenues as a Targeted Local Marketing fee, but currently do not require this. When required, the TLM fee will be used for marketing targeted directly towards your territory and is not a part of any general franchisee advertising fund. If we do require you to pay a TLM fee, we will give you 60 days notice and provide you periodic reports regarding the TLM expenditures directed to your territory. (Franchise Agreement 6.5 and 6.5.1)

The Internet - We maintain a Web site where all Poop 911 businesses are listed. You may not advertise, obtain directory listings or obtain or establish an independent Web page or Web site, unless we give our written consent. Separate web sites are against our current policy, which we do not anticipate changing. Any use of or Proprietary Marks in any form or fashion and in any medium requires our prior written approval. You may not offer, promote or sell any services or products or use any of the Proprietary Marks through the internet or by any electronic means including for example, blogging, social networking sites such as Facebook, Twitter, or LinkedIn, except as we may approve, but we are

not required to do so. You may not use our Proprietary Marks as part of any Internet domain unless we specifically approve in writing.

Advertising Generally; National Marketing

Other than maintaining the Poop 911 website and maintaining advertising partner website listings, We do not require or provide advertising in any media, nor do we provide an advertising program. Under our current operating standards, we require that all franchises maintain a minimum of a Google Adwords, Instagram and Yelp listing and other items we identify from time to time as "websites and other advertising channels." Our Operating Manual and current requirements are published online in the Franchise Resource Center that we provide exclusively to our franchisees. This list will be updated periodically when we identify advertising channels that we believe are in the best interest of the franchisee to follow. We will provide you with templates and various marketing materials in electronic media, some of which may be appropriate to reproduce in print. You may use your own advertising materials only with our prior written approval.

Computer; Mobile Devices

As a minimum you must have access to high speed internet service. The operating system for your computer will be Windows 10 or newer. You must also purchase and install a basic financial recordkeeping software, currently Quickbooks, or you may hire an accounting professional who will utilize Quickbooks. You must provide us read only or accountant's access to Quickbooks online. You must also have the software necessary to access and use the Hounds Mounds, Inc, proprietary BARCS system to which we will give you access at no charge. You will use the software to input your customer billing information and to transmit your sales activity and billing information to us. If you do not have a computer, then the cost to acquire a computer, printer and scanner meeting our minimal requirements will range from \$450 to \$700.

You must also own and maintain a smartphone dedicated to receiving customer calls. Either an iPhone or and android based smartphone with access to the internet is acceptable. We will provide an exclusive dedicated telephone number which is the only telephone number You may use for your business. Our call center will answer all inbound calls and forward or route

We will have the right to change our minimum computer hardware, mobile device and software requirements occasionally. You must then upgrade your computer systems and devices to meet the new requirements within a reasonable period of receiving notice from us to do so. The franchisee has no obligation to enter into annual maintenance updates, upgrading or support contracts for any hardware or software. Neither we nor any affiliate or third party is obligated to provide ongoing maintenance repairs upgrades or updates. Costs of any optional or mandatory upgrades or maintenance that you may incur annually is unpredictable and determined by independent third party vendors and will vary according to the computer system you choose to use.

We currently do not have independent access to your computer system, but have the right to implement access to your system upon notice. You must have internet access through your computer and subscribe to an internet provider with adequate speed.

Time Between Signing of the Agreement and Beginning Operations:

The period of time between the signing of the Franchise Agreement (or the payment of any consideration for the franchise) and the opening of your business varies, depending upon when you

schedule training. Because you start business immediately after you complete training, we expect that you will begin one (1) to two (2) weeks after signing your Franchise Agreement. Factors affecting this length of time usually include obtaining a satisfactory site, wrapping your vehicle which must be completed before you begin training, and setting up your office, lease or rental negotiations if applicable, finalizing any financing arrangements, and timing of completion of training.

Training:

We offer a training program comprised of extensive self managed at home and online studies using both online and hard copy materials under our supervision, as well as one day of training in-field with an available franchisee operating nearest you. The total training program, in the field and virtual, lasts approximately one (1) week. We will determine the actual length of training based on our assessment of your needs.

We will try to make training available as necessary for you. You must attend on-site and/or virtual training as we determine is appropriate. You must complete initial training to our satisfaction before you can start your Poop 911 Business. We have the right to limit availability and to charge a reasonable fee (not yet set in the absence of current retraining demands). We plan to be flexible in scheduling training to accommodate our personnel and you. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. We may require you to attend refresher training courses at times and locations that we designate. You will be responsible for your related traveling and living expenses.

Our training program uses the Operating Manual which is provided through online access and other materials and online media that we may adopt (all part of the “Manual”), with the greatest amount of time spent on “hands on” training. The Table of Contents for the Manual is included as Exhibit D to this Disclosure Document. The Manual currently has a total of 48 pages. Training covers operation and management of the franchise business, managing the customer development, pet waste removal and personnel techniques, marketing, effective use of the BARCS system, our current policies, procedures and operating requirements, as well as general business organization information. Our president, Geoffrey Bodle has primary training responsibilities as well as on-going duties in the company.

We do not charge for training, subject to those limitations summarized immediately above. You are responsible for travel, board, living expenses, any employee salary and costs.

We may require, or you may request additional refresher or retraining courses. This training is subject to availability of training personnel and limited space in scheduled classes. We may provide refresher training at our option for a charge we will determine at that time. Both Geoffrey Bodle and Phylene Chase teaches all classroom subjects. Phylene has eleven years experience with the franchisor in the classroom subjects. In-the-field training is provided under Geoffrey Bodle’s supervision by a geographically close franchisee who is in good standing and has at least two years experience operating the business. As of the date of this Disclosure Document, we provide the following training:

Training Program

Subject	Hours of Classroom Training	Hours of on- the- Job Training	Location (Note 1)
Introduction to the brand	1 hour	Unlimited via phone first 90 days	Virtual

Subject	Hours of Classroom Training	Hours of on- the-Job Training	Location (Note 1)
In the field training	0 hours	16 hours	Dallas, TX or a designated franchisee territory
BARCS system - (Billing, Administrative, Routing & Customer Scheduling system) and Customer Service	6 hours	Unlimited via phone first 90 days	Virtual
Marketing	4 hours	Unlimited via phone first 90 days	Virtual
Poop 911 Business setup and management	4 hours	Unlimited via phone fist 90 days	Virtual
Quality process	1 hour	Unlimited via phone fist 90 days	Virtual
TOTALS	17 hours	16 hours+ 90 days unlimited phone training	

Note 1 - The relevant experience of our principal trainers:

Geoffrey Bodle - 19 years

Phylene Chase - 11 years

Various franchisees with 2 to 12+ years operating Poop 911 businesses.

Item 12

TERRITORY

Under the Franchise Agreement:

You must operate your Business within an exclusive area we grant you that is designated by addendum attached to the Franchise Agreement (“the Exclusive Territory”). The Territory deemed appropriate will vary from franchise to franchise. We will determine the Territory by the specific geographic and market factors affecting the Territory and by our overall plan for development of the Territory. These factors may include the size and demographics of the local population, density of population, single family residence or duplex versus multi unit dwellings and number of commercial properties. We may also take into consideration other available demographics, any accessible information regarding pet population and any factors that would affect ability to efficiently service customers within a given area. We will negotiate your geographic area concurrently with the Franchise Agreement. We will describe the Territory in Exhibit A to the Franchise Agreement. We can define the exclusive Territory by reference to political divisions (town, city, county), by radius (e.g. radius from your home base), by mapped delineation, zip codes and/or by population densities.

Rights Within Exclusive Territory:

The grant of an Exclusive Territory means only you can market and perform Poop 911 pet waste removal services in that Territory. We define all Territories by zip codes, assigning each territory an exclusive list of zip codes in which to operate the Franchised Business. Each territory has a minimum of 250,000 population. However the Territory is defined, you must be in compliance with your Franchise Agreement and any other agreements with us to preserve your exclusive Territory. If the population substantially increases within your Exclusive Territory, and we reasonably decide that another Business is needed to service the general market area adequately, we may reduce the size of your Exclusive Territory.

Your territorial exclusivity is not dependent upon achievement of a certain sales volume, market penetration or any other contingency, with two exceptions:

1. If you twice decline to service customers within your Territory, We may reduce or otherwise adjust Your exclusive Territory as long as it contains at least a population of 250,000. We may then allow other franchisees the opportunity to service and acquire the exclusive rights to the released territory.
2. You must maintain the minimum number of service vehicles we require or we may reduce your Territory. Our policy for number of service vehicles is detailed in the Manual. Currently We require a minimum of one vehicle for every 125 enrolled customers in your Territory.

You must operate your Poop 911 Business solely within the Exclusive Territory we negotiated between us and as described in Exhibit B to the Franchise Agreement. We do not permit use of the Internet, except in the manner that we authorize and provide by means of our Website and other strict standards we may mandate.

Outside of Exclusive Territory: You may not solicit customers outside of the Exclusive Territory. If a customer calls requesting service outside of the Exclusive Territory, you may assist them so long as they are not located in the Exclusive Territory of another franchisee. So long as the customer is located in an Territory not yet awarded to a franchisee, then you may service the customer.

Office Location and Relocation. You must reside within your Territory or, with our written consent, reasonably nearby and within your state. You may relocate your office (home or office suite meeting our requirements) anywhere within the Exclusive Territory, so long as you give us prior written notice and it meets our current minimum standards. We have the right to disapprove any proposed relocation. Neither you nor other franchisees may advertise or solicit outside of Exclusive Territory. We are not subject to those restrictions.

Other Channels of Distribution: Although not prohibited from doing so, we have no presently formulated plans to operate or franchise any business selling or leasing similar goods or services under a different trademark in the Exclusive Territory or elsewhere.

Major Accounts: We occasionally negotiate Major Account status with companies that 1) operate from two or more locations or 2) are of a size or nature that we determine merits Major Account status. We may at our discretion offer you the opportunity to service a Major Account within or near your Exclusive Territory as they come available through our Major Account status. We will offer you these

accounts on an “as needed” basis, which may be once or periodically. If you decline to service the Major Account on the negotiated terms, we may offer the Major Account to someone else if available.

Generally:

We do not allow franchisees to advertise or target solicitation outside of their Exclusive Territory. Nor will we solicit or accept customers from inside the franchisee’s Exclusive Territory unless it qualifies as a Major Account. You may not solicit or accept orders from customers located within the Exclusive Territory of another franchisee unless the other franchisee consents. Therefore, we do not require payment nor do we make such payments of any compensation for sales made or orders solicited in another franchisee's exclusive Territory. We are not subject to these conditions. You may not sell or provide services outside your Exclusive Territory, except with our prior approval. We do not permit use of the Internet, telemarketing, toll free telephone numbers, or other direct marketing except as we specifically approved or direct.

We offer no options, rights of first refusal or similar rights to acquire additional franchises within the Exclusive Territory or contiguous territories. You will not have a right to relocate the franchise outside the Territory or to change your Territory except by our written consent.

Other Channels of Distribution: We have the right to solicit and accept orders for services using our Marks or other products to customers located in your Exclusive Territory without compensation to you, although we are not presently doing so. Neither we, nor other franchisees, may do business with your customers registered as exclusive. We reserve the right to use the Marks in any other channel of distribution, including the internet, and may sell other similar services and goods under other trademarks.

Item 13

TRADEMARKS

We grant you the non-exclusive right to operate a Poop 911 Business under the name Poop 911 and under any other trademarks, trade names, service marks, designs and logos currently used in the franchised business (the "Marks"). Hounds Mounds, Inc.. has applied to register the following Mark on the Principal Register with the United States Patent and Trademark Office (PTO):

- Poop 911 as service mark for franchise services, namely, offering business management assistance in the establishment and operation of pet waste removal services businesses; Registration No. 4,317,856 registered October 2, 2012.
- Poop 911 as service mark for pet waste removal services.; Registration No. 4,217,810 registered October 2, 2012.

There are no presently effective determinations of the PTO, U.S. Trademark Trial and Appeal Board, the trademark administrator or court of this or any State, nor is there any interference, opposition or cancellation proceeding or material litigation pending involving the Marks, which is relevant to their use in this or any State in which we will grant franchises. We have filed all required affidavits.

All your use of the Marks and any goodwill you establish is to our exclusive benefit. You will keep no right in the Marks on termination or expiration of the Franchise Agreement, nor may you contest their ownership.

You must notify us immediately when you learn of any infringing use or claims of right to names or marks which are the same, or confusingly or deceptively similar to any of our Marks. We are not obligated to, but may in our discretion, take affirmative action to protect our rights and/or yours to the Marks. We are not required to defend you against infringement or to reimburse you for any damages for which you are held liable in any proceeding arising out of your use of the Marks. We do intend to defend our ownership of the marks according to our reasonable business judgment.

We may require that you modify or discontinue use of any Mark. If we do, we are not obligated to reimburse for the costs of changing items such as signs and stationery, or for any other loss or expense caused by the modification or discontinuance. We do not actually know of any superior prior rights or infringing uses which could materially affect your use of the principal Marks in this state or in any state in which the franchised business is to be located.

No agreements materially limit our right to use or license the use of the Marks.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You must operate your business according to the Manual that will loan to you in writing and by electronic means, such as intranet and .pdf format. You must treat the Manual and any other materials, information, processes and knowledge ("materials") we create or approve for use in your operation as confidential and trade secret. You cannot copy or reproduce these materials without our written consent and must treat them as trade secret and confidential. We may and will occasionally revise the Manual, and you must comply with each revision as instructed.

We will disclose to you certain confidential or proprietary information and trade secrets. Except as necessary in the operation of the Business and as we approve, you may not, during the term or at any time after the expiration or termination of the Franchise Agreement, regardless of the cause of termination, directly or indirectly, use for your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, confidential information, knowledge or know-how concerning the techniques, processes, advertising, marketing, designs, plans or methods of operation of the Business or franchise system, and any other information we designate as confidential. You may use our confidential, proprietary or trade secret information as is necessary to operate the business and then only while the Franchise Agreement is in effect.

You must agree that any data generated by the use of the Franchise System and in the operation of your franchised business, including customer data, lists and profiles, is confidential and trade secret to us and our property. You must acknowledge and agree the Confidential Information is confidential to and a valuable asset of ours, and is proprietary, includes our trade secrets and is disclosed to you on the condition that you and any agents who have access to the Confidential Information agree that during and after the term of the applicable agreement you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information; (3) will not make unauthorized copies of any portion of the Confidential Information in written or other tangible form. If you form a Business Entity, then your owners (shareholders, members, or other equity holders) must sign a Restrictive Covenant Agreement recognizing our proprietary rights and the limited non-competition restrictions of the Franchise Agreement.

BARCS Database: Our proprietary database designed to interface with software. The software allows our franchisees to input customers and their schedule commitments and requests into Our central database that allows efficient coordinated management of the Poop 911 pet waste removal services and efficient routing for franchisees' to maximize their schedules.

We will take the action that we think appropriate with respect to our Confidential Information. You must also agree not to contest our interest in our trade secrets. If we decide to add, modify or discontinue the use of an item or process covered by a patent or copyright, you must also do so. Although not obligated to defend your use of this information and processes, we will reimburse you for damages and reasonable costs incurred in litigation about them.

Although we have not filed applications for copyright registration, we claim copyright protection and a proprietary interest in all written, online and video materials used in conjunction with the Poop 911 Business and franchise system.. We also know of no party infringing upon the use of our copyrights or proprietary information.

We do not own any rights in or to any patents that are material to the franchise business, nor do we have any pending patent applications material to the franchise.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Poop 911 pet waste removal business is a personal service business. We grant franchises and training to individuals on a personal management basis. You, or at least one of your Controlling Persons, must attend and satisfactorily complete our training course. We require that you operate and actively supervise your Business on a full time basis. We may designate specific days and hours of operation in the Manual. If we do so, then you must comply with those requirements. While you are developing your customer base, we require that you dedicate no less than one full day for every 10 customers to the operation of the Business.

If you form a corporation to act as the franchisee, you as an individual must own one hundred percent (100%) of the stock in the franchise entity. You or your Controlling Person will be the only one authorized to manage Poop 911 services. You must also sign a guaranty assuming and agreeing to discharge all obligations of the franchisee under the Franchise Agreement, including the confidentiality and non-competition, and non-disclosure/non-use provisions of the Franchise Agreement.

Item 16.

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell and may only sell the services we have approved. Paper goods, business supplies and any signage at your office (if not in the home) or on your vehicle must all be as specified or approved by us. (See Items 8 and 9). We do not limit the customers to whom you may provide Poop 911 services or the types of properties you may service, but you may not provide services outside your Territory without our approval. We have the right to change the types of authorized services and products, and there are no limits on our right to do so. We reserve the right to offer under a separate franchise license or by addendum in the future. See Item 12 for a discussion of general restrictions on where and to whom you may provide Poop 911 services.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement. You should read these provisions carefully. The Franchise Agreement is attached to this Disclosure Document as Exhibit C.

THE FRANCHISE RELATIONSHIP

Poop 911™ Franchise Agreement

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
a. Term of the franchise	Section 8.1	Five years
b. Renewal or extension of term	Section 8.2	If you are in good standing, you can renew for five additional five year terms.
c. Requirements for you to renew or extend	Section 8.2.1- 8.2.3, 8.3	Notify us in writing, sign new agreement, pay renewal fee, fully performed during previous term, sign a general release and not be in default with us. This means you may be asked to sign an agreement with terms and conditions that are materially different from those in your original agreement.
d. Termination by you	Not applicable	None except for any grounds permitted by law
e. Termination by us without cause	Not applicable	Not Applicable
f. Termination by us with cause	Sections 10.1,10.1.2 and 10.1.3	We can terminate only if you default or commit any one of several listed violations;
g. "Cause" defined –defaults which can be cured	Sections 10.1.2 ,10.1.3 and 10.3	5 to 30 days for failure to abide by our standards and procedures or any contract term not covered in 'h' below; we also reserve the right to step in and operate your business as we deem necessary, if you or your Controlling Principal die or are disabled or a material default occurs or other potentially harmful event, or in order to prevent an interruption of the Franchised Business which would harm to the System and lessen the value or continuity and stability of the Franchise Business including your failure to accept and service qualified new customers, failure to complete vehicle wrap, failure to set up phone greeting, failure to comply with social media conduct requirements

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
h. "Cause" defined – defaults which cannot be cured	Section 10.1.1	Abandonment, unapproved transfer, false statements or reports, fraud, breach of confidentiality, felony conviction, criminal misconduct, assignment for benefit of creditors, insolvency, bankruptcy, repeated breaches 3 or more times in any 12 month period, judgments or liens against you, failure to submit service orders, misappropriation
i. Your obligations on termination/ non-renewal	Section 11	Pay outstanding amounts, return confidential information, de-identify your Business, terminate or transfer phone listings stop using our Marks or operating a similar business, (also see "r"below)
j. Assignment of contract by us	Section 9.2	We may freely assign the Franchise Agreement in our absolute discretion
k. Transfer by you – definition	Section 9.1	Includes transfer of contract, assets, stock or other ownership change
l. Our approval of transfer by you	Section 9.1	We have the right to approve all transfers, but our consent will not be unreasonably withheld
m. Conditions for our approval of transfer	Section 9.1.3	We have the right to require financial, credit and other information about the transferee. You must be in substantial compliance with FA, all payments current, sign a general release, pay us a training fee and assume all outstanding obligations of your franchise
n. Our right of first refusal to acquire your business	Section 9.1.2	We match any bona fide offer
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Section 9.3	Your heirs may assign your interest only with our approval, which we will not unreasonably withhold, if the general conditions for transfer are met by the heirs.
q. Non-competition covenants during the term of the franchise	Section 7.9	Subject to state law, owners and/or signers of the Franchise Agreement may not be involved in competing business anywhere

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
r. Non-competition covenants after the franchise is terminated or expires	Section 7.9	Subject to state law, for two years, no involvement as a franchisor of a similar business anywhere, or in a competing business anywhere within Your Exclusive Territory or within the Exclusive Territories of any other franchisee or any other Poop 911™ Business
s. Modification of the agreement	Sections 4.5 and 14.1	No modifications without all parties' agreement, except we may unilaterally change the Operating and other Manual(s) or reduce your obligations under the Franchise Agreement
t. Integration merger clause	Section 14.1	Only the terms of the Franchise and other written agreements are binding (subject to applicable state law.) Any representations or promises outside of the FDD and Franchise Agreement may not be enforceable
u. Dispute resolution by mediation and litigation*	Section 15.2	Except for certain claims, either party may require all disputes first be mediated in Dallas, Texas by a mutually agreed mediator.
v. Choice of forum	Section 14.2	Litigation in Dallas County, Texas (subject to state law)
w. Choice of law	Section 14.2	Texas law applies (subject to state law)

*subject to state law

Item 18

PUBLIC FIGURES

We do not use any public figures 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 Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are

purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Geoffrey Bodle at 3824 Cedar Springs Rd., Ste 200 Dallas TX 75219, Dallas TX, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Unless otherwise noted, the information in the charts which follow in this are provided as of December 31st of each year:

Table No. 1

Systemwide Outlet Summary For Years 2021 to 2023

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
Franchised	2021*	74	84	+10
	2022	84	109	+25
	2023	109	196	+87
Company Owned	2021	1	1	0
	2022	1	2	+1
	2023	2	11	+13
Total Outlets	2021	75	85	+10
	2022	85	111	+26
	2023	111	209	+100

* Four franchises combined into 2

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
Arizona	2021	1
	2022	1
	2023	0
California	2021	0
	2022	1
	2023	2
Colorado	2021	0
	2022	1
	2023	0
Idaho	2021	1
	2022	0
	2023	0
Minnesota	2021	0
	2022	1
	2023	0
Missouri	2021	0
	2022	1
	2023	1
Nevada	2021	0
	2022	0
	2023	2
New Jersey	2021	1
	2022	2
	2023	1
North Carolina	2021	1
	2022	0
	2023	0
Oregon	2021	0
	2022	1

State	Year	Number of Transfers
	2023	0
Pennsylvania	2021	0
	2022	1
	2023	0
South Carolina	2021	0
	2022	1
	2022	0
Tennessee	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	1
	2023	0
All States	2021	5
	2022	13
	2023	3

Table No. 3

Status of Franchised Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Arizona	2021	2	0	0	0	0	0	2
	2022	2	3	0	0	1	0	4
	2022	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non- Renewals	Reacquired by Franchisor	Ceased Opera- tions Other Reasons	Outlets at End of the Year
Arkansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	1	0	1
California	2021	7	0	0	0	0	0	7
	2022	7	2	0	0	0	0	9
	2023	9	10	0	0	0	0	19
Colorado	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	5**
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	7	0	0	0	0	8
Delaware	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Florida	2021	7	0	0	0	0	0	7
	2022	7	3	0	0	0	0	10
	2023	10	14	1	0	0	0	23
Georgia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	7	0	0	0	0	8
Idaho	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Illinois	2021	2	0	0	0	0	0	2
	2022	2	5	0	0	0	0	7
	2023	7	0	0	0	0	0	6*
Indiana	2021	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termina- -tions	Non- Renewals	Reacquired by Franchisor	Ceased Opera- tions Other Reasons	Outlets at End of the Year
	2022	0	0	0	0	0	0	0
	2023	0	4		0	0	0	4
Iowa	2021	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Kansas	2021	0	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Kentucky	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Maine	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Maryland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	4	0
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina- -tions	Non- Renewals	Reacquired by Franchisor	Ceased Opera- tions Other Reasons	Outlets at End of the Year
	2023	1	0	0	0	0	0	1
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Missouri	2021	3	0	0	0	0	0	3
	2022	3	2	0	0	0	0	5
	2023	5	0	1	0	0	0	5
Montana	2021	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Nebraska	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Nevada	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Hampshire	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
New Jersey	2021	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2023	4	4	0	0	0	0	8
New Mexico	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
New York	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	1	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Termina- -tions	Non- Renewals	Reacquired by Franchisor	Ceased Opera- tions Other Reasons	Outlets at End of the Year
North Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	4	0	0	0	0	7
North Dakota	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Ohio	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	18	0	0	0	0	22
Oklahoma	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	3	0	0	0	0	5
Oregon	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	0	4
	2023	4	6	0	0	0	0	10
Rhode Island	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
South Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
South Dakota	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non- Renewals	Reacquired by Franchisor	Ceased Opera- tions Other Reasons	Outlets at End of the Year
Tennessee	2021	2	0	0	0	0	0	2
	2022	2	3	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Texas	2021	8	1	0	0	0	0	9
	2022	9	1	0	0	0	0	10
	2024	10	14	0	0	***1	0	24
Utah	2021	1	3	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2022	4	3	4	0	0	0	7
Vermont	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Virginia	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	2	0	0	0	0	5
Washington	2021	1	2	0	0	0	0	2
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Wyoming	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Washington D.C.	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	74	10	0	0	0	0	84
	2022	84	26	0	0	1	0	109
	2023	109	94	3	0	2	4	196

*1 Illinois franchise assigned to Indiana

**2 Colorado franchise locations listed but one franchise agreement

*** Franchisor acquired a portion of an operating franchisees territory

Table No. 4

Status of Company-Owned Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arkansas	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
Arizona	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
Michigan	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	4*	0	0	4
Missouri	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
New Hampshire	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1

<u>State</u>	<u>Year</u>	<u>Outlets at Start of the Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired From Franchisee</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of the Year</u>
New York	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	1	1	0	0	0	1
Texas	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	2	0	0	0	3
Virginia	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Totals	2021	1	0	0	0	0	1
	2022	1	0	1	0	0	2
	2023	2	5	6	0	0	13

*abandoned by franchisee

Table No. 5
Projected Openings As of December 31, 2023

<u>State</u>	<u>Franchise Agreements Signed But Outlet Not Opened</u>	<u>Projected New Franchised Outlet In The Next Fiscal Year</u>	<u>Projected New Company-Owned Outlet in the Next Fiscal Year</u>
Texas	0	1	0
Oregon	0	1	0
Florida	0	2	0
Michigan	0	1	0
All other states	0	9	0
Total	0	14	0

We have had 9 franchise owners who have had their franchise(s) terminated, otherwise canceled, not renewed, voluntarily or involuntarily ceased to do business within the last twelve months. Their contact information is:

Roger Collier
201 LPGA Blvd.
Holly Hill, FL 32117
386-631-3667

Chelsea Whittaker
17 Rex Aire Ct.
Arnold, MO 63031-1517
636-222-4800

David Graffius
24 Granite Drive
North Hampton, NH 03862-4411

Stephanie and John Muslinger
69 Sloane Ave
Amsterdam, NY 12010
518-844-8508

Cliff Sweat (4)
4571 S. Woodgrove Drive
W. Valley City, UT 84120-5654
801-809-3272

Bill Field (4)
2543 N. Duck Lake Rd
Highland, MI 48356
248-895-7203

David Banks (1 transfer)
1713 Longhorn Lane
Raymore MO 64083
816-887-6510

Kai Howard (2)
965 Cavanaugh Dr.
Reno, NV 89509
775-843-1171

Raymond Beasley
5022 Adonis Dr.
Spring, TX 77373-6988
713-447-0870

No other franchisees have otherwise voluntarily ceased to do business under the franchise agreement in the last fiscal year or have not communicated with us within 10 weeks of the effective date of this Disclosure Document. A list of current franchisees is attached to this Disclosure Document as Exhibit E. There are no franchisees that have otherwise voluntarily ceased to do business under the franchise agreement or not communicated with us within ten (10) weeks of the effective 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 franchisees have signed confidentiality clauses during the last three years. There are no known trademark specific franchisee organizations associated with the Poop 911 ® franchise system.

Item 21

FINANCIAL STATEMENTS

The financial statements of Hounds Mounds, Inc. are included as Exhibit B of this Franchise Disclosure Document. These include the audited statements for our fiscal years ending December 31, 2021, December 31, 2022, and December 31, 2023 and the interim unaudited balance sheet and income statement for the seven months ending July 31, 2024.

Item 22

CONTRACTS

The Franchise Agreement is attached as Exhibit C and the Agreement for Sale of Business Receivables Agreement is included as Exhibit A of the Franchise Agreement. The current form of General Release being required upon renewal or transfer is attached as Exhibit F.

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 (1) waiving any claims under any applicable state law, including fraud in the inducement, or (2) disclaiming reliance on any statement made by in franchise or, franchise seller or any person acting on behalf of the franchisor. This provision supersedes any term of document executed in connection with the franchise.

Item 23

RECEIPTS

The last two pages of this Disclosure Document are detachable documents acknowledging your receipt of this Disclosure Document. You must sign each Receipt. If you are missing these Receipts, please contact us at this address or telephone number.

Hounds Mounds, Inc.
a Texas corporation
3824 Cedar Springs Rd., Ste 200
Dallas, TX 75219
214-395-9420
franchises@poop911.com

ADDENDUM TO

**FRANCHISE DISCLOSURE DOCUMENT
and Franchise Agreement**

STATE REGULATIONS AND REQUIREMENTS

for the states of :

**California, Hawaii, Illinois, Indiana
Maryland, Minnesota, New York,
N. Dakota, Rhode Island, Virginia
and Washington**

FOR RESIDENTS OF THE STATE OF CALIFORNIA

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 DISCLOSURE DOCUMENT.

Neither the franchisor nor any person or franchise broker identified in Item 2 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. 78a et seq., suspending or expelling such persons from membership in such association or exchange. See FDD Item 3.

Item 5 of the FDD is amended to state:

To provide financial assurance of the franchisor's pre-opening obligations, the franchisor has obtained a bond issued by Harco National Insurance Company in the amount of \$50,000. The effective date of the bond is November 25, 2019.

The California Franchise Relations Act (Business and Professions Code Sections 20000 through 20043) (the "Act") provides rights to you concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.). See FDD Item 17.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law. See Items 9, 14 and 17.

The Franchise Agreement requires application of the law of the State of Texas. This provision may not be enforceable under California law. See Item 17.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043). See FDD Item 17.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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 (1) waiving any claims under any applicable state law, including fraud in the inducement, or (2) disclaiming reliance on any statement made by in franchise or, franchise seller or any person acting on behalf of the franchisor. This provision

supersedes any term of document executed in connection with the franchise. [

Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

Renewal means signing the then current Franchise Agreement which may contain materially different terms and conditions from the original contract.

Our website www.poop911.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at its website address www.dfpi.ca.gov.

The registration of this franchise offered by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

FOR RESIDENTS OF THE STATE OF INDIANA

1. A general release as a condition of renewal and transfer of the franchise is inapplicable under the Indiana Deceptive Franchise Practices Law, IC 23-2-2.7 § 1(5).
2. You will not be required to indemnify us for any liability imposed on us as a result of your reliance on or use of procedures or products which were required by us, if those procedures were used by you in the manner we require.
3. Paragraph 15.2 is amended to provide that mediation between you and us will be conducted at a mutually agreed-on location.
4. Paragraph 14.2 is amended to provide that the Indiana Franchise Disclosure Law, I.C. 23-2-2.5, and the Indiana Deceptive Franchise Practices Law, I.C. 23-2-2.7, will prevail in any conflict of laws.
5. Nothing in the Agreement will abrogate or reduce any rights you have under Indiana law.
6. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-22.7-1 to 23-2-2.7-10, are met independently without reference to this Addendum.

ADDENDUM to Franchise Disclosure Document and Franchise Agreement **FOR RESIDENTS OF THE STATE OF ILLINOIS**

The Franchise Agreement to which this Addendum is attached shall be amended as hereafter set forth to comply with the Illinois Franchise Disclosure Act, as amended, and the Illinois Disclosure Rules and Regulations:

Section 10 is amended to add: "Termination or non-renewal of this Agreement must comply with 815 ILCS 705/19 and 815 ILCS 705/20 respectively."

Paragraph 14.2 is amended to delete the first sentence and substitute in its place: "This Agreement will be

construed under the laws of the state of Illinois and any legal action concerning this Agreement will be brought in a court of competent jurisdiction in the State of Illinois.”

Section 14.1 of the Franchise Agreement is amended to include the following statement:

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

In Item 17 of the Disclosure Document, the sub-sections (v) and (w) are amended to read:

(v) “Choice of forum shall be Illinois”

(w) Choice of law for litigation and arbitration shall be Illinois law

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 law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by in franchise or, franchise seller or any person acting on behalf of the franchisor. This provision supersedes any term of document executed in connection with the franchise.

IN AGREEMENT WHEREOF, the parties have signed this Addendum to the FDD and Franchise Agreement dated: _____.

You: _____

Dated:

By: _____

Title: _____

HOUNDS MOUNDS, INC.

Dated:

By: _____

Geoffrey Bodle, President

FOR THE STATE OF MARYLAND

The Disclosure Document and the Franchise Agreements are amended to reflect the following requirements of Maryland law:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The representations made in Sections 16 and 17 of the Franchise Agreement are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17(u) of the Disclosure Document, Paragraph 15.5 of the Franchise Agreement are amended to state: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

Item 17 of the Disclosure Document, Paragraphs 8.2 and 9.1.3 (c) of the Franchise Agreement, are supplemented as follows: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the Disclosure Document, Paragraph 13.2 of the Franchise Agreement, and Exhibit D to the Franchise Agreement, Restrictive Covenant Agreement, Paragraph 9 are amended to add the following: "Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any such claims must be brought within 3 years after the grant of the franchise.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

FOR RESIDENTS OF THE STATE OF MINNESOTA:

The State cover Page and Item 17 are amended by the addition of the following:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreements can require you to waive abrogate or reduce your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Item 13 is amended by the addition of the following:

The Minnesota Department of Commerce requires that we indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that their use of our Marks infringes upon the trademark rights of the third party. We will not indemnify any franchisee against the consequences of their use of our Marks except in accordance with the requirements of the Franchise Agreement, and as the condition to an indemnification, the franchisee must provide notice to us of any such claim immediately and tender the defense of the claim to us. If we accept tender of defense we have the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17 is amended by the addition of the following:

With respect to franchises governed by Minnesota law ,we will comply with Minnesota Statute Section 80C. 14, Subdivisions 3, 4, and 5 which require, except in certain specified cases, 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.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

Minnesota Rule 2860.4400J among other things, prohibits us from requiring you waive your rights to a jury trial or to consent to liquidated damages, termination penalties or judgment notes.

FOR RESIDENTS OF THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, 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.

C. 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.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner 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; (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), titled “**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 language replaces the “Summary” section of Item 17(d), titled “**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), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith

and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

FOR RESIDENTS OF THE STATE OF NORTH DAKOTA

The following additional disclosures are required by the North Dakota Franchise Investment Law:

Item 6 Other Fees

North Dakota law prohibits us from requiring you to consent to pay liquidated damages

Item 17 Renewal, Termination, Transfer And Dispute Resolution

Non-competition covenants are generally considered unenforceable in the State of North Dakota.

The release required as a condition of renewal and/or assignment/transfer will not apply to any liability arising under the North Dakota Franchise Investment Law.

Any provision of the franchise agreement restricting jurisdiction or venue to a forum outside the State of North Dakota or requiring the application of the laws of a state other than North Dakota is void.

Any provision of the franchise agreement requiring you to waive the right to a trial by jury is void.

Any provision of the franchise agreement requiring you to waive exemplary or punitive damages is void.

Any provision of the franchise agreement requiring you to consent to a statute of limitations that is shorter than the applicable North Dakota statute of limitations is void.

North Dakota law prohibits us from requiring you to pay liquidated damages.

Notwithstanding any provision of the franchise agreement, the payment of the initial franchise fee owed to Franchisor is deferred until such time as all initial obligations owed to the Franchisee under the Franchise Agreement or other agreements have been fulfilled by the Franchisor and Franchisee has commenced doing business pursuant to the Franchise Agreement.

FOR RESIDENTS OF THE STATE OF RHODE ISLAND:

Item 17 is amended by the addition of the following:

The Rhode Island Franchise Investment Act at Section 19-28.1-14 provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

FOR THE COMMONWEALTH OF VIRGINIA:

According to Section 13.1 - 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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 ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, IMPORTANT FRANCHISEE ACKNOWLEDGMENT AND RELATED AGREEMENTS.

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 the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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 a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

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 conflict 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 law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by in franchise or, franchise seller or any person acting on behalf of the franchisor. This provision supersedes any term of document executed in connection with the franchise.

IN AGREEMENT WHEREOF, the parties have signed this Addendum to the FDD and Franchise Agreement dated: _____.

You: _____

Dated:

By: _____

Title: _____

HOUNDS MOUNDS, INC.

Dated:

By: _____
Geoffrey Bodle, President

EXHIBIT A

State Administrators and Agent Authorized to Receive Service of Process

1. State Administrators:

CALIFORNIA

CA Commissioner
Department of Financial Protection and
Innovation
320 W. 4th St., Ste. 750
Los Angeles, California 90013-2344
1-866-275-2677
www.dfpi.ca.gov
ASK.DFPI@dfpi.ca.gov

HAWAII

Securities Examiner
Department of Commerce
and Consumer Affairs
State of Hawaii - DCCA
335 Merchant Street, Rm 203
Honolulu, Hawaii 96813
(808) 737-6468

ILLINOIS

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

INDIANA

Chief Deputy Commissioner
Franchise Section/Securities Division
Indiana Securities Division
Secretary of State
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6685

MARYLAND

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

MICHIGAN

Franchise Administrator
Consumer Protection Division
Michigan Department of Attorney General
670 Law Building
525 West Ottawa
Lansing, Michigan 48913
(517) 373-7117

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

Franchise Examiner
Office of the North Dakota
Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505
(701) 224-4712

OREGON

Department of Consumer & Business Services
Division of Finance & Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Associate Director and
Superintendent of Securities
Division of Securities
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232
(401) 277-3048

SOUTH DAKOTA

Franchise Administrator
Division of Securities
118 West Capitol Avenue
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA

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

WASHINGTON

Administrator
Securities Division
Department of Financial Institutions
150 Israel Rd. S.W.
Tumwater, Washington 98501
(360) 902-8760

\

WISCONSIN

Commissioner of Securities
Securities and Franchise Registration
Wisconsin Commissioner of Securities
101 East Wilson Street, Fourth Floor
P.O. Box 1768
Madison, Wisconsin 53701
(608) 266-8559

II. Agents for Service of Process:

CALIFORNIA

CA Commissioner
Department of Financial Protection and
Innovation
State of California
320 W. 4th St., Ste. 750
Los Angeles, California 90010
www.dfpi.ca.gov
ASK.DFPI@dfpi.ca.gov

HAWAII

Director, Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii - DCCA
335 Merchant Street, Rm 203
Honolulu, Hawaii 96813

ILLINOIS

Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 20201-2020

MICHIGAN

Consumer Protection Division
Michigan Department of Attorney General
670 Law Building
525 West Ottawa
Lansing, Michigan 48913

MINNESOTA

Commissioner of Commerce
Department of Commerce
State of Minnesota
85 7th Place, Suite 500
St. Paul, Minnesota 55101-2198

NEW YORK

Secretary of State of New York
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA

Commissioner of Securities
State of North Dakota
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505

RHODE ISLAND

Director of Department of Business
Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232

SOUTH DAKOTA

Director, Division of Securities
Department of Commerce and Regulation
State of South Dakota
118 West Capital Avenue
Pierre, South Dakota 57501

TEXAS

Geoffrey Bodle
3824 Cedar Springs Rd., Ste 200
Dallas, TX 75219
214-395-9420

VIRGINIA

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 East Main Street, First Floor
Richmond, Virginia 23219

WASHINGTON

Securities Administrator
Department of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

EXHIBIT B to FDD

**Hounds Mounds, Inc.
Financial Statements**

HOUNDS MOUNDS, INC.
Unaudited Balance Sheet
and Income Statement
for the six months July 31, 2024

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

UNAUDITED

POOP 911

Balance Sheet

As of July 31, 2024

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
1000 Full Analysis Bus Chk - 8884 - 4	180,598.51
1010 Poop 911 Charlotte_ 3183	273.62
1015 Poop 911 Tampa Bay _ 3170	102.83
Total Bank Accounts	\$ 180,974.96
Accounts Receivable	
1200 Accounts Receivable	150,570.65
1210 Allowance of doubtful accounts	-150,570.65
Total Accounts Receivable	\$ 0.00
Other Current Assets	
1310 Prepaid Expenses	277.26
1321 Charlotte Clearing	7,685.98
Total Other Current Assets	\$ 7,963.24
Total Current Assets	\$ 188,938.20
Fixed Assets	
1515 Vehicles	167,434.25
1560 Equipment	62,991.97
1565 Furniture and Fixtures	2,418.59
1595 Accumulated Depreciation	-113,655.62
Total Fixed Assets	\$ 119,189.19
Other Assets	
1600 Website and Software Development	2,612,300.38
1610 Franchise Client List	2,625.00
1695 Accumulated Amortization of Other Assets	-591,351.90
1800 Notes Receivables - Franchisee	33,543.37
Total Other Assets	\$ 2,057,116.85
TOTAL ASSETS	\$ 2,365,244.24
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2100 Credit Card - American Express (SPG)	230,156.61
Total Credit Cards	\$ 230,156.61
Other Current Liabilities	
2120 Accrued Expenses	313,390.30
2160 Texas Franchise Tax Payable	3,713.00
2300 Current Portion of LTD	72,660.58

2400 Credibly Loan	102,907.68
2880 LOC - BoA - 2448	82,285.39
2890 Sales tax payable	1,553.64
2900 Deferred Revenue	49,600.00
Total Other Current Liabilities	\$ 626,110.59
Total Current Liabilities	\$ 856,267.20
Long-Term Liabilities	
2435 SBA EIDL Loan	48,702.98
2601 BOA Loan_83055	81,879.42
2700 Less - Current Portion LTD	-72,660.58
2858 NP Tesla	5,082.39
2865 Notes Payable - Retail Capital	184,600.90
Total Long-Term Liabilities	\$ 247,605.11
Total Liabilities	\$ 1,103,872.31
Equity	
3500 Capital Stock	1,000.00
3900 Retained Earnings	349,553.31
3950 Draws	-572,292.41
Net Income	1,483,111.03
Total Equity	\$ 1,261,371.93
TOTAL LIABILITIES AND EQUITY	\$ 2,365,244.24

Unaudited - No Assurance Provided

UNAUDITED
POOP 911
Profit and Loss
January - July, 2024

	Total
Income	
4000 Sales	16,338,399.90
4250 Sales of Product Income	6,141.91
4999 Outlet Returns	-12,148,330.52
Total Income	\$ 4,196,211.29
Gross Profit	\$ 4,196,211.29
Expenses	
6000 Advertising	146,908.88
6010 Auto	43,980.50
6030 Bank Charges	767,875.55
6037 Charitable Contributions	2,818.00
6050 Computer and Internet Costs	63,438.40
6059 Contract Labor	76,273.10
6060 Dues & Subscriptions	23,996.72
6100 Insurance	2,630.32
6105 Insurance - Workers Comp	1,243.68
6115 Insurance - Health	74,813.08
6130 Interest Expense	245,252.21
6150 Legal & Professional Fees	227,317.00
6170 Meals and Entertainment	14,219.27
6190 Office/General Administrative Expenses	91,758.71
6205 Continuing Education	343.00
6210 Payroll Expenses	799,245.43
6215 Employee Incentives	31.64
6225 Employer 401K Match	7,705.11
6250 Postage & Delivery	391.73
6280 Rent or Lease	9,641.82
6290 Repair & Maintenance	14,001.42
6340 Supplies	1,174.00
6370 Telephone	7,490.58
6380 Travel	59,063.23
6410 Uncategorized Expense	1,086.37
6900 Other Operating Expenses	4,407.14
Total Expenses	\$ 2,687,106.89
Net Operating Income	\$ 1,509,104.40
Other Expenses	
8000 Depreciation	25,993.37
Total Other Expenses	\$ 25,993.37
Net Other Income	-\$ 25,993.37
Net Income	\$ 1,483,111.03

Unaudited - No Assurance Provided

Hound Mounds Inc. dba Poop 911

Financial Statements

With Independent Auditor's Report

December 31, 2023 and 2022

AFairchild LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Stockholder of
Hound Mounds Inc. dba Poop 911

Opinion

We have audited the accompanying financial statements of Hound Mounds Inc. dba Poop 911 (a Texas Corporation) (Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in stockholder's equity (deficit) 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 the Company as of December 31, 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 (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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.

Emphasis-of-Matter

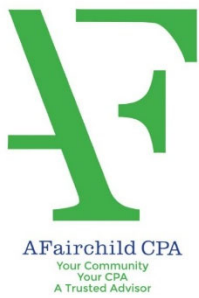
As discussed in Note 11 to the financial statements, the financial statements for the year ended December 31, 2022 have been restated for corrections of material misstatements.

As discussed in Note 1 to the financial statements, the Company changed its method of accounting for the allowance for credit losses effective January 1, 2023 as required by the provisions of Financial Accounting Standards Update 2016-03 *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

A handwritten signature in black ink that reads 'AFairchild LLC' in a cursive, flowing script.

AFairchild LLC
Addison, TX
September 3, 2024

Hound Mounds Inc. dba Poop 911
Balance Sheets
December 31, 2023 and 2022

ASSETS

	2023	Restated 2022
Current assets		
Cash	\$ 30,263	\$ 418,931
Accounts receivable, net	-	79,647
Prepaid expenses	1,248	2,913
Current portion of notes receivable	44,667	34,665
Total current assets	76,178	536,156
Property and equipment, net	112,202	135,158
Intangible assets, net	1,484,144	673,520
Notes receivable, net of current portion	84,904	126,169
Total assets	<u>\$ 1,757,428</u>	<u>\$ 1,471,003</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities		
Accounts payable and accrued expenses	\$ 384,680	\$ 937,375
Credit card payable	169,517	169,072
Franchise tax payable	3,713	-
Line of credit	240,519	232,082
Current portion of contract liabilities	125,069	29,733
Current portion of long-term debt	234,808	73,289
Total current liabilities	1,158,306	1,441,551
Long-term debt, less current portion	138,702	258,370
Contract liabilities, less current portion	79,900	109,634
Total liabilities	1,376,908	1,809,555
Stockholder's equity		
Common stock, par value \$1; 2,000 shares authorized, 1,000 shares issued and outstanding	1,000	1,000
Retained earnings (deficit)	379,520	(339,552)
Total stockholder's equity (deficit)	380,520	(338,552)
Total liabilities and stockholder's equity	<u>\$ 1,757,428</u>	<u>\$ 1,471,003</u>

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

Hound Mounds Inc. dba Poop 911
Statements of Income
Years Ended December 31, 2023 and 2022

	2023	Restated 2022
Revenue, net of refunds	\$ 24,903,591	\$ 21,150,610
Franchisor revenue	29,733	26,633
Outlet returns	(19,344,128)	(17,331,318)
Net revenue	<u>5,589,196</u>	<u>3,845,925</u>
Operating expense		
General and administrative	2,413,270	1,856,790
Payroll	1,295,637	813,640
Depreciation and amortization	497,269	274,720
Selling	203,099	161,908
Bad debt expense	41,915	108,656
Total operating expense	<u>4,451,190</u>	<u>3,215,714</u>
Operating profit	<u>1,138,006</u>	<u>630,211</u>
Other income (expense)		
Interest expense	(85,860)	(50,825)
Loss on disposal of intangible assets	-	(120,918)
Other income	389	-
Total other income (expense)	<u>(85,471)</u>	<u>(171,743)</u>
Income before income taxes	<u>1,052,535</u>	<u>458,468</u>
State tax expense	3,713	-
Net income	<u><u>\$ 1,048,822</u></u>	<u><u>\$ 458,468</u></u>

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

Hound Mounds Inc. dba Poop 911
Statements of Changes in Stockholder's Equity (Deficit)
Years Ended December 31, 2023 and 2022

	<u>Common Stock</u>	<u>Retained Earnings (Deficits)</u>	<u>Total Stockholders' Equity (Deficit)</u>
Balance, December 31, 2021	\$ 1,000	\$ (528,733)	\$ (527,733)
Net income, restated	-	458,468	458,468
Distributions	-	(269,287)	(269,287)
Restated balance, December 31, 2022	<u>1,000</u>	<u>(339,552)</u>	<u>(338,552)</u>
Net income	-	1,048,822	1,048,822
Distributions	-	(329,750)	(329,750)
Balance, December 31, 2023	<u><u>\$ 1,000</u></u>	<u><u>\$ 379,520</u></u>	<u><u>\$ 380,520</u></u>

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

Hound Mounds Inc. dba Poop 911
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	Restated 2022
Cash flows from operating activities:		
Net income	\$ 1,048,822	\$ 458,468
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	497,269	274,720
Loss on disposal of intangible assets	-	120,918
Bad debt expense	41,915	108,656
Changes in operating assets and liabilities		
Accounts receivable	37,732	(170,277)
Prepaid expense	1,665	(2,913)
Accounts payable and accrued expenses	(552,695)	80,974
Credit card payable	445	15,557
Contract liabilities	65,602	139,367
Franchise tax payable	3,713	-
Cash provided by operating activities	1,144,468	1,025,470
Cash flows used in investing activities:		
Purchases of property and equipment	(16,136)	(14,120)
Purchases of intangible assets	(1,268,801)	(804,069)
Issuance of notes receivable	-	(166,000)
Collections on notes receivable	31,263	5,166
Cash used in investing activities	(1,253,674)	(979,023)
Cash flows used in financing activities:		
Distributions	(329,750)	(269,287)
Borrowings on line of credit	4,714,367	3,032,596
Repayments on line of credit	(4,705,930)	(2,905,524)
Borrowings on long-term debt	200,000	202,505
Repayments of long-term debt	(158,149)	(73,182)
Cash used in investing activities	(279,462)	(12,892)
Net increase (decrease) in cash	(388,668)	33,555
Cash, beginning of year	418,931	385,376
Cash, end of year	<u>\$ 30,263</u>	<u>\$ 418,931</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 85,860</u>	<u>\$ 53,199</u>

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

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Hound Mounds, Inc. dba Poop 911 (the Company) was incorporated in the state of Texas on November 15, 2005 for the purpose of offering franchises throughout the United States, thus permitting others to develop and operate pet waste removal service franchises within an authorized territory using the trademarked name Poop 911.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Stockholder's Shares

The Company has 2,000 shares of common stock authorized with a par value of \$1 per share. 1,000 shares have been issued and are outstanding at December 31, 2023 and 2022.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company establishes an allowance for credit losses based upon factors surrounding the credit risk of specific customers, historical trends, and other information.

The Company routinely reviews its receivables and makes provisions for the credit losses utilizing the Current Expected Credit Losses model (CECL). The CECL model utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses for receivables at the time the financial asset is originated or acquired. However, those provisions are estimates and actual results may materially differ from those estimates. Trade receivables are deemed uncollectible and are removed from accounts receivable and the allowance for credit losses when collection efforts have been exhausted. Write-offs of accounts receivable, to the allowance for credit losses, have historically been nominal. The carrying amount of accounts receivable is reduced by an allowance for credit losses that reflects management's best estimate of the amounts that may not be collected from customers. The allowance for credit losses was \$150,571, and \$108,656 at December 31, 2023 and 2022, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates and may affect amounts reported in future periods.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Company records additions to property and equipment at cost when acquired. Modifications that enhance the operating performance or extend the useful lives of an asset are capitalized.

Depreciation and amortization of depreciable assets is based on the straight-line method over the assets estimated useful lives.

The estimated useful lives of property and equipment are as follows:

	Estimated useful lives
Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

Intangible assets

The Company considers all intangible assets to have definite lives subject to amortization.

Amortization of intangible assets is calculated on the straight-line method over the following estimated useful lives:

	Estimated useful lives
Website	3 years
Client list	15 years

Revenue Recognition

The Company's revenues consist of fees from franchisees. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Initial franchise fees are recognized as the Company satisfies the performance obligation over the franchise term.

The Company also receives fees for franchise rights from certain franchisees. The Company recognizes revenue as the Company satisfies its performance obligation related to these fees over time as the Company fulfills its promise to grant the franchisees rights to use the Company's intellectual property. The fee is then recorded as a contract liability upon inception and recognized as revenue on a straight-line basis over the term of the franchise agreement.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Federal income taxes on income are payable personally by the shareholder pursuant to an election under Subchapter S of the Internal Revenue Code. Accordingly, no provision has been made for federal income taxes. The Company's federal income tax returns have not been examined by the Internal Revenue Service.

The Company is subject to the Texas franchise tax.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the year ended December 31, 2023 and 2022 totaled were \$203,099 and \$161,908, respectively.

Risk Concentration

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash. Cash is maintained in federally-insured financial institutions. At December 31, 2023 and 2022, the Company's uninsured cash balances total \$0 and \$167,000, respectively. The Company continuously evaluates its customers' credit worthiness and generally does not require collateral.

Compensated Absences

Employees of the Company are entitled to paid vacation, paid sick days, and personal days off, dependent on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the cost of compensated absences when actually paid to employees.

Recently Adopted Accounting Guidance

In June 2016, the FASB issued Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, including subsequent amendments issued therefore which clarify the standard (Collectively, Topic 326). This standard significantly changes the impairment model for most financial instruments. Current guidance requires the recognition of credit losses based on an incurred loss impairment methodology that reflects losses once the losses are probable. In accordance with Topic 326, the Company is required to use a model that immediately recognizes an estimate of credit losses that are expected to occur over the life of the financial instruments that are within the scope of this update, including trade receivables and contract assets recognized under Topic 606, Revenue from Contracts with Customers. The CECL model uses a broader range of reasonable and supportable information in the development of credit losses estimates. The Company adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Company's financial statements but did change how the allowance for credit losses is determined.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 2 - FRANCHISING

The Company offers the franchisees ongoing support services including guidance and advice on operating the business, establishing procedures, and billing services. The franchisees pay a bi-monthly service fee of up to 25% of gross revenues.

Revenues received from all franchisees in 2023 and 2022 totaled \$24,903,591 and \$21,150,610, respectively. Payments to franchisees in 2023 and 2022 totaled \$19,330,128 and \$17,326,152, respectively.

NOTE 3 - FRANCHISOR-OWNED AND FRANCHISED OUTLETS

Changes in the number of franchisor-owned and franchised outlets during the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Franchised outlets opened	94	26
Franchised outlets terminated	3	-
Franchised outlets reacquired by franchisor	2	1
Franchised outlets ceasing operations	4	-
Franchisor-owned outlets opened	5	-
Franchisor-owned outlets reacquired	6	1
Franchised outlets in operations	196	109
Franchisor-owned outlets in operation	11	2

The Company provides a complete package of back office support services for the franchisees to start business immediately upon completion of training. Additionally, the Company provides advice and guidance to franchisees as reasonably determined necessary and appropriate with reference to operations, including service methods, interpretation and implementation of the policies and procedures, marketing, purchasing of supplies and equipment; computer operations; bookkeeping; efficiency of operations; a general operation, business, and management procedures.

NOTE 4 - NOTES RECEIVABLE

The Company has a \$62,000 note receivable with a franchisee that bears no interest and requires monthly payments of \$861 with maturity in September 2025. The Company has a \$104,000 note receivable with a franchisee that bears no interest and requires payments varying from \$1,400 to \$3,000 per month with maturity in December 2026. At December 31, 2023 and 2022, the outstanding balances on the notes receivable were \$129,571 and \$160,834, respectively.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation account balances are as follows at December 31:

	2023	2022
Furniture and fixtures	\$ 2,419	\$ 2,419
Vehicles	139,377	139,377
Equipment	58,068	41,932
Total property and equipment	199,864	183,728
Less accumulated depreciation	(87,662)	(48,570)
	<u>\$ 112,202</u>	<u>\$ 135,158</u>

Depreciation expense for the year ended December 31, 2023 and 2022 totaled to \$39,092 and \$35,720, respectively.

NOTE 6 - INTANGIBLE ASSETS

Intangible assets and accumulated amortization account balances are as follows at December 31:

	2023	2022
Website	\$ 2,072,871	\$ 804,070
Client list	2,625	2,625
Total intangibles	2,075,496	806,695
Less accumulated amortization	(591,352)	(133,175)
	<u>\$ 1,484,144</u>	<u>\$ 673,520</u>

Amortization expense for the year ended December 31, 2023 and 2022 totaled \$458,177 and \$239,000, respectively.

NOTE 7 - LINE OF CREDIT

In 2020, the Company entered into a revolving line of credit with a bank for \$100,000. The credit limit increased to \$150,000 in 2022 with a maturity date of November 10, 2024. The line of credit also carries a subsidiary account with a credit limit of \$100,000 in 2023 and 2022. The line of credit carries an annual interest of 9.75% and 9% as of December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, the outstanding balance on the line of credit and the subsidiary account totaled \$240,519 and \$232,082, respectively.

NOTE 8 - EMPLOYEE BENEFIT PLAN

The Company sponsors a 401(k) plan covering qualified employees. The Company elects to match the employees' contribution up to a maximum of three percent of the eligible employee's compensation. The Company contributed \$14,723 and \$14,236 in matching contributions for the year ended December 31, 2023 and 2022, respectively.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 9 - LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Note payable to bank in monthly installments of \$1,628 bearing interest at 2.49%, matures December 2024, collateralized by vehicle.	\$ 17,190	\$ 37,972
Note payable to U.S Small Business Administration bearing interest at 3.75%, monthly installments of \$731, including interest, payments beginning June 2021, matures May 2050, secured by substantially all company assets. See note 10.	83,703	133,728
Note payable to bank in monthly installments of \$4,450 bearing interest at 3.44%, matures February 2026, collateralized by substantially all company assets.	111,284	159,959
Note payable to a financial institution in monthly installments of \$10,652 bearing interest at 2.11%, matures November 2024, collateralized by future receivables.	161,333	-
Total long-term debt	373,510	331,659
Less current maturities	(234,808)	(73,289)
	<u>\$ 138,702</u>	<u>\$ 258,370</u>

The maturities of long-term debt are as follows for the year ended December 31:

2024	\$ 234,808
2025	58,271
2026	14,586
2027	6,412
2028	6,657
Thereafter	52,776
	<u>\$ 373,510</u>

NOTE 10 - CONTINGENCIES

Terms and conditions within the Small Business Administration (SBA)'s Economic Injury Disaster Loan (Note 9) agreement state that the borrower will not, without prior written consent of the SBA, make any distribution of borrower's assets. The Company made cash distributions in 2023 and 2022 of \$329,750 and \$269,287, respectively, without any written consent from the SBA. Additionally, the Company may not seek or accept advances under any superior liens on the collateral securing this loan without prior written consent of the SBA. We do not know the impact of the distributions and subsequent loan agreements on the status of the SBA loan.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 11 - CORRECTIONS OF ERRORS

The Company identified an error in the 2022 financial statements related to recording the loss on the disposal of intangible assets and related accumulated amortization. Additionally, the Company identified an error in the 2022 financial statements related to recording the notes receivable and collection of repayment, and franchisor revenue related contract liabilities and amortization. The 2022 financial statements have been restated to correct these errors.

The originally reported and restated amounts as of and for the year ended December 31, 2022 are as follows:

	As originally reported 2022	As restated 2022
Franchisor revenue	\$ -	\$ 26,633
Outlet returns	\$ (17,326,152)	\$ (17,331,318)
Loss on disposal of intangible assets	\$ -	\$ 120,918
Net income	\$ 557,919	\$ 458,468
Current portion of notes receivable	\$ -	\$ 34,665
Notes receivable, net of current portion	\$ -	\$ 126,169
Intangible assets, net	\$ 794,438	\$ 673,520
Total assets	\$ 1,431,087	\$ 1,471,003
Current portion of contract liabilities	\$ -	\$ 29,733
Contract liabilities, less current portion	\$ -	\$ 109,634
Total liabilities	\$ 1,670,188	\$ 1,809,555
Retained deficit	\$ (240,101)	\$ (339,552)
Total stockholder's deficit	\$ (239,101)	\$ (338,552)
Total liabilities and stockholder's equity	\$ 1,431,087	\$ 1,471,003

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 3, 2024, the date which the financial statements were available to be issued.

Hound Mounds Inc. dba Poop 911

Financial Statements

With Independent Auditor's Report

December 31, 2022 and 2021

AFairchild LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Management
Hound Mounds Inc. dba Poop 911
Lucas, TX

Opinion

We have audited the accompanying financial statements of Hound Mounds Inc. dba Poop 911 (a Texas S-Corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in stockholder's deficit 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 Hound Mounds Inc. dba Poop 911 as of December 31, 2022 and 2021, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hound Mounds Inc. dba Poop 911 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Hound Mounds Inc. dba Poop 911's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Hound Mounds Inc. dba Poop 911'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 Hound Mounds Inc. dba Poop 911'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.

A handwritten signature in cursive script that reads "AFairchild LLC".

AFairchild LLC
Carrollton, TX
June 5, 2023

Hound Mounds Inc. dba Poop 911
Balance Sheets
December 31, 2022 and 2021

ASSETS

	2022	2021
Current assets		
Cash	\$ 418,931	\$ 385,376
Accounts receivable, net	79,647	18,026
Prepaid expenses	2,913	-
Total current assets	501,491	403,402
Property and equipment, net	135,158	156,758
Intangible assets, net	794,438	229,369
Total assets	\$ 1,431,087	\$ 789,529

LIABILITIES AND STOCKHOLDER'S DEFICIT

Current liabilities		
Accounts payable and accrued expenses	\$ 937,375	\$ 856,401
Credit card payable	169,072	153,515
Line of credit	232,082	100,000
Current portion of long-term debt	73,289	25,725
Total current liabilities	1,411,818	1,135,641
Long-term debt, less current portion	258,370	181,621
Total liabilities	1,670,188	1,317,262
Stockholder's deficit		
Common stock, par value \$1; 2,000 shares authorized, 1,000 shares issued and outstanding	1,000	1,000
Retained earnings	(240,101)	(528,733)
Total stockholder's deficit	(239,101)	(527,733)
Total liabilities and stockholder's deficit	\$ 1,431,087	\$ 789,529

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

Hound Mounds Inc. dba Poop 911
Statements of Income
Year Ended December 31, 2022 and 2021

	2022	2021
Revenue	\$ 21,150,610	\$ 17,451,582
Outlet returns	17,326,152	14,349,505
Net revenue	3,824,458	3,102,077
Operating expense		
General and administrative	1,856,790	1,326,998
Payroll expense	813,640	805,928
Depreciation and amortization	274,720	127,588
Selling	161,908	121,473
Bad debt expense	108,656	112,746
Total operating expense	3,215,714	2,494,733
Operating profit	608,744	607,344
Other income (expense)		
PPP loan forgiveness	-	43,245
Gain on disposal of property and equipment	-	89,094
Interest expense	(50,825)	(37,536)
Other expense	-	(148)
Total other income (expense)	(50,825)	94,655
Net income	\$ 557,919	\$ 701,999

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

Hound Mounds Inc. dba Poop 911
Statements of Changes in Stockholder's Deficit
Year Ended December 31, 2022 and 2021

	<u>Common Stock</u>	<u>Additional Paid- in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Deficit</u>
Balance, December 31, 2020	\$ 1,000	\$ -	\$ (331,154)	\$ (330,154)
Net income	-	-	701,999	701,999
Distributions	-	-	(899,578)	(899,578)
Balance, December 31, 2021	<u>1,000</u>	<u>-</u>	<u>(528,733)</u>	<u>(527,733)</u>
Net income	-	-	557,919	557,919
Distributions	-	-	(269,287)	(269,287)
Balance, December 31, 2022	<u><u>\$ 1,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (240,101)</u></u>	<u><u>\$ (239,101)</u></u>

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

Hound Mounds Inc. dba Poop 911
Statements of Cash Flows
Year Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income	\$ 557,919	\$ 701,999
Adjustments to reconcile net income to net cash provided by operating activities:		
Forgiveness of debt, PPP loan	-	(43,245)
Depreciation and amortization expense	274,720	127,588
Gain on disposal of property and equipment	-	(89,094)
Bad debt expense	108,656	112,746
Changes in operating assets and liabilities		
Accounts receivable	(170,277)	(68,148)
Prepaid expense	(2,913)	-
Accounts payable and accrued expenses	80,974	393,976
Credit card payable	15,557	33,720
Cash provided by operating activities	<u>864,636</u>	<u>1,169,542</u>
Cash flows used in investing activities:		
Purchases of property and equipment	(14,120)	(152,619)
Purchases of intangible assets	(804,069)	(193,261)
Proceeds from sale of property and equipment	-	292,320
Cash used in investing activities	<u>(818,189)</u>	<u>(53,560)</u>
Cash flows used in financing activities:		
Distributions	(269,287)	(899,578)
Borrowings on line of credit	3,032,596	1,985,000
Repayments on line of credit	(2,905,524)	(2,079,117)
Borrowings on long-term debt	202,505	63,174
Repayments of long-term debt	(73,182)	(106,888)
Cash used in investing activities	<u>(12,892)</u>	<u>(1,037,409)</u>
Net cash increase	33,555	78,573
Cash, beginning of year	385,376	306,803
Cash, end of year	<u>\$ 418,931</u>	<u>\$ 385,376</u>
Interest paid	\$ 53,199	\$ 35,162

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

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Hound Mounds, Inc. dba Poop 911 (the Company) was incorporated in the state of Texas on November 15, 2005 for the purpose of offering franchises throughout national wide, thus permitting others to develop and operate pet waste removal service franchises within an authorized territory using the trademarked name Poop 911.

Stockholder's Shares

The Company has 2,000 shares of common stock authorized with a par value of \$1 per share. 1,000 shares have been issued and were outstanding at December 31, 2022 and 2021.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information. At December 31, 2022 and 2021 the Company assessed the status of individual accounts and its collection history with customers having outstanding balances and recorded an allowance for doubtful accounts of \$108,656 and \$112,746, respectively.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates and may affect amounts reported in future periods.

Property and Equipment

The Company records additions to property and equipment at cost when acquired. Modifications that enhance the operating performance or extend the useful lives of an asset are capitalized.

Depreciation and amortization of depreciable assets is based on the straight-line method over the assets estimated useful lives.

The estimated useful lives of property and equipment are as follows:

	Estimated useful lives (in years)
Equipment	5 years
Furniture and fixtures	7 years
Vehicles	5 years

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

The Company considers all intangible assets to have definite lives subject to amortization.

Amortization of intangible assets is calculated on the straight-line method over the following estimated useful lives:

	Estimated useful lives (in years)
Website	3 years
Software	3 years
Client list	15 years

Revenue Recognition

The Company's revenues consist of fees from franchisees. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Initial franchise fees are recognized as the Company satisfies the performance obligation over the franchise term.

Income Taxes

Federal income taxes on income are payable personally by the shareholders pursuant to an election under Subchapter S of the Internal Revenue Code. Accordingly, no provision has been made for federal income taxes. The Company's federal income tax returns have not been examined by the Internal Revenue Service.

The Company is subject to the Texas margin tax.

Risk Concentration

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash. Cash is maintained in federally-insured financial institutions. The Company has cash balances that exceed the federally-insured limit by approximately \$167,000 and \$150,000 as of December 31, 2022 and 2021, respectively. The Company continuously evaluates its customers' credit worthiness and generally does not require collateral.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the year ended December 31, 2022 and 2021 were \$161,908 and \$121,473, respectively.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2022

NOTE 2 – FRANCHISING

In 2022 the Company did not charge an initial franchise fee. The Company offers the franchisees ongoing support services including guidance and advice on operating the business, establishing procedures, and billing services. The franchisees pay a bi-monthly service fee of up to 25% of gross revenues.

Revenues received from all franchisees in 2022 and 2021 totaled \$21,150,610 and \$17,451,582, respectively. Payments to franchisees in 2022 and 2021 totaled \$17,326,152 and \$14,349,505, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation account balances are as follows:

	2022	2021
Furniture and fixtures	\$ 2,419	\$ 2,419
Vehicles	139,377	139,377
Equipment	41,932	27,812
Total property and equipment	183,728	169,608
Less accumulated depreciation	(48,570)	(12,850)
	<u>\$ 135,158</u>	<u>\$ 156,758</u>

Depreciation expense for the year ended December 31, 2022 and 2021 amounted to \$35,720 and \$9,689, respectively.

NOTE 4 - INTANGIBLE ASSETS

Intangible assets and accumulated amortization account balances are as follows:

	2022	2021
Website	\$ 804,070	\$ 628,018
Client list	2,625	2,625
Total intangibles	806,695	630,643
Less accumulated amortization	(12,257)	(401,274)
	<u>\$ 794,438</u>	<u>\$ 229,369</u>

Amortization expense for the year ended December 31, 2022 and 2021 totaled \$239,000 and \$117,899, respectively.

NOTE 5 –LINES OF CREDIT

In 2020, The Company entered into a revolving line of credit with a bank for \$100,000, the credit limit increased to \$150,000 in 2022 with a maturity of November 10, 2023. The line of credit also carries a subsidiary account with a credit limit of \$100,000 in 2022. The line of credit carries an annual interest of 9% as of December 31, 2022. At the end of 2022 and 2021 the outstanding balance on the line of credit and the subsidiary account totaled \$232,082 and \$100,000, respectively.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2022

NOTE 6 - LONG-TERM DEBT

Long-term debt at December 31, 2022 and 2021 consisted of the following:

	2022	2021
Note payable to bank in monthly installments of \$1,628 bearing interest at 2.49%, matures December 2024, collateralized by vehicle of \$139,377.	\$ 37,972	\$ 57,346
Note payable to SBA bearing interest at 3.75%, monthly installments of \$731, including interest, payments begin June 2021, matures May 2050, secured by substantially all company assets.	133,728	150,000
Note payable to bank in monthly installments of \$4,450 bearing interest at 3.44%, matures February 2026, collateralized by substantially all company assets.	159,959	-
Total long-term debt	331,659	207,346
Less current maturities	(73,289)	(25,725)
	<u>\$ 258,370</u>	<u>\$ 181,621</u>

The maturities notes payable are summarized as follows:

Year Ended December 31,	
2023	\$ 73,289
2024	73,089
2025	57,397
2026	14,400
2027	5,716
Thereafter	107,768
	331,659
Less: current maturities	73,289
Long-term debt	<u>\$ 258,370</u>

NOTE 7 – COMPENSATED ABSENCES

Employees of the Company are entitled to paid vacation, paid sick days, and personal days off, dependent on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. the Company's policy is to recognize the cost of compensated absences when actually paid to employees.

Hound Mounds Inc. dba Poop 911
Notes to Financial Statements
December 31, 2022

NOTE 8 – EMPLOYEE BENEFIT PLAN

The Company sponsors a 401(k) plan covering qualified employees. The Company elects to match the employee's contribution up to a maximum of three percent of the eligible employee's compensation. The Company contributed \$ 14,236 and \$9,582 in matching contributions for the year ended December 31, 2022 and 2021, respectively.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 5, 2023, the date which the financial statements were available to be issued.

EXHIBIT C

Poop 911™

FRANCHISE AGREEMENT

Summary of Franchise Data

Franchisee Name: _____

If business entity circle: Corporation, LLC, LP, Partnership

Controlling Person: _____

Address for Notice: _____

Home Address: _____

(if different) _____

Description of
Exclusive
Territory:

Effective Date of FA: _____

State Addendum? Yes/No

Expiration Date: _____

Training Completion Date: _____

FDD Receipt Date: _____

Final Agreements
Receipt Date:

Notes: _____

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Addendum to FDD and Franchise Agreement: State Regulations and Requirements (if applicable)

Poop 911
FRANCHISE AGREEMENT

1. PARTIES AND DEFINITIONS

1.1 Parties: THIS AGREEMENT is entered into between Hounds Mounds, Inc., a Texas corporation, referred to as "Poop 911", "We" or "Us" and _____, the applicant, referred to as "You", "Your", or "Franchisee."

1.2 Definitions:

"Franchisee" is identified at Paragraph 1.1 of this Agreement and for some purposes clearly identified herein may include a group of related persons or businesses as defined at Section 16 of this Agreement; and their heirs, successors and assigns.

"Franchise Business" refers to the Poop 911 Business defined at Paragraphs 2.1 and 2.2 and all operations undertaken thereby. "Franchise Business" may be used interchangeably with "Franchise Operation," both of which will have the same meaning.

"Gross Revenues" is defined as the total gross revenues and receipts paid to the Poop 911 Business, whether in money or other form of consideration, and whether received by You or by Us on Your behalf, from the sale of pet waste removal services and any related pet products and services that may be developed for the Franchise Business, excluding only sales or other equivalent taxes.

"Pet Waste Removal Service Business" means the sale and providing of pet waste removal services and the sale of pet related goods and services in person or through online or central calling center orders. All such sales efforts are limited to those targeted at Your Business's Exclusive Territory, and marketing by means of the Internet, toll-free numbers or otherwise directed outside Your Exclusive Territory is not licensed under this Agreement.

"We" is identified at Paragraph 1.1 of this Agreement and includes Our heirs, successors and assigns.

Other terms are defined or expanded from time to time throughout the Agreement below.

2. GRANT OF FRANCHISE

2.1 Franchise System: Through the expenditure of considerable money, time and effort, We have created and developed, and are continuing to improve, an efficient and distinctive system of pet waste removal services and related pet products which are of a distinctive, uniform, and high quality, presented and performed in accordance with Our confidential specifications and methods, by uniformly trained franchisees in distinctively logoed and equipped vehicles operating under the trade name Poop 911. We use the name Poop 911 and other associated trademarks, service marks, designs and symbols which are registered on, or are the subjects of applications pending for, the principal register of the United States Patent and Trademark Office and used in the promotional materials and signs as a symbol and name, collectively referred to as the "Franchise Name" (or alternately, as "Proprietary Marks"), identifying the goodwill which We have developed in connection with the operation of Poop 911 Business by Us and You. This constitutes the "Franchise System," with which You are familiar.

2.2 Grant and Acceptance. In consideration of Your application for a franchise, and the payment of the continuing royalty for services rendered, We grant to You, and You accept, a license and the obligation to conduct one Poop 911 Business only as a pet waste removal service business as described in Paragraph 2.1 above under the Franchise Name and using the Proprietary Marks as described in Paragraph 6.3 (and subparts) herein, upon the terms and conditions set out in this Agreement.

2.3 Our Reservation of Rights; Alternative Forms of Distribution: Except as We have specifically granted to You in Paragraphs 2.1 and 4.4, We reserve all rights regarding the Poop 911 Business, Our Proprietary Marks and the offer and sale of Poop 911 services and any related products anywhere. This means that We have the exclusive right to use any channel of distribution now existing or in the future developed, including, as examples, the Internet and mail order. We and Our affiliates intend and reserve the right to develop lines of pet waste removal and pet services and products, some of which may be marketed for use not only in the Poop 911 Business, but also through other distribution channels, such as by means of the Internet. We may also operate or grant others the right to operate a Poop 911 Business anywhere in proximity to Your Franchise Business, so long as it is outside the boundaries of Your Exclusive Territory.

3. FEES; INVOICE PROCESSING

3.1 No Franchise Fee: We do not charge an initial franchise fee, because We believe the obligations and commitments we make to each other in this Agreement represent a positive, good faith foundation for our relationship.

3.2 Royalty: Beginning upon the completion of Your training, as specified in Section 5.2 and sub-parts, You agree to pay Us a bi-monthly "royalty" equal to 25% of "Gross Revenues", except as may be modified by Paragraph 3.3 below. Gross Revenues are defined in Section 1.1.

3.3 BARCS - Customer Billing, Processing and Scheduling: Unless We direct otherwise in writing, You must submit in all customer invoices and credit card information for the Business to

Us for billing, processing and scheduling under Our proprietary **Billing Administrative Routing Customer Scheduling** system ("BARCS"). We have established the BARCS system to help franchisees operate their business with as much efficiency as possible by minimizing the bookkeeping and accounting burden, as well as to simplify the overall administrative functions. Under the Customer Billing and Processing System, We are responsible for billing and processing payments received from Your customers.

3.3.1 Customer Scheduling and Billing Procedure. When You have completed Your services orders for each day, You will post the services as completed, rescheduled, no charge or or other appropriate notation in the BARCS system according to Our then current procedures. You acknowledge that timely posting is critical to ensure customer scheduling is accurately maintained and customer invoices accurately billed. You agree to direct Your customers to pay Us for all services and products You sell to them by authorizing automatic charges to their credit card. We will send invoices to Your customers and process payments charged to their credit card on file. Simultaneously with signing this Agreement, We and You will sign an agreement for the sale of receivables which is attached to and made a part of this Agreement as Exhibit A (the "Receivables Agreement") under which You agree to sell to Us and grant Us a security interest in all of the accounts receivable of the Business so that We may collect payments from Your customers.

3.3.2 Adjustments to Gross Revenues; Net Proceeds to You. Twice a month, on the 6th and 21st day of each month We will remit to You the Net Proceeds out of the monies We have collected on Your behalf for the preceding period. For purposes of this Agreement, the term "Net Proceeds" shall mean the gross amount that We have collected from Your customers since Our most recent remittance to You, less a) the Royalty b) all credit card and merchant processing fees and costs, c) chargebacks, d) amounts We spend to adjust customer complaints against Your business on Your behalf, as described in the Receivables Agreement, and e) any other amounts You owe Us including those described in the Paragraph 3.3 below.

3.3.3 Fees; Net Proceeds. For purposes of this Agreement, the term "Net Proceeds" means the Gross Revenue collected from Your clients, less the amounts described in Paragraph 3.3.2 above which also include the following summary of adjustments:

- (a) Royalty of Twenty-Five Percent (25%) of Gross Revenue;
- (b) Targeted Local Marketing Fee of up to one percent (1%) of Gross Revenue as We may require and as set out in Paragraph 6.5 below;
- (c) Any credit card chargebacks, bad debt or unpaid client invoices and related fees associated with receipts not collected from client;
- (d) Any other amounts You owe Us or any affiliates;
- (e) Payments to contractors, vendors, or other franchises You may have used to provide services to Your clients; and

- (f) Sales, Use or other tax, if applicable.

3.3.4 Withholding Customer Billing and Processing. You agree that We may refuse to process any order through the BARCS system, if We believe in Our sole discretion that the customer does not satisfy Our minimum standards of credit worthiness and in addition to any other remedy We may have under this Agreement.

3.3.5 Fixed Fee Increases. You acknowledge that over time Our costs and expenses will increase, and consequently we reserve the right to periodically increase the fixed fees enumerated in paragraph 3.3, so long as it is no more often than every two years and on sixty (60) days prior written notice. We may not increase the royalty, which will remain the same until and unless the franchise is renewed under a different form of franchise agreement.

3.4 Payments Based on Gross Revenue That You Collect. If You receive any Gross Revenue directly, rather than as Net Proceeds We remit to You, then You must send that Gross Revenue directly to Us within twenty-four (24) hours of receiving it. If the customer has been denied processing through the BARCS system or insists on paying for service by other means, then You must pay Us all Royalty, applicable Targeted Local Marketing fee contributions and other amounts payable to Us out of that Gross Revenue by first day of the calendar month following Your receipt.

3.5 Reporting: Both parties agree that regular reporting of sales activity, profit and loss and financial statements and other aspects of Business operations is important for validation of Your obligation for royalty payable to Us, to permit Us to track the relative performance of Our franchises, and to confirm Your compliance with the Franchise Agreement and Operating Manual. You will report to Us both through the BARCS system and also provide any additional information and in the form and content as We may specify from time to time.

3.5.1 Bookkeeping: At all times, You will maintain accurate accounts and records as We may require in accordance with generally acceptable accounting principles and using accounting software We have approved. If You use a bookkeeping service to perform these functions for You, the service must prepare and maintain Your records in the form and manner and using the software that We specify.

3.5.2 Computer: You will comply with any integrated computer bookkeeping, accounting and reporting systems We may implement. The cost of expert advice and installation, as well as cost of all associated hardware and software packages, are Your responsibility.

3.5.3 Audits: We are entitled to examine, copy and audit all records pertaining to the operation of the Franchise Business at any time. For this purpose, all Your records and tax returns (including state and local sales tax reports and federal, state and local income tax returns) will be made available to Us upon request. If You do not pay all sums due to Us and submit reports when required, then You will be in breach of this Agreement. We will have all rights and remedies available to Us by law and pursuant to this Agreement for breach by You. If an audit discloses any deficiency, You will immediately pay the amount due. If an audit discloses that You have paid less

than One Hundred Percent (100%) of the Royalty Payments and Advertising Contributions due in any given period, You will also pay the reasonable cost of the audit.

3.6 Payments:

3.6.1 Credit Card: At all times, You must maintain on file with Us a credit card with an acceptable credit limit against which we may charge You for any purchases, unpaid fees and other amounts owed to Us or any affiliate.

3.6.2 Interest on Late Payments: Unpaid sums due and owing to Us will bear interest on the unpaid balance at the lower of One and One-half Percent (1 1/2%) per month or the highest rate allowed by law from the date such sums became due. We may, at Our discretion, apply payments received from You to any sum due and owing to Us.

3.6.3 Late Fee: If any Royalty or other monies due from You to Us are not received on or before the specified due date, We may arrange for a Late Notice to be sent to You. Whether or not You receive a Late Notice is not a condition of Your obligation to pay any late fee and/or interest. The Late Fee is required to defray the administrative costs of accounting and correspondence relating to late payments, and will be in the amount of One Hundred Fifty Dollars (\$150.00) per late notice issued, and this fee is conclusively deemed to be an administrative charge, and will not be considered interest for the purpose of calculating monies due under Section 3.2, or for the purposes of calculating interest rates allowable by statute or common law. The late fee will be due and payable to Us or Our agents, as We may from time to time designate. This paragraph is not Our agreement to accept any payments after they are due or Our commitment to extend credit or otherwise finance Your operation of the Business.

When We receive a payment from You or from one of Your customers, We will have the right and sole discretion to apply it to any of Your past due indebtedness to Us or Our Affiliates regardless of any designation that You may request.

4. TERRITORY

4.1 Exclusive Territory: You will acquire and equip one truck, SUV or other acceptable motor vehicle (the "vehicle") according to the standards and specifications that We will provide, at Your own expense. You will conduct Your Franchise Business solely within the Exclusive Territory and from the Premises described in Section 4.3 below and in Exhibit B, which is attached to and made a part of this Agreement.

4.2 Options for Business Premises: You are solely responsible to obtain an acceptable office space ("Premises") for the proposed Franchise Business. You will have thirty (30) days from signing this Agreement to find and submit at least one proposed office space that is either:

- a) a dedicated, fully equipped home office in conjunction with a commercial business address and providing mail and other delivery acceptance services as well as contact information for public dissemination; or
- b) located within an office or suite in a location and building acceptable to Us.

For all office options, You must have access at all times to a high speed wired broadband or better Internet connection meeting Our current minimum specifications and access to an office or conference room for reasonable, necessary business purposes. We will give You general guidance and Our current criteria for selection of the Premises, but final selection of the Premises is solely up to You, so long as it meets our minimum criteria. We reserve the right to disapprove a Premises in our reasonable business judgment. You will sign and return to Us the Site Addendum to this Agreement for the Franchise Business, identifying the authorized Franchise Business location by street and suite address ("the Site Addendum") and include a photocopy of the signed lease, including all exhibits, attachments and addenda and two original signed copies of the Site Addendum. We will promptly sign and return one copy to You to be attached to the Franchise Agreement.

4.3 Relocation: You may relocate the Franchise Business only with Our prior written consent which We may give or refuse in Our sole discretion. If approved, any relocation may only be within Your Territory. You agree to pay all costs of relocating the Franchise Business regardless of the reason for relocating. You are responsible for, and are obligated to schedule relocation activities to insure that You begin developing customers as quickly as possible in the new location.

4.4 Franchisee's Exclusive Territory: You are granted the exclusive Territory described by Exhibit B (the "Territory"). The grant of an exclusive Territory precludes the location of other Franchise Operations or Our own Business in that area, which operate under or sell, offer, or distribute services or goods identified by any "Proprietary Mark" defined in Section 6.3.1; and prohibit the establishment within the exclusive area by Us or Our franchisees of other franchise or company owned Business selling the same or similar services under a different trade name, trademark service mark, advertising or other commercial symbol.

4.5 Conditions for Exclusivity: However exclusivity is defined, the exclusivity of the Territory is conditioned upon strict compliance with this Agreement. However, if the demographics substantially increase within the Territory, and We, in Our reasonable business judgment, determine that another Franchise Business is needed to service the general market area adequately, including a portion of the Territory, then We may reduce the size of the Territory, so long as it contains at least a minimum population of 250,000. Additionally, if You twice decline to service accounts, then we may reduce or otherwise adjust Your exclusive Territory and allow other franchisees the opportunity to service and acquire the exclusive rights to released territory. We may require that You increase the number of vehicles used to service Your Territory under Paragraph 6.1.2 of this Agreement.

5. OUR OBLIGATIONS

5.1 Pre-Operation Assistance: In addition to the training described in Section 5.2, We will provide You with advice and assistance in initial marketing, selling techniques, implementation and sample advertising, as You may request and We deem appropriate.

5.1.1 Computer Systems: You recognize that, in order to stay competitive and do business efficiently in today's commercial environment, the use of current technology is essential. As time allows, We intend to evaluate and adopt a computer based system of accounting and record-keeping ("the Computer System.") When the Computer System is approved, You may be required to acquire a personal computer and peripherals such items as a high speed modem, automatic backup, and a dedicated telephone line for transmission of records to Our corporate offices using software We will designate or alternatively to convert to a centralized accounting and recordkeeping system in addition to or as an enhancement of Our BARCS system. We will furnish specifications and Approved Vendors for purchase and installation by You. Use of these items when approved and incorporated into the Poop 911 system is deemed to be of the essence in insuring consistent operation of Poop 911 Businesses. As such, You agree to obtain such items from Approved Vendors, as further described at Paragraph 5.4 (and sub-parts) below within 60 days of Our giving You written notice to do so. We will offer assistance and training in the efficient use of the software packages in the operation of the Franchise Business.

5.1.2 Tools and Business Supplies: We provide Your initial inventory of supplies and service tools which include:

- 5 T-Shirts with logo
- 2 Hats with logo
- Thank you for Your business door hangers

Lost or damaged tools will be replaced, but We may charge You a reasonable fee for the cost of replacement.

5.2 Initial Training and Duration: Before You start operation of the Franchise Business, and as We may from time to time reasonably require for refresher or updated training, We will train You. You must have the vehicle You will use in the operation of Your Franchise Business wrapped according to the specifications We provide You, before We will schedule You for training. Training includes proprietary and trade secret pet waste removal techniques, marketing and sales, daily operations, general business organization, use of service tools. We will provide approximately 2 days training, in part virtually through online meetings and communications and in part in the field at an operating Poop 911 Business in a city We may designate. The actual duration and location of each training program will be determined at Our sole discretion. You must attend and satisfactorily complete the training courses as We may reasonably require.

5.2.1 Training of One Individual: The franchise rights granted pursuant to this Agreement include the training of only one person, who is the individual signing this Agreement as franchisee, whether on behalf of a corporation, limited liability company or other legal entity.

5.2.2 Location: Training will be conducted virtually online by means of webinars and any other technology mechanisms we deem appropriate. Additionally we will provide one day of in field training to be conducted at an operating franchise location, which We will try to schedule at a qualified franchise location nearest to Your Protected Area.

5.2.3 Costs: You will receive initial training free of charge, but You are solely responsible for Your travel, board, any compensation or wages and other expenses You may incur. If You request repeated training, You may be required to pay a reasonable training fee, as We will establish from time to time.

5.2.4 Compensation: You will not receive compensation from Us, Our Poop 911 Business or any on the job training provided by another franchisee, for services You provide as a trainee.

5.2.5 Refresher Training: We have the right, at Our sole discretion, to require You to complete additional or refresher training to Our satisfaction in order to maintain the quality of service We require under this Agreement. You may also request additional training. Once You begin operating Your Poop 911 Business, refresher courses are subject to availability of training staff and limited space in scheduled courses. We reserve the right to charge a reasonable fee for additional training.

5.3 Operational Assistance:

5.3.1 Operating Manual: When You attend training, We will loan You one (1) copy of Our Operating Manual, which may be in more than one part ("the Manual"). The Manual may include operating procedures and standards, rules and regulations for the franchise system, and other sensitive and confidential information. We may from time to time add, delete or amend the Operating Manual by inserts or bulletins and one or more other Manuals and may be provided in any medium or by any method, including in electronic form or by access to viewing on a closed Google Docs or comparable web share platform or a proprietary intranet website. All such additions, deletions or amendments will be deemed fully binding as a part of the Manual. These amendments will be made from time to time at Our discretion to meet competition, protect Proprietary Marks or trade secrets, or improve the quality of services or as We otherwise deem appropriate. "Operating Manual" means and collectively includes all manuals, policy statements, directive, bulletins and memoranda which contain prescribed or recommended specifications, standard, procedures, policies and advice relating to the operation and management of Poop 911 Business and to marketing Poop 911 services or that otherwise contain confidential business information.

5.3.2 Business Opening: During Our normal business hours and upon reasonable request, We will provide You with phone and web training sessions support for Your first 90 days

of operation to assist You in the marketing and establishment of initial customer accounts as well as any servicing and customer relations concerns for Your Poop 911 Business.

5.3.3 Operations: We will provide advice and guidance to You as We reasonably determine necessary and appropriate with reference to operations, including service methods, interpretation and implementation of the policies and procedures in the Operating Manual; marketing, purchasing of supplies and equipment; computer operations; bookkeeping; efficiency of operations; and general operation, business, and management procedures.

5.4 Supplies and Vendors: We both recognize that the success of the franchise requires consistency and quality in service and supplies.

5.4.1 Approved Vendors: In the interest of quality control, We may from time to time enter into an agreement with a specific vendor or vendors to provide supplies or equipment meeting Our standards. We will from time to time provide You a list of Approved Vendors for designated items. You agree to purchase the designated items from the Vendors only, unless substitute vendors are first approved by Us. We may approve Substitute Vendors in our sole discretion.

5.4.2 Published Standards: We have developed, and may from time to time at Our discretion develop, design specifications, quality control standards and proprietary products ("Published Standards") for the supplies or equipment used in the Franchise Operation. Notwithstanding the selection of Approved or Substitute Vendors, You will offer only services and products that meet the Published Standards. We reserve the right to make additions, deletions and corrections to the Published Standards at Our sole discretion. We will also from time to time provide You with new product information, techniques and operations information We develop and deem appropriate for the Poop 911 franchise system.

5.5 Administrative and Call Center Services: We will provide an exclusive, dedicated telephone number which is the only telephone number You may use for Your Poop 911 Business. Our call center will answer all inbound calls and forward or route them to the appropriate local Business. You acknowledge that our Call Center makes every effort to identify the correct zip codes for referral and service but may occasionally be mistaken either because of system or operator error. We may also perform outbound calling when there is a lead submitted through the website. In the future, additional services for outbound calls and customer support and lead generation follow-up may be made available to You for additional fees. You may only market and use the 800 number We provide for incoming prospective and established customer calls.

5.6 Web Site and Internet Presence Management: We have established and will maintain a website that provides information about the System, Our services, products and the locations and contact information for licensed Poop 911 Businesses. We own and will be responsible for, either directly or through a third party, and have sole discretion and control over such website. We will also maintain listings on referral websites as We deem appropriate. You may not maintain an individual website related to the Franchised Business, or to establish a URL incorporating any

variation of the "Poop 911" name or Marks, without Our prior written approval. You will not violate Our privacy policies as posted on the website. You must also participate in any System-wide computer network, intranet system, or extranet We may implement as described in Section 6 of this Agreement.

6. FRANCHISE SYSTEM STANDARDS

6.1 Compliance with Standards: You acknowledge that the standards for the Franchise System and the requirements of this Agreement and the Operating Manual are necessary, reasonable, and desirable in order to preserve and enhance the identity, reputation, and goodwill built by the Franchise System and the value of the Franchise Name. You agree to comply with the uniform standards for quality, appearance, cleanliness, service, operations, marketing, and promotion We establish from time to time. Upon any notice from Us, You will immediately take all steps necessary to correct any deviation from the standards for the Franchise System.

6.1.1 Laws and Licenses: You must comply with all applicable federal, state and local laws and regulations. You will obtain and at all times maintain any and all permits, certificates or licenses necessary for the full and proper operation of the Poop 911 Business. You specifically agree to comply with applicable health and safety laws, ordinances, and regulations so as to be rated in the highest available health and safety classification by the appropriate governmental authorities and to furnish Us immediately with copies of all inspection reports, warnings, certificates, and ratings issued by any governmental agency which reflect Your failure to meet and maintain the highest applicable ratings, or Your non-compliance or less than full compliance with any applicable law, rule or regulation.

6.1.2 Poop 911 Vehicle: You must maintain the appearance, mechanics, sign, equipment, and overall condition of the approved Poop 911 vehicle, both outside and inside in excellent repair and a clean condition and comply with the standards specified in the Operating Manual. You must also obtain and maintain the number of vehicles We determine is adequate to service Your customers to Our current standards. Once You are in operation, We will give You 30 days written notice of any change We make to the number of vehicles required. If You do not comply, then We may reduce Your territory upon 30 days written notice.

6.1.3 Operating Manual: You agree to operate the Franchise Business in strict compliance with the Operating Manual, as it may be changed from time to time.

6.1.4 Hours, Staff and Payroll: You will comply with the minimum hours of availability for service and all other operational requirements that We specify in the Operation Manual, including subscription and use of an approved vendor for payroll and related HR services at an additional charge.

6.1.5 Services and Products: You will offer only such services and products as are from time to time approved by Us and which must be provided in accordance with the standards and specifications established pursuant to this Agreement and the Operating Manual. You must offer all approved services, unless otherwise waived in writing by Us at Our sole discretion. You specifically acknowledge that We may revoke Our approval of any product or service at any time in light of reasonable business judgment and the reputation and good will of the Poop 911 system.

6.1.6 Variances from Standards: We may approve exceptions or changes from the uniform standards of operations which We, at Our sole discretion, believe necessary or desirable under particular circumstances. You understand that You have no right to object to or obtain such variances, and that any exception or change from the uniform standards for Your activities must be approved in advance by Us in writing.

6.1.7 Quality Control: We have the right to take reasonable steps to monitor the quality of the services and products offered by Your Poop 911 Business. These steps may include but are not limited to displaying the telephone number of a "customer hotline" for direct contact with Us conspicuously on Your invoices.

6.1.8 Professional Conduct: In Your dealings with Us, Your clients, Your employees, Your suppliers and others, You must adhere to the highest possible standards of professional conduct, honesty and integrity, ethical behavior, dependability, good faith and fair dealing. You may not engage in any conduct that We reasonably determine may injure the goodwill associated with our Trade Name and Proprietary Marks.

6.1.9 Internet and Developing Technology: In light of the increasing use of the Internet for a variety of functions and the rapidly changing and somewhat unforeseeable nature of technology, business support and social media platforms and other functions that are or become available in "the cloud", We reserve the right to limit or restrict any or all use of the Internet, including but not limited to social media or other Internet-based communications, marketing or social networking or other technology with respect to Your Franchise Business that We may decide is desirable in Our reasonable business judgment. We may also require your participation and possible subscription or enrollment in online and cloud related services as We determine necessary on 60 days written notice.

6.1.10 Technology Isn't Perfect: While We will make every commercially reasonable effort to maintain and ensure the availability and accuracy of Our BARCS system and our Administrative and Call Center services ("Admin Services"), We cannot guarantee complete, continuous access nor accuracy of BARCS, the Admin Services or any other technology You or We may use, whether it is provided by a third party vendor or by Us. Technology failures and human errors are inevitable. We do intend to address promptly all such issues and concerns and to keep You informed as appropriate.

6.1.11 Disclaimer; No Warranty: We will not in any event be liable for any direct, indirect, punitive, special, incidental, or consequential damages, including, without limitation, lost revenues,

or lost profits, arising out of or in any way connected with the use or misuse of the information or lack of information on the BARCS system or Admin Services or with the delay or inability to use BARCS or Admin Services, or from any malware, information, scheduling failures, services, software, or other material obtained through Us, or otherwise arising out of the use of BARCS, Admin Services or any required third party technology, whether based on contract, tort, strict liability or otherwise, even if We have been advised of the possibility of damages. We will not be liable for any loss or injury caused in whole, or in part, by its actions, omissions, or contingencies beyond its control, including in procuring, compiling, or delivering information, provision of customer related services or arising out of any technology related failures, errors, omissions, or inaccuracies or in the information regardless of how caused, or arising out of any action taken or not taken.

6.1.12 Customer Relations: You acknowledge and agree that customer satisfaction and positive relationships are essential to the goodwill and success of the System and that of Your franchise business and of all Poop 911 franchisees. Negative customer feedback can have consequences beyond just Your Business. You understand We require You to strictly comply with all standards of operation and customer relations that We may establish and provide to You from time to time by means of the Manual or written communication.

(a) *Customer Reviews.* You must maintain positive customer comments, reviews and any applicable ratings on all social media and any other platforms, such as Google, Yelp and media that publish customer comments and reviews, whether through the internet or any other system or media for publishing and disseminating such customer feedback to the general public or any other group. Negative comments and reviews must be promptly addressed in compliance with Our current published standards.

(b) *Complaints and Disputes.* If You are unable to satisfy a customer's complaint regarding Your Poop 911 business, You agree that We may, but are not obligated to, resolve the problem with the customer as We deem appropriate, serving as the arbiter of the dispute between the two of You. The resolution may include a full or partial refund, or cancellation of the account at customer's request. If We incur costs to resolve the customer problem, You agree to reimburse Us when We invoice You.

6.2 Insurance: While this Agreement is in effect, You will obtain, pay for, and keep in force all insurance required by law, as well as general liability insurance for not less than One Million Dollars (\$1,000,000.00), together with property damage liability and casualty insurance, and business risk insurance, all in such policy limits and from such reputable insurers as are reasonably acceptable to Us. All insurance policies will be issued by companies having not less than Best's Triple A rating and will name Us as an additional insured, for the mutual and joint protection and benefit of both You and Us. All policies will contain a provision that We, although named as an insured, will nevertheless be entitled to recovery under the policies for any loss, injury, or damage to Us, Our servants, agents, and employees by reason of Your negligence. You will promptly deliver to Us policies evidencing the insurance or certificates of coverage which will designate the name and address of the issuer, the policy number, amount, and provisions thereof, copies of annual

renewal certificates of continued insurance. All policies will contain a provision that the policy will not be canceled, terminated, or materially and adversely modified without thirty (30) days prior notice from the insurance company to Us.

6.3 Proprietary Marks; Confidential and Trade Secret Information

6.3.1 Service Mark and Trade Name License: We grant You a non-exclusive license to use Our service marks, trade names and other designations (hereafter "Proprietary Marks") in the operation of a "Poop 911" service Business. You will not use or attempt to use Our Proprietary Marks on services and products emanating from anyone other than Us and You have no right to license or sub-license any of Our Proprietary Marks. You will use Our Proprietary Marks exclusively in accordance with Our policies and standards. Any breach of Section 6.3 of this Agreement or any of its subparts is a material breach, subject to the termination provisions of Section 10.

6.3.2 Quality Control: The trademark laws require Our close control of the use of Our Proprietary Marks. Thus, You may use Our Proprietary Marks only in conformity with the standards and requirements that We have established or may establish from time to time and which are set forth in part of the Poop 911 Operating Manual. We may require submission of all advertising and promotional copy and materials and all printed matter, including but not limited to stationery and business cards, for Our written approval before You may use such materials. You may only purchase items carrying Our Proprietary Marks from Approved Vendors. We or an affiliate may be the sole Approved Vendor of items with Our Proprietary marks, including but not limited to T-Shirts, hats, and promotional items. You may only use materials We have first approved in writing in advertising in any form, media, or type of publicity or public appearance.

6.3.3 Infringement; Legal Action: You will immediately provide Us with all available information concerning any infringement or challenge to the validity or ownership of Our Proprietary Marks or any acts of unfair competition by third parties which interfere with the relationship of the parties or the relationship with and among other Franchisees.

You will cooperate with Us in any legal action We bring against third parties relating to this Agreement or to Our Proprietary Marks by providing Us with information or evidence available to You, as We may reasonably request. We will reimburse You for any reasonable actual cost to You in providing the information or evidence specifically required by Us, unless such information or evidence is directly related to the protection of Your rights.

We will have complete and entire control over any legal or informal action to stop acts of unfair competition or infringement of any Proprietary Marks or trade names, and We will decide, at Our sole discretion, whether any legal action will be taken. You will not participate in such action or decision, unless We give written consent.

6.3.4 Franchisor's Right to Change Trademarks and Trade Name. At any time upon written notice to You, We may add to, delete from, and/or change the Proprietary Marks and trade name licensed to You pursuant to this Agreement. All such additions, deletions and changes will

be as effective as if originally incorporated in this Agreement and will be made in good faith and on a reasonable basis.

6.3.5 We are Sole Owner: You acknowledge that We are the sole and exclusive owner of Our Intellectual Property which comprises the Proprietary Marks, all material elements of the Poop 911, all present or future Letters Patent, trademarks and service marks ("Proprietary Marks") including but not limited to the name "Poop 911", copyrighted materials, trade dress, trade secret and confidential business information, government approvals, intellectual property licenses and designs and patents of Poop 911 products and marks. You agree that all use of Intellectual Property, including Proprietary Marks and trade names will inure to Our sole benefit. Neither during nor after the term of this Agreement will You contest in any manner the validity of Our exclusive ownership and rights to all or part of the Intellectual Property and will not attempt to register or reserve rights in the same.

You recognize the great value of the goodwill associated with the Franchise Name and acknowledge that the Proprietary Marks and all rights therein and goodwill pertaining thereto belong exclusively to Us and that the Proprietary Marks have a secondary meaning in the mind of the public.

6.3.6 Trade Secrets and Confidential Information: You acknowledge that the trade secrets, information, ideas, research, methods, improvements, and copyright materials, owned or developed by Us, whether or not published, confidential, or suitable for registration or copyright, and the goodwill associated with them, are and will remain Our sole and exclusive property, provided or revealed to You in trust and confidence. "Confidential Information" and "Trade Secrets" mean the components of the business system under which the Franchise Business is operated, the contents of the Operating Manual, all training materials, computer programs and information in any other medium We develop and however We may convey them to You. All information and knowledge about the Franchise System and its services, products, designs, devices and tools, operations, standards, specifications, procedures, and techniques which are not in the public domain or generally known in the pet industry and such other information and material as We may designate as confidential will be deemed confidential and trade secret for purposes of this Agreement.

6.3.7 Ownership of Confidential Information: We are the exclusive owner of all Confidential Information as described in Section 2.1 and Paragraph 6.3.6 and reserve the right to use and sell derivative forms of the data in Our discretion. We may request You provide Us with customer lists at any time. Confidential Information includes but is not limited to:

- (a) all pet waste removal techniques, processes and methods provided to You or developed in the course of conducting Your Franchise Business,
- (b) marketing and promotional programs,
- (c) all databases compiled for use in or derived from the operation of the Franchise Business,
- (d) all data generated from the operation of the Franchise Business,

- (e) customer lists, customer profiles and historical data,
- (f) Operating Manual, and
- (g) Any proprietary software and data included with loan of handheld device.

You agree to keep all such information confidential and to use it only for the purposes and in the manner We authorize in writing.

You agree that during and after the termination of this Agreement neither You nor any of Your agents, heirs, successors, assigns or representatives will at any time use, copy or disclose to any other person for use for any purpose other than the operation of the Poop 911 Business any secret or confidential information received from Us, including but not limited to methods and techniques of performance of pet waste removal services, operations and marketing, specifications, and the Operating Manual.

6.3.8 Proprietary Marks and the Internet: You may not use or permit the use or display of the Proprietary Marks as part of any Internet domain name or website, or any other electronic identifier (including but not limited to e-mail addresses, account names in a social media site, posting notices and comments to social media platforms and the like) of You or the Franchise Business in any forum or medium except as We specifically approve in writing. We have the right in Our sole discretion to restrict or entirely prohibit Your use of Our Proprietary Marks in any medium and in any format whether passive or active.

6.3.9 Independent Status: All stationary, business cards, and contractual agreements entered into by You must also conspicuously state "This Poop 911 Pet Service is independently owned and operated".

6.4 National Franchisee Advisory Council: When one hundred (100) franchised Poop 911 Businesses are operational, We may develop governing By-Laws for and may appoint a National Franchisee Advisory Council ("Advisory Council"), comprised of at least four, but no more than eight franchise owners to serve on an annual basis. We will appoint Our own representative who may fully participate, except Our representative can only vote on a matter before the Advisory Council in the event of a deadlock. The Advisory Council's purpose will be to facilitate communications between franchise owners and Us and to serve in an advisory capacity to Us regarding advertising, new techniques and processes, methods of operation, product development and any other matters affecting the Poop 911 system which We both wish to cover. You will participate in the activities and be responsive to the communications of the Advisory Council. You and will bear Your own costs of participating in Advisory Council meetings and activities.

6.5 Targeted Local Marketing: You may be required to pay Us a Targeted Local Marketing (TLM) Fee of up to 1% of Gross Revenues. Upon 60 days written notice, We designate You pay a TLM Fee in an amount up to one percent (1%) total. Thereafter, if less than one percent (1%) is required, but no more often than every two years, We may increase the TLM Fee by any increment up to the one percent (1%) maximum. The TLM fee is used solely to advertise, promote and otherwise market Your Poop 911 Business within Your Territory as described in Paragraph 6.5.1

below.

6.5.1 How We Use Your TLM Fee: We will apply Your TLM fees to marketing efforts specifically directed to promote Your Business in Your Territory. You expressly agree that, in all phases of such marketing expenditures, including but not limited to type, quantity, timing and choice of media, any definition of market areas and varying needs for Your Territory, Our decisions made in good faith will be final and binding. Forms of media may include both traditional media formats and new technology forms such as by various means of Internet marketing and promotion. We anticipate primarily utilizing internet marketing directed at the zip codes in Your Territory, but that may change. We may defray from the TLM fee for Our administrative costs and overhead, if any, that are reasonably related to the administration or direction of Your Targeted Marketing expenditures.

6.6 Advertising: The Franchise Business will be operated under the Franchise Name, *Poop 911*. All signs and advertising will prominently display the Franchise Name. All advertising and marketing will be subject to Our prior written approval. Pre-approved advertising, or advertising We provide, does not require renewed approval by Us if used within the time period authorized for that advertising by Us. We will respond within thirty (30) days to all Your requests for approval of advertising. If We fail to do so, then You may use the advertising as requested only.

6.7 Local Marketing: You have an affirmative obligation to actively and, with Your best efforts, promote and advertise the Poop 911 Business. This obligation includes, but is not limited to, an obligation to engage in local marketing, promotional and advertising activities, known collectively as "Local Advertising".

6.7.1 Approval: You will submit to Us for review all marketing, advertising and promotional concepts, together with promotional or advertising materials, for approval by Us. You are prohibited from disseminating or implementing advertising, promotional or marketing schemes or materials without Our approval as set out in Paragraph 6.5 above. Use of advertising materials proposed by Us for Your use, consistent with the directions and standards for the use of such materials promulgated by Us, will not require Our approval before implementation.

6.8 Prices; Participation in Promotions: We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices You may charge for Poop 911 services and products. You acknowledge that periodic discounts and other promotions are an integral part of and benefit the promotion of the System and the Poop 911 brand identity. You agree to offer and participate in all such discounts and other promotions at Your cost and expense, in accordance with Our specifications.

6.9 Physical Inspection: In order to preserve the Franchise Name and insure that You are maintaining the standards of the Franchise System, We have the reasonable right, without prior notice, to inspect Your premises, vehicle and records, observe the manner in which You operate and maintain the Franchise Business, and interview or otherwise contact customers. We maintain a strong interest in the operation and success of each Poop 911 Business and may in Our discretion

inspect all aspects of the Franchise Business, its operations and management, and Your policies and procedures.

7. YOUR OBLIGATIONS

In addition to the other obligations in this Agreement:

7.1 Your Obligations: You must strictly comply with the operational and financial requirements of Our Operating Manual, this Agreement, federal, state and local law, and the rules and regulations We reasonably establish from time to time.

7.2 Payment of Debts: You will pay promptly when due all taxes of any kind on payments You made to Us, and all taxes, accounts and indebtedness of any kind incurred or suffered by You in the conduct of Your business, unless being contested actively in good faith. You also understand that You should consult Your own attorney, accountant, and insurance agent before entering into any such arrangement or agreement and on a regular basis thereafter.

7.3 Independent Contractor Status: You are an independent contractor responsible for exercising full control over the day-to-day operations of the Franchise Business. This Agreement does not create a relationship of principal and agent, joint venture, partnership or employment. You will not act or represent Yourself, directly or by implication, as Our agent or of any other franchisee of Ours. You will not create or attempt to create any obligation on behalf of or in Our name or any other franchisee of Ours.

7.4 Continuing Operation: You or Your controlling principal, if You are not an individual, are essential to the continuing operation of the Franchise Business as the only person authorized and trained to perform Poop 911 pet services on behalf of Your Franchise Business. Your franchise license has been granted on the condition that You are available to provide regular and reliable Poop 911 pet waste removal services according to Our current operating standards. You must actively participate in the daily management of Your Franchise Business and satisfy the operations management standards set out in the Manual. You acknowledge that if You do not do so, Our reputation and goodwill will be damaged as well lost revenues incurred.

7.5 Participation in Training Support: You agree to support Our efforts to grow and expand the Poop 911 network of franchisees by allowing a new franchisee in training to shadow You or Your most experienced technician “in the field” for a full day’s scheduled jobs, at Our request. You agree We will work cooperatively together to arrange an agenda for the new Franchisee’s “in the field” day in accordance with current Manual standards and will compensate You for Your time and support by paying You a \$1500 training support fee concurrent with the next remittance of Net Proceeds following the training support day.

7.6 Customer Data and Privacy Protection: To the extent that You obtain or have access to customer data and private and confidential personal information of Poop 911 customers, You will take all reasonable and necessary steps to maintain the security of that information and to comply

with applicable federal and state privacy and related laws.

7.7 Data and Critical Business Information; Our Disclaimer: While We may provide and /or require use of software and online applications and "in the cloud platforms in addition to Our BARCS system", You acknowledge and agree that We do not guarantee that any information you or the customers input will not be corrupted, lost, hacked or otherwise compromised despite our precautions and those of any provider We use. You must take reasonable precautions to protect customer data and critical business information by subscribing to and maintaining acceptable anti-virus, malware and other internet security measures for the devices You use in operating Your Business. YOU AGREE TO INDEMNIFY AND HOLD US HARMLESS FROM ALL LOSSES, CLAIMS AND CONSEQUENCES THAT MIGHT ARISE FROM THE USE, LOSS, DAMAGE OR MISAPPROPRIATION OF YOUR OR YOUR CUSTOMERS' DATA.

7.8 Indemnification: You agree that You will defend, indemnify, and hold Us, Our officers, directors, employees, agents, affiliates and other franchisees harmless from all fines, suits, proceedings, claims, demands, obligations, or actions of any kind, including costs and reasonable attorneys' fees, by anyone, allegedly arising from or connected with Your operation of the Franchise Business except for claims of infringement arising solely from Your use of the Franchise Name in accordance with this Agreement, as provided in Paragraph 6.3.

7.9 Non-competition: Duration: During the term of this Agreement, and for two (2) years from either: (a) termination, expiration, or non-renewal of this Agreement for any reason; or (b) cessation of operations of the Poop 911 Business or any competitive business by You as defined in Section 10.1.1(c); whichever is later: You will not directly; nor as a beneficial owner, investor, partner, director, officer, employee, independent contractor, representative, or agent; nor through a family member or other agent; control, own, provide consulting services for, benefit from or engage in: any business offering pet waste removal services or any other services and products then being offered by Poop 911 franchises, either as an independent business, as a franchisee or as a franchisor.

7.9.1 Non-competition: Geographic Areas: You acknowledge and agree that this non-competition restriction will bind You for the period of time above stated and for the following geographic areas: (a) as an independent business, shareholder, director, advisor, franchisee, licensee, employee, agent or consultant: twenty-five (25) miles from any franchise or other authorized Poop 911 Business Exclusive Territory in any direction; (b) as a franchisor and/or while operating a Poop 911 Business: of unlimited geographic scope.

7.10 Reasonableness: The terms contained in this Section 7 are the essence of this Agreement, and We would not license You without them. In consideration of Your agreement to the terms of this Section 7, We agree to train You in the use of the trade secret methods that We have developed at much expense for operating a Poop 911 business and to entrust to You Our Proprietary Marks, Trade Secrets and confidential information pertaining to Our business. You expressly agree that using Our training and this information in competition against Us and/or Our franchisees would be unfair and result in irreparable damage. You acknowledge that competition

by a Franchisee as competition is defined at Paragraph 7.7 is extremely detrimental to any Poop 911 location and to Our interest in preserving Our system of exclusive Territories. You further acknowledge that the sensitive nature of the training, information and trade secrets referenced throughout this Agreement and specifically at Paragraph 6.3 hereof are of such a unique and protected nature as to substantiate as reasonable the time and geographic scope of this provision. If any portion of this provision is deemed unenforceable, void or voidable, as against public policy, or unreasonable in scope or terms, then the parties agree and stipulate that this provision will not be unenforceable as a whole but will instead be interpreted with the maximum time and/or geographic scope and the most restrictive effect on competitive activity consistent with an enforceable provision of this nature, and the remainder of this provision, as so amended, will be of full force and effect as if originally included herein.

8. TERM AND RENEWAL

8.1 Term: This Agreement will become effective when signed by Us, and will continue for a term of five (5) years or until terminated pursuant to Section 10. If We are required by law to give You notice prior to the expiration of this Agreement and We fail to do so, this Agreement will remain in effect from month to month until We have given the required notice.

8.2 Renewal: If You are not in default at the time of the expiration of this Agreement or a subsequent renewal Franchise Agreement, have not been repeatedly in default under this Agreement, and have demonstrated consistent and adequate adherence to the customer satisfaction guidelines and other requirements of this Agreement and the Operating Manual, as determined at Our reasonable discretion, then You will have the option to continue the franchise relationship with Us for up to five additional terms of five (5) years, by each time executing Our then current franchise agreement, paying the renewal fee (see Paragraph 8.2.1 below), and delivering to Us a general release of any and all claims against Us, Our officers, directors, employees, agents, and affiliates from You and all other persons bound by this Agreement or renewal franchise agreement in a form satisfactory to Us. The relationship between Us and You during the renewal period will be governed by the provisions of Our then current franchise agreement, including without limitation those provisions pertaining to royalty, advertising, renewal and duration of the franchise; provided, however, the term of any second renewal of franchise will be no less than five (5) years, unless otherwise agreed by the parties in writing.

8.2.1 Fee and Notice: On renewal, You will pay a renewal fee equal to Five Thousand Dollars (\$5,000) or Three Percent (3%) of any then prevailing Franchise Fee, whichever is greater. The renewal fee will be tendered upon written notification of Your intent to renew, which You must give Us by certified mail, return receipt provided, no later than six (6) months prior to the expiration of the then-effective franchise term.

8.2.2 Modification of Agreement: This Agreement may be modified only in writing signed by both of the parties. We reserve the right, however, to reduce the scope of the non-competition provision or Your obligations hereunder, if We determine in Our discretion that

the scope of such restrictions or obligations are excessive or unduly onerous. Any such reduction will not be deemed a waiver by Us of that provision as amended.

8.2.3 Upgrading: We may from time to time require You to engage in upgrading, renovation, repairs and maintenance of the Poop 911 vehicle and tools to comply with changing design or marketing concepts or standards of appearance, at Your cost ("Upgrading"). We reserve the right to require upgrading at more frequent intervals, if We decide in Our discretion that it should be appropriate, whether system wide or for an individual franchise due to marketing requirements, deterioration, appearance or operations.

8.3 Failure to Give Notice and Continued Operation: If You fail to renew Your franchise but continue to operate Your Business, regardless of reason, then You will be deemed to be operating under the terms of this Agreement, albeit without the right to do so and We will have all the rights and remedies available to Us hereunder as well as by statute and common law.

9. SALE OR TRANSFER

9.1 Transfer by Franchisee: Your rights under this Agreement are personal, and You will not sell, transfer, assign, sublease, or encumber this franchise, or any rights or duties arising under this Agreement, without Our prior written consent. Any unauthorized transfer by You will be voidable by Us.

9.1.1 Ownership Changes: "Transfer" is defined as any act or circumstance by which ownership or control is shifted in whole or in part from one entity or person to another, including, if You are a corporation, limited liability company or other legal entity, any changes in the present ownership of the stock, member interest, or comparable ownership designation of the franchise, as of the effective date of this Agreement) or the issuance of ownership interests of the franchise and if You are a partnership, any change in or addition of partners. You agree to notify Us of any change in the ownership or partnership interests in Franchise while this Agreement is in effect. All such changes are a transfer subject to the provisions of Section 9 (and subparts).

9.1.2 First Right of Refusal: We have the first right to purchase, if You are offering to sell or are considering an offer to purchase this Franchise. Before selling this franchise, You agree to give Us written notice of Your intention to sell and an offer stating the terms of the proposed sale which will be identical in terms, price and manner of payment to this received by You in a bona fide written offer by an offeror. We will have thirty (30) days to accept or reject the offer.

a) If We accept the offer, We may operate, sell, or terminate the franchise. Our failure to accept within the required time will constitute rejection. If We accept, We will have ninety (90) days within which to fund the purchase.

(b) If We reject the offer, You will have forty-five (45) days to sell the franchise upon terms no more favorable than those offered to Us (subject to the approval by Us of the proposed

Transferee/Franchisee pursuant to Paragraph 9.1 and subparts); thereafter, Our first right to purchase the franchise is reinstated.

9.1.3 Conditions for Approval: We have the right to reasonably disapprove any person or entity that would have actual, legal, or effective control over the Franchise Business, upon a sale, transfer, or change of ownership. We will approve a sale, transfer, or change of ownership only under the following conditions:

(a) *Prior Compliance.* If You have substantially performed Your obligations and duties under this Agreement;

(b) *Payments.* If We are paid all sums owed by You, under this and all other agreements, including obligations incurred but otherwise payable in the future;

(c) *Release.* If You agree to remain liable to Us for all obligations and events which occurred prior to the transfer and to continue to be bound by all the provisions of this Agreement which apply after the termination or transfer, and if You sign a general release of any and all claims against Us, Our officers, directors, employees, agents and affiliates;

(d) *New Agreement.* If the transferee meets the established standards for new franchisees and signs a new franchise agreement with the standard terms and conditions then being offered in Your state by Us, except that the transferee will pay Us a transfer and training fee of Five Thousand Dollars (\$5,000), if the transfer is proposed within two years of the date You begin operation of Your Business, or Three Thousand Dollars (\$3,000) if the transfer is proposed after two years of operation, or Our actual costs, whichever is greater

(e) *Assumption of Liabilities.* If the transferee meets our current qualifications for new franchisees, resides or its controlling Principal resides within the Territory and agrees to assume all liabilities and obligations from the prior operation of the Franchise Business and complies with such other reasonable requirements as We may impose, which may include requiring a copy of the signed purchase agreement which must be contingent upon Our approval of the transfer;

(f) *Training.* The transferee must have installed the required vehicle wrap and subsequently satisfactorily complete training before the sale of Your Business and Our approval can be final;

(g) *Finder's Fee.* If We locate and refer to you the eventual buyer of Your Business, then You must pay Us a finder's fee of 1% of the purchase price at closing;

(g) *Governmental Compliance.* If the transfer is conducted in compliance with all applicable laws; and

(h) *Discretion of Franchisor.* Notwithstanding the above standards and requirements, the

provisions will be deemed minimum standards and will not, once met, be deemed to require Us to approve any such Sale or Transfer as prima facie reasonable. We retain discretion to approve or disapprove such sale or transfer, and We may consider factors not referenced herein in making Our determination. Such power of approval will be reasonably exercised.

9.2 Transfer by Franchisor: This Agreement and any or all rights hereunder may be assigned by Us in whole or in part upon notice to You.

9.3 Death or Disability: If You or Your Controlling Principal die or become permanently disabled, We will consent to the transfer of the franchise and this Agreement, or the interest therein, whether such transfer is made by will or by operation of law, to any individual meeting Our current standards for new franchisees who satisfactorily completes Our training program, does not operate a competitive business and pays Us a transfer fee of \$1000, so long as the transferee otherwise complies with the requirements of Paragraph 9.1 and subparts and otherwise meets Our then current standards for new franchisees. Transfers by Your executor, administrator or representative must be in writing and subject to the provisions of this Section 9.

10. BREACH, DEFAULT, AND TERMINATION

10.1 Breach by You: If You breach or default under this Agreement under the following circumstances, We will have all rights and remedies permitted by law or equity, including the right of termination:

10.1.1 Without Notice: We may terminate this Agreement without giving advance notice and without giving an opportunity to cure for any of the following breaches or defaults:

(a) *Public Danger.* Imminent danger to public health or safety, to the extent that may close the Franchise Business without notice to protect public health or safety, but We may terminate this Agreement only if the danger is not completely eliminated within five (5) days.

(b) *Criminal Acts.* Your conviction or plea of guilty or no contest to a felony; or any other criminal misconduct relevant to the operation of the Poop 911 Business.

(c) *Ceasing to do Business.* Failure to submit service orders to Us for processing for seven (7) or more consecutive days except with Our prior written approval or for causes completely beyond Your control.

(d) *Unauthorized Transfer.* An attempted transfer in violation of the provisions of this Agreement.

(e) *Voluntary Bankruptcy.* If You make an assignment for the benefit of creditors, file a

voluntary petition in bankruptcy, are adjudicated as bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for You or the operation of the Poop 911 Business.

(f) *Involuntary Bankruptcy.* If proceedings are commenced to have You adjudicated a bankrupt or to seek a reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within thirty (30) days, or a trustee or receiver is appointed for You or the franchise business without Your consent and the appointment is not vacated within fifteen (15) days.

(g) *Bankruptcy:* The occurrence of any event in subparagraph (e) or (f) above involving any franchisee.

(h) *Liens.* Levy of a writ of attachment or execution or the placement of other liens against You or any of Your assets which are not released or bonded against within 10 days.

(i) *Insolvency.* Your insolvency or that of any guarantor in either the bankruptcy or equitable sense.

(j) *Collections.* Two or more inventory vendors place You in collections.

(k) *Repeated Breaches.* Any breach or default which is repeated 3 or more times, regardless of whether cured after notice, in any twelve (12) month period, specifically including without limitation as examples of default:

- i. Failure to Post Service Orders as a charge to the customer;
- ii. Failure to Post Service Orders as a No Charge to the customer; or
- iii. Failure to reschedule auto-generated service orders.

(l) *Misrepresentation.* Any misrepresentation to Us in connection with obtaining the Franchise Agreement or the provision of any information pursuant to this Agreement.

(m) *Misappropriation.* Any monies or funds that You receive from a customer in any form or medium, whether by cash, check, Venmo, Zelle and the like and/or any deposit into any banking account not controlled and approved by Us in writing, unless promptly remitted to Us within 24 hours of Your receipt.

(n) *Breach of Other Agreements.* Any material breach or default by You of another agreement or obligation owed to Us which is not cured within any permitted period for cure.

(o) *Declining New Customer Accounts.* If You decline to accept and regularly service qualified new customers three times in any 90 day period.

10.1.2 Ten Days After Notice: Unless otherwise specified in this Agreement, We may terminate this Agreement ten (10) days after giving You written notice specifying any of the following defaults or breaches by You if it remains uncured at the end of the 10 day period, (except that if a complete cure of a breach other than subsection (a) will require more than 10 days due to circumstances beyond Your control, then We may not terminate so long as reasonable steps towards a cure have been initiated and a complete cure results in a timely manner):

(a) *Nonpayment.* Failure to pay when due any sum owed to Us under this Agreement or any direct lease.

(b) *Jeopardizing the Franchise Name or System.* Any misuse of the Franchise Name or confidential information, or conduct which reflects unfavorably upon the operation and reputation of the Franchise System, including but not limited to non-payment or chronic dissatisfied customers.

(c) *Licensing.* Your failure to have any permit or license necessary for the operation of the Poop 911 Business.

(d) *Vehicle Wrap.* Your failure to have your vehicle wrapped as We require by completion of training.

(e) *Phone Greeting.* Your failure to set up and maintain the required Poop 911 greeting and voice messaging.

(f) *Social Media and Internet.* Your failure to comply with the requirements and written policies of social media conduct as stated in paragraph 6.3.8

10.1.3 Thirty Days After Notice: Unless otherwise specified in this Agreement, We may terminate this Agreement 30 days after giving You written notice specifying any or the following defaults or breaches by You, if any default remains uncured at the end of the 30 day period:

(a) Your failure to comply with the requirements of this Agreement, the mandatory rules, regulations, standards and procedures of the operation as may be specified in the Operating Manual and from time to time by Us.

(b) Your failure to make payment of local, state, or federal taxes, levies or assessments.

10.2 Waiver: Neither Your nor Our waiver of a breach or default by the other, or by other franchisees, nor delay or failure to exercise any right upon breach or default, nor acceptance of any payment, will impair rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not preclude the later assertion of other additional defaults or breaches.

10.3 Step-In Rights: If We determine in Our sole judgment that the operation of Your business

is in jeopardy, or if a material default occurs, then in order to prevent an interruption of the Franchised Business which would harm to the System and lessen its value, You authorize us to operate Your business for as long as We deem necessary and practical, and without waiver of any other rights or remedies which We may have under this Agreement. In Our sole judgment, We may deem You incapable of operating the Franchised Business if, without limitation, You are absent or incapacitated by reason of illness or death; You have failed to pay when due and on demand any monies owed to us, any affiliate or approved vendor; You repeatedly decline new customers; You refuse to communicate with us, or We determine that operational problems require that We operate Your business for a period of time that We determine, in Our sole discretion, to be necessary to maintain the operation of the business as a going concern.

We will keep in a separate account all monies generated by the operation of Your business, less the expenses of the business, including reasonable compensation and expenses for Our representatives. If We temporarily operate the Franchised Business on Your behalf, You also agree to pay us the then-current fee for the management and maintenance of the Franchised Business in Your absence. If We exercise the Step-In Rights, You agree to hold harmless us and Our representatives for all actions occurring during the course of such temporary operation. You must pay all of Our reasonable attorneys' fees and costs incurred as a consequence of Our exercise of the Step-In Rights. Exercise of these Rights will not prevent us from exercising any other right which We may have under this Agreement, including, without limitation, termination.

11. RIGHTS AND DUTIES UPON TRANSFER OR TERMINATION

In addition to the rights and duties specified elsewhere in this Agreement, immediately upon the expiration, transfer, or termination of this Agreement for any reason:

11.1 Acceleration of Payments: All money You owe Us will be due and payable.

11.1.1 Franchise Revoked: All rights and licenses granted to You under this Agreement will terminate.

11.2 Tools and Supplies: You will cease using and will deliver to Us or to an approved transferee, or upon Our instructions, destroy all supplies and items pertaining to the Franchise System and the Franchise Name and all copyrighted materials, including the Operating Manual and any tools and items bearing Our Marks that We have loaned or otherwise provided to You.

11.3 Telephone: You will cease using all telephone numbers and listings used in connection with the Poop 911 Business, transfer all numbers and listings to Us, an approved transferee or any entity designated by Us and promptly direct and authorize the telephone company to make the transfers or, if We so direct, to disconnect the numbers completely.

11.4 Power of Attorney: We are hereby irrevocably appointed as Your attorney-in-fact to sign in Your name and on Your behalf all documents necessary to discontinue Your use of the Franchise

Name.

11.5 Non-competition: You will continue to be bound by all the provisions of Paragraph 7.7. (and sub-parts).

11.6 Notice of Election: Our election to exercise any or all of those rights enumerated in Paragraphs 11.2 and 11.5 (and subparts) will be made in writing to Your last business address, or such other address last specified at Section 12 below, within fifteen (15) days of termination or of Our actual knowledge of the event of termination, whichever is later.

11.7 De-Identification: On termination or expiration, You agree that You will not directly or indirectly identify Yourself or any business as a current or former franchisee of Poop 911, nor use or disseminate any design, Mark, operations, signs or other commercial symbol suggesting a connection with Poop 911. Regardless of Our exercise of any option or right under Section 11 above (including subparts), You will immediately take all actions necessary to cancel all fictitious name registrations, remove vehicle signage, and telephone directories or listings reflecting Your use of the franchise name or mark.

12. INDEPENDENT BUSINESS

12.1 Independent Business Status: You are an independent business, responsible for exercising full control over the day-to-day operations of Your Franchise Business. This Agreement does not create a relationship of principal and agent, joint venture, partnership or employment. You will not act or represent Yourself, directly or by implication, as Our agent or of any other Franchisee of Ours. You will not create or attempt to create any obligation on behalf of or in Our name or any other Franchisee of Ours.

12.2 Control. Except as specified by this Agreement, the Manual and those standards that we deem necessary to maintain the integrity and goodwill of the Marks and the System, We have no right to control the time, place, manner or method in or by which You operate Your Business.

12.3 Assistants. You may hire assistants at Your own cost to help deliver or fully deliver the duties contemplated in this Agreement, so long as they are under Your supervision.

12.4 Tax Payments and Withholding. Since neither You nor Your employees are Our employees, We are not obligated to, nor will We, perform any of the following duties for Your benefit or any of Your employees:

12.4.1 Withhold federal, state or local income tax, sales tax or payroll tax of any kind, including FICA (Social Security), from Franchisee's payments;

12.4.2 Make unemployment insurance contributions to the state or federal government;
or

12.4.3 Obtain worker's compensation insurance.

You further acknowledge that You are liable for Your own federal, state and local income and taxes and federal employment taxes related to income received.

13. NOTICES

All notices, requests, demands, and reports to be given under this Agreement are to be in writing, delivered by hand, telegram, or certified or registered mail (except that regular monthly and annual reports from You may be sent by regular mail) to the following addresses (which may be changed by written notice):

Franchisor:

Hounds Mounds, Inc.
3824 Cedar Springs Rd., Ste 200
Dallas TX 75219

Franchisee:

Notice by mail will be considered given on the third (3rd) business day after mailing or upon actual receipt, whichever is earlier. Any individual franchisee, general manager, guarantor, partner, or substantial beneficial owner will be conclusively deemed to have personally received any notice sent by Us pursuant to or in connection with this Franchise Agreement, related documents and agreements between the parties, or the franchise business, by mailing notice to Your address established pursuant to this paragraph, whether addressed to the entity or to the entity executing this Agreement as Franchisee.

14. INTERPRETATION

14.1 Integration and Amendments: This Agreement constitutes the entire agreement of the parties to which all prior negotiations, commitments, representations and undertakings with respect of the subject matter hereof are merged. There are no oral or other written understandings or agreements between the parties relating to the subject matter of this Agreement. NOTHING IN THIS AGREEMENT OR IN ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS WE MADE IN THE FRANCHISE DISCLOSURE DOCUMENT. This Agreement may only be changed by a written document signed by both parties, with the sole exception of amendments to the agreement made pursuant to Paragraph 8.2.2.

14.2 Choice of Law and Forum: This Agreement will be construed under the laws of the state of Texas and any legal action concerning this Agreement will be brought in a court of competent jurisdiction, in Dallas County, State of Texas. You hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision and waive any objection to such jurisdiction. Notwithstanding the foregoing, We may bring an action for a temporary restraining order, temporary or preliminary injunctive relief, or to enforce an arbitration award, or to litigate matters

not subject to or excludable by Us, from arbitration, in any federal or state court of general jurisdiction in the state in which You reside or in which the Business is located.

14.3 Construction of Language: The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires; if more than one party or persons is referred to as You, their obligations and liabilities will be joint and several. Headings are for reference purposes and do not control interpretation.

14.4 Successors: References to We and You include successors, assigns, or transferees of both parties.

14.5 Severability: If any provision of this Agreement is deemed to be invalid or inoperative for any reason, that provision will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be so modified, then severed, and the remainder of the Agreement will continue in full force and effect as if the Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to Us or protection of the Franchise Name or trade secrets is declared invalid or unenforceable, then We at Our option may terminate this Agreement upon written notice to You.

15. ENFORCEMENT

15.1 Execution of Documents: The parties agree to sign and deliver all documents necessary or appropriate to carry out the purposes and intent of this Agreement.

15.2 Alternative Dispute Resolution: The parties acknowledge that, during the term of this Agreement, certain disputes may arise between the parties, and that the parties will make every attempt to resolve the dispute using the following methods:

15.2.1 Negotiation: The parties will attempt to resolve promptly any controversy or claim arising out of or relating to this Agreement or any other agreement entered into pursuant to this Agreement by negotiating in good faith; and

15.2.2 Mediation: If the parties are unable to resolve a controversy or claim through negotiation, they agree that either party then has the right, prior to commencement of litigation, to require that the dispute between them first be submitted for mediation to the Mediation Organization identified in Paragraph 15.2.3 below. The mediator will be agreed upon by the parties, with the mediation taking place in Dallas, Texas and the cost of the mediation shared equally by the parties.

15.2.3 Mediation Organization: If, after attempted negotiation, either party elects to refer any dispute to mediation, it must be referred to the professional dispute resolution organization that We select ("the Mediation Organization"). The dispute will be conducted pursuant

to the Mediation Organization's commercial mediation rules and heard by one mediator.

15.2.4 Legal Proceedings: You will not institute any legal or administrative proceeding for claims arising out of a dispute relating to our franchise relationship or pursuant to this Agreement without first attempting to resolve the dispute through negotiation and non-binding mediation. If the dispute is not resolved through negotiation or mediation pursuant to Paragraphs 15.2.1 and 15.2.2 above, then either of Us may initiate litigation in Dallas County, Texas in accordance with Paragraph 15.2 above.

15.2.5 Disputes Excluded: In Our sole discretion, the requirements to mediate under this Paragraph 15.2 will not apply to disputes involving Our rights under all or part of Paragraphs 6.3, 7.6, 7.7, 11.2 or 11.5 as set out in this Agreement, for which we may seek not only injunctive relief as set out in Paragraph 15.3 below, but may also litigate the entire dispute in a court of competent jurisdiction having venue in Dallas, Texas.

15.3 Injunctive Relief: In the event of any breach or threatened breach of this Agreement by You, We will immediately be entitled to injunctive relief (including a temporary restraining order, preliminary injunction, and specific performance) without posting a bond or surety and without showing or proving any actual damage sustained and will not thereby be deemed to have elected its remedies. It is specifically understood and agreed that We may incur incalculable and irreparable damage from any violation of Paragraphs 6.3, 7.6, 7.7, 11.2 or 11.5, and that We have no adequate remedy at law and are entitled to injunctive relief, including specific performance, for any actual or threatened violation.

15.4 Attorneys' Fees: If either party institutes legal proceedings to enforce the terms or conditions of this Agreement, the prevailing party will be entitled to recover all its reasonable expenses, including attorneys' fees, costs, and other expenses reasonably and necessarily incurred.

15.5 Waiver of Jury Trial; Limitations of Claims: WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US. Except for claims arising from Your non-payment or underpayment of amounts You owe Us pursuant to this Agreement, any and all claims arising out of or relating to this Agreement or Our relationship with You will be barred unless a judicial or arbitration proceeding is commenced within two (2) years from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.

15.6 Force Majeure: We will not be liable to You for any failure or delay in performing any obligation, in whole or in part under this Agreement, if the failure or delay results directly or indirectly from wars (declared or not), insurrections, riots, fires, floods, explosions, earthquakes, accidents, epidemic or quarantine restrictions, acts of God, any active government or government priorities, transportation failures or delays, embargoes, material or parts shortages, strikes, labor trouble causing a cessation or slowdown or interruption of work (including labor troubles or other

delays at a supplier's or service vendor's facility or "in the cloud" platform), events were an export license is refused or withdrawn, or any other cause beyond Our reasonable control.

16. REPRESENTATIONS, APPROVAL AND GUARANTEES OF EQUITY HOLDERS

If You are a corporation, partnership, or other legal entity ("Business Entity"), You must own One Hundred Percent (100%) of the interests in the Business Entity, agree to furnish the financial information required, agree to the restrictions placed on them (including restrictions on the transfer of their interests in the franchise and limitations on their ability to compete), and sign a separate written guarantee of Your payments and performance under the terms of this Agreement. The shareholders, members, or other parties executing guarantees will be considered "franchisees" within the context of the definitions at Paragraph 7.1.2 hereof and agree to be bound by all the terms of this Agreement. Additionally, all shareholders, members, partners or other parties executing guarantees or otherwise holding a direct or beneficial interest in You shall also sign a Restrictive Covenant Agreement in the form attached to this Agreement as Exhibit D.

You represent that, as of the execution of this Agreement, the equity and voting control of You, as the party to this Agreement, is as shown in Exhibit C, which is attached to and made a part of this Agreement. If You, or any approved successor of You, are a Business Entity, You will submit to Us before any proposed transfer of an equity or voting interest, and at any other time upon request, a list of all holders of direct or indirect equity or voting interests of record reflecting their respective present and/or proposed direct or indirect interests in You, in the form that We may require. In addition, You will provide Us with Your governing documents, evidence of authority and written ratification of this Agreement in a document appropriate to Your form of organization. In computing the percentages of equity interest owned in You for purposes of this Paragraph 16, general partnership interests will not be distinguished from limited partnership interests.

17. NO REPRESENTATIONS

We Make No Representations, Promises, Guarantees or Warranties of Any Kind Except as Specifically Set Forth in this Agreement.

Applicant Understands And Agrees That We Have No Obligation to Accept This Application And May Refuse to Grant a Franchise For Any Reason, or No Reason, Without Disclosing The Basis For Our Decision. Applicant Acknowledges That Unless And Until We Notify Applicant in Writing That The Franchise Has Been Granted, Applicant Is Not a Franchisee And May Not Rely Upon Becoming a Franchisee.

NOTHING IN THIS AGREEMENT OR IN ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS WE MADE IN THE FRANCHISE DISCLOSURE DOCUMENT.

18. ACKNOWLEDGMENTS

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 (1) WAVING ANY CLAIMS UNDER ANY APPLICABLE STATE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (2) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY IN FRANCHISE OR, FRANCHISE SELLER OR ANY PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY TERM OF DOCUMENTS EXECUTED IN CONNECTION WITH THE FRANCHISE.

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19. SIGNATURES.

To be completed by Us:

THIS AGREEMENT WILL TERMINATE ON _____, 20____,
unless ended or terminated sooner pursuant to its terms.

"You":

Dated: _____

By: _____

Title/Name: _____

Dated: _____

By: _____

Title/Name: _____

"We"

Hounds Mounds, Inc.

Dated: _____

By: _____

Geoffrey Bodle, President

CONTROLLING PERSON(S)'S GUARANTEE:

In accordance with Section 16, the undersigned Controlling Person(s) personally join in this Franchise Agreement guaranteeing and assuming all obligations, current and post-termination or expiration, of the Franchisee contained within this Franchise Agreement dated _____, 20__ between Hounds Mounds, Inc., a Texas corporation ("We") and _____ ("You") on behalf of _____.

Print Name, Controlling Person

Signature

Position or Interest

Date

Print Name, Controlling Person

Signature

Position or Interest

Date

EXHIBIT A to the Franchise Agreement
dated _____ by and between Hounds Mounds, Inc.
and

AGREEMENT FOR THE SALE OF RECEIVABLES

This Agreement is made this ____ day of _____, 20__, between Hounds Mounds, Inc., a Texas corporation ("Franchisor") and _____ ("Seller/Grantor").

RECITALS:

- a) Franchisor and Seller/Grantor have entered into a Franchise Agreement dated -- (the "Franchise Agreement") which sets forth the terms of their relationship as it pertains to Seller/Grantor's Poop 911 business (the "Business").
- b) Franchisor, pursuant to the Franchise Agreement and subject to and on the terms of this Agreement, agrees to invoice the customers of the Business, collect the Business Receivables (defined below) and pay, from the Business Receivables so collected, certain other fees and costs of the Business.
- c) Franchisor, pursuant to the Franchise Agreement and subject to and on the terms of this Agreement, after collection of the Business Receivables and payment of Seller/Grantor's suppliers to the Business and other fees, agrees to remit the Net Proceeds (defined below) to Seller/Grantor.
- d) From time to time, Franchisor may pay Seller/Grantor prior to collection of the related Business Receivables. In order to facilitate such advances, Franchisor requires Seller/Grantor to pledge to the Franchisor the Business Receivables.

Agreement:

In consideration of the foregoing Recitals and the parties' signing and delivering the Franchise Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as set forth in the provisions below.

1. Grant of Security Interest. To secure the performance of all obligations of Seller/Grantor to Franchisor under this Agreement and the Franchise Agreement, Seller/Grantor grants to Franchisor a first priority security interest in the Business Receivables. Except as limited below, "Business Receivables" means all of the present and future accounts, contract rights, chattel paper, general intangibles, notes, drafts, acceptances, chattel mortgages, conditional sales contracts, bailment leases, security agreements and other forms of obligations to the Business now or hereafter arising out of or acquired in the course of the Business, together with all liens, guarantees,

securities, rights, remedies and privileges pertaining to any of the foregoing, now existing or hereafter arising and all increases, substitutions, replacements and additions to the foregoing, and all proceeds of the foregoing of every type, including cash and non-cash proceeds and returned and repossessed inventory; provided that "Business Receivables" shall not include any receivables generated by Seller/Grantor from activities unrelated to the Business or generated from or attributed to gains from the sale of assets, rents, royalties, interest, dividends or other passive activity. For purposes of this Agreement the term the "Business" shall mean only those activities conducted in association with the name "Poop 911" or others directly related to the use of the Poop 911 System under the Franchise Agreement.

2. No Other Security Interests. Seller/Grantor shall not, during the term of this Agreement, sell, transfer, pledge, hypothecate, or create or allow to exist a security interest or other lien in any of the Business Receivables to or in favor of any person, firm or corporation other than Franchisor. Seller/Grantor warrants and covenants that the Business Receivables are and will remain free and clear of all liens, claims and encumbrances whatsoever, except for those granted to Franchisor.

3. Sale of Business Receivables. Seller/Grantor will sell and, subject to the terms and conditions of this Agreement, Franchisor will buy, at the gross invoice amount, but subject to actual collection, all of the Business Receivables. All such Business Receivables shall be owned by and payable directly to Franchisor and Seller/Grantor hereby assigns and transfers to Franchisor all of his right, title and interest in and to all of the Business Receivables, and will upon Franchisor's request from time to time, execute and deliver to Franchisor, in confirmation of its title thereto, a detailed assignment of specific Business Receivables in a manner and form satisfactory to Franchisor. Franchisor shall have the right to give notice of this assignment to Seller/Grantor's customers and, at Franchisor's discretion, to bring all proceedings for collection in Seller/Grantor's name and to exercise any of Seller/Grantor's rights of stoppage in transit, replevin, and reclamation. Seller/Grantor acknowledges and agrees that such assignment shall take effect, and that Franchisor shall take title to each Business Receivable, immediately upon its creation. Seller/Grantor agrees, should any remittance of any Business Receivable be made directly to Seller/Grantor, to receive it in trust for Franchisor, as the property of Franchisor, and to immediately turn over to Franchisor the identical check or other form of payment so received, and Seller/Grantor hereby irrevocably appoints Franchisor, or any person designated by Franchisor, its true and lawful attorney-in-fact to: (a) endorse the name of Seller/Grantor on any notes, acceptances, checks, drafts, money orders, or other remittances relating to any of the Business Receivables; (b) endorse the name of Seller/Grantor on any invoice, freight, or express bill or bill of lading, storage receipt, warehouse receipt or other instrument or document in respect to the Business Receivables; (c) sign the name of Seller/Grantor to drafts against Seller/Grantor, assignments or verifications of the Business Receivables and notices to Seller/Grantor's customers; (d) change the post office address of Seller/Grantor in the event Seller/Grantor ceases business due to bankruptcy or otherwise, or breaches this Agreement, or breaches or terminates the Franchise Agreement or if for any reason Franchisor feels insecure; and (e) do all other acts and things necessary to carry out the intent of this Agreement. The authority herein granted to Franchisor shall remain in full force and effect for so long as this Agreement shall remain in force and until all of the Business Receivables transferred to Franchisor have been paid in full.

4. Remitting Net Proceeds. As payment for the Business Receivables, Franchisor shall remit to Seller/Grantor at regular intervals at least twice per month the Net Proceeds of the Business Receivables upon collection by Franchisor. "Net Proceeds" means the gross amount collected by Franchisor from Seller/Grantor's customers since Franchisor's most recent remittance to Seller/Grantor, less: (a) fees due to Franchisor pursuant to the Franchise Agreement or any other agreement between Franchisor and Franchisee; (b) amounts Franchisor spends to adjust claims against the Business on Seller/Grantor's behalf pursuant to Section 6 below; and (c) any other amounts owed by Seller/Grantor to Franchisor or its affiliates. If Franchisor has paid out more money to or on behalf of Seller/Grantor than it has collected on the Business Receivables, Franchisor shall deduct the difference from the next payment due to Seller/Grantor as described above. In collecting the Business Receivables, Franchisor shall be obligated only to bill Seller/Grantor's customers. Notwithstanding any other provision of this Agreement, Seller/Grantor shall be solely responsible for the payment when due of all sales and use taxes payable on orders processed by Franchisor pursuant to this Agreement.

5. Acknowledgments. Seller/Grantor acknowledges and agrees that: (a) Franchisor may, in its discretion, assign the Business Receivables or any or all of its interest therein to, or grant a security or other interest in the Business Receivables in favor of, any third party creditor or lender of Franchisor; (b) Franchisor may refuse to process any order through the order processing system described in this Agreement if it believes, in its sole discretion, that the customer placing the order does not satisfy Franchisor's minimum standards of creditworthiness; and (c) pursuant to Section 3.3.1 of the Franchise Agreement, Franchisor may, in its sole discretion and in addition to any other remedy it may have under the Franchise Agreement, withdraw Seller/Grantor's right to participate in the order processing system described in this Agreement if Seller/Grantor is in default or in violation of any provision of the Franchise Agreement from the date upon which Franchisor gives notice to Seller/Grantor of its default or violation until such default or violation is fully cured. So long as there are no amounts then owing to Franchisor from Seller/Grantor, Franchisor shall assign back to Seller/Grantor any Business Receivables related to invoices from suppliers to Seller/Grantor which Franchisor will not pay.

6. Settlement of Disputes. Franchisor shall have the right in good faith to settle or adjust all disputes or claims directly with Seller/Grantor's customers with respect to the Business Receivables on the terms of this Agreement and to compromise or extend the time of payment for the Business Receivables on such terms and conditions as Franchisor may determine without affecting the liability of Seller/Grantor hereunder. Seller/Grantor shall cooperate with Franchisor in efforts to resolve any disputes between Franchisee's customers.

7. Waiver; Cumulative Rights. The waiver by Franchisor of any breach of this Agreement or of any warranty or representation set forth herein shall not be construed as a waiver of any subsequent breach. The rights of the parties are cumulative, and the exercise or failure to exercise any rights and remedies herein provided shall not preclude any exercise or enforcement of any other right or remedy hereunder or to which a party is entitled by any other agreement between the parties or by law.

8. Rights Upon Expiration or Termination. Upon expiration or termination of the Franchise Agreement, Franchisor shall have the right, but not the obligation, to purchase the remaining Business Receivables from Seller/Grantor. This Agreement shall terminate as of the date after the expiration or termination of the Franchise Agreement on which all fees and other amounts owed by Seller/Grantor to Franchisor have been paid and Franchisor has been reimbursed in full for all amounts it has paid to suppliers on behalf of Seller/Grantor.

Upon the expiration or termination of this Agreement Franchisor may, but is not obligated to, assign back to Seller/Grantor any Business Receivables outstanding more than ninety (90) days and not collected by Franchisor, provided Franchisor has obtained any necessary consents from its lenders.

9. Additional Documents. Seller/Grantor agrees to execute and deliver to Franchisor any and all additional instruments or documents, including, without limiting the generality of the foregoing, financing statements and other documents required for the perfection or modification of Franchisor's security interests, and to do all things which Franchisor from time to time may deem necessary or convenient to effect the provisions of this Agreement.

10. Amendment and Assignment. This Agreement may not be altered or amended except with the written consent of each of the parties. This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and permitted assigns of the parties hereto.

11. Governing Law. This Agreement and the rights, obligations and duties of each of the parties hereto shall be construed according to the laws of the State of Texas, without regard to its conflicts of laws principles.

12. Construction. Wherever in this Agreement the context so requires, the singular form of a word shall include the plural and the masculine and neuter forms shall include each other and the feminine. The headings of the various sections of this Agreement are for convenience only and do not affect the meaning or construction of any provision. If two or more persons are the Seller/Grantor hereunder, their obligations and liabilities under this Agreement shall be joint and several. A reference to "Seller/Grantor" includes each individual who is the Seller/Grantor hereunder.

Franchisor
Hounds Mounds, Inc.

Seller/Grantor

By: _____
Geoffrey Bodle, President

By: _____
Print Name: _____

EXHIBIT B TO PARAGRAPH 4.1 of FRANCHISE AGREEMENT

YOUR TERRITORY

This Exhibit is signed as an amendment to the Franchise Agreement between Hounds Mounds, Inc. ("We" or "Us") and _____ ("You") and is incorporated and made a part of that Agreement.

1. Your Poop 911 Business will be operated from the following premises.
2. We will not locate or operate another Poop 911® Business within Your Territory, which will be:

IN AGREEMENT WHEREOF, the parties have signed this Exhibit and amendment.

You: _____

Dated: _____

By: _____

Title: _____

Hounds Mounds, Inc.

Dated: _____

By: _____

Geoffrey Bodle, President

**EXHIBIT C to Franchise Agreement
between**

Hounds Mounds, Inc. and _____

ACKNOWLEDGMENT & REPRESENTATION REGARDING CONTROLLING PERSONS

You here represent that You are a(n): (check one):

individual	partnership
corporation	joint venture
other business form (describe):	

You hereby warrant and represent that You are organized in the state of _____ and that the following persons own, either legally or beneficially, all of the voting control of You:

Controlling Person Name _____	Type of Ownership (legal or beneficial) _____	Percentage of Interest _____	Percentage Interest voted _____
----------------------------------	--	---------------------------------	------------------------------------

1.

2.

3.

4.

You hereby acknowledge that We are relying on these representations as a material inducement and basis for entering into this Agreement and that the information set forth above is true and correct and that there is no information omitted which, if disclosed, would alter or qualify the information set forth in this **Exhibit C**.

You: _____
(Print Name of Individual Franchisee
or Business Entity Franchisee)

By: _____

Its _____

Date _____

Exhibit D to Franchise Agreement

RESTRICTIVE COVENANT AGREEMENT

THIS AGREEMENT is entered into by and between the parties: Hound Mounds, Inc. (**Franchisor**), _____ (**Franchisee**), a [corporation] [partnership] [limited liability company] organized under the laws of the State of _____, and _____ (**Owner**), an individual resident of the State of _____.

RECITALS:

1. Pursuant to a Franchise Agreement dated _____ (the **Franchise Agreement**), Franchisor granted Franchisee a franchise to operate a pet waste removal business (the **Franchise**), using Franchisor's unique franchise system and Franchisor's trade name and service mark Poop 911SM and other proprietary marks; and

Owner is the owner of _____% of the total outstanding voting stock of Franchisee; and [Use with a corporation]

[or Owner is the _____ [President, Vice President, Treasurer, Secretary, or other officer] of Franchisee;] [Use with only an officer or both officer and shareholder]

[or Owner is the owner of a _____% partnership interest in Franchisee;] [Use with a partnership.]

[or Owner is the owner of a _____% membership interest in Franchisee;] [Use with a Limited Liability Company]

2. Franchisor has expended substantial amounts of time and money in developing the Marks (as hereinafter defined) and Franchisor's distinctive franchise system, including, without limitation, pet waste removal techniques and trade secret processes, unique sales and marketing methods, pricing techniques, new product and pet techniques development, financial information, and procedures for the efficient operation of a pet waste removal business franchise, all of which Owner acknowledges to be confidential and proprietary information; and

3. In connection with the operation of the Franchise, Owner will have access to such confidential and proprietary information; and

4. As a condition precedent to granting the Franchise to Franchisee, all shareholders, officers, partners, or members of Franchisee must execute the covenants contained herein;

AGREEMENT:

As additional consideration and inducement for granting the Franchise to Franchisee, Owner hereby agrees and covenants to Franchisee and Franchisor as follows:

1. Confidentiality. Owner acknowledges the proprietary and confidential nature of Franchisor's Operations Manual, and other trade secret processes, techniques and business systems, that Franchisee has received on loan from Franchisor for the term of the Franchise Agreement, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, customer or referral lists, procedures for the efficient operation of a pet waste removal services franchise, and any other methods, procedures, processes, techniques, information, knowledge, or know-how concerning Franchisor's franchise system or Franchisee's Franchise in particular that may not be commonly known to the public or to Franchisor's or Franchisee's competitors and that Franchisor or Franchisee have identified or may identify as proprietary and confidential information (**Trade Secrets**). Owner shall use such Trade Secrets solely for Franchisee's benefit and shall not, during the term of the Franchise Agreement or at any time thereafter, communicate, divulge, or use any Trade Secrets to or for the benefit of any other person, entity or organization.
2. Proprietary Marks. Owner acknowledges Franchisor's right, title, and interest in and to the service mark Poop 911SM, Franchisor's stylized "Poop 911" logo, and certain other proprietary service marks, logos, symbols and trade names presently used by Franchisor or that Franchisor may hereafter use or provide for use by Franchisee, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in Franchisor's franchise system (the **Marks**). Owner further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights in the Marks. Owner expressly covenants that he/she shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation of the Marks during the term of the Franchise Agreement or after the expiration or termination thereof.
3. Non-solicitation. Owner covenants that he/she shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, either directly or indirectly, for him/herself or through, on behalf of, or in conjunction with, any person, entity or organization:
 - a) divert or attempt to divert any business or customer of Franchisee's business, Franchisor's business or of any other Franchisee of Franchisor, to any competitor or to Owner, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that may be injurious or prejudicial to the goodwill associated with the Marks and Franchisor's franchise system; or

- b) employ or seek to employ any person who is at that time employed by Franchisee, Franchisor, or any other Franchisee of Franchisor, or otherwise directly or indirectly attempt to induce such person to leave his or her employment.
4. Non-competition. Owner covenants that, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly, for him/herself or through, on behalf of, or in conjunction with any person, entity or organization, own, maintain, operate, engage in, or have any interest in, any business offering pet waste removal services or other products or services that had been offered by Franchisee, which is or is intended to be located within Franchisee's Territory (as defined in the Franchise Agreement) and within twenty-five (25) miles from any franchise or other authorized Poop 911 Business Exclusive Territory in any direction; and as a franchisor and/or while operating a Poop 911 Business: of unlimited geographic scope. This restriction shall not apply to the beneficial ownership by Owner of less than five percent (5%) of the outstanding equity securities of any corporation whose securities are registered under the Securities and Exchange Act of 1934.
5. Remedies. Owner acknowledges that his/her violation of any of the covenants contained in this Agreement would result in irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorney fees incurred by Franchisor or Franchisee in obtaining an injunction enjoining any conduct by Owner prohibited by the terms of this Agreement. This remedy shall be in addition to any and all other remedies that may be available to Franchisor or Franchisee.
6. Severability. The parties agree that each of the covenants contained in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant contained herein is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision, Owner expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Agreement.
7. Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.
8. Construction. The parties agree that this Agreement shall be deemed to have been entered into in, and shall be governed by and construed in accordance with the laws of, the State of ____state in which franchisee is located____.
9. Jurisdiction. The parties agree that any action based upon this Agreement brought by any party or third party beneficiary hereto against any other party hereto may be

brought within the State of Texas in the judicial district in which Franchisor has its principal place of business, and hereby consent to the exercise of personal jurisdiction by any such court and waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

10. Legal Expenses. If a dispute arises under this Agreement, the prevailing party shall be entitled to recover its expenses, including reasonable attorney and accountant fees, in addition to any other relief to which it may be found entitled.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused it to be executed by their duly authorized representative, as of the dates set forth below.

Franchisee:

Date: _____ By: _____
Its : _____

Owner:

Date: _____ By: _____
Print Name: _____

Franchisor: Hounds Mounds, Inc.:

Date: _____ By: _____
Geoffrey Bodle, President

EXHIBIT D to FDD

Operations Manual

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EXHIBIT D to FDD

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EXHIBIT E TO FDD

LIST OF POOP 911 OPERATORS

(Updated as of December 31, 2023)

2023 FDD POOP 911 Franchises**EXHIBIT E to FDD**

Franchise Name	Owner Name	Address	Phone #
AR-NWArkansas	Sally Field & Andy Reed	PO BOX 844482, Dallas, TX 75284	877-766-7911
AZ-Chandler	Jeffrey Sharp	15385 W Fillmore St, Unit 92, Goodyear, AZ, 85338	602-695-0303
AZ-Glendale	Jeffrey Sharp	15385 W Fillmore St, Unit 92, Goodyear, AZ, 85338	602-695-0303
AZ-Mesa	Jeffrey Sharp	15385 W Fillmore St, Unit 92, Goodyear, AZ, 85338	602-695-0303
AZ-Phoenix	Jeffrey Sharp	15385 W Fillmore St, Unit 92, Goodyear, AZ, 85338	602-695-0303
CA-Antioch	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-BayArea	Jason Nguyen	3297 RUSKIN DR, San Jose, CA, 95132	408-564-2404
CA-Concord	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-Fremont	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-Inland Empire	Mike Miller	916 E Palm Drive	909-660-0235
CA-Los Angeles County	Mike Miller	916 E Palm Drive	909-660-0235
CA-Oakland	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-Orange County	Mike Miller	916 E Palm Drive	909-660-0235
CA-Palo Alto	Jason Nguyen	3297 RUSKIN DR, San Jose, CA, 95132	408-564-2404
CA-Sacramento	Scott Holcomb	1031 MCRAE WAY, Roseville, CA 95678	916-412-9533
CA-San Diego	Scott Holcomb	916 E Palm Drive	909-660-0235
CA-San Jose	Jason Nguyen	3297 RUSKIN DR, San Jose, CA, 95132	408-564-2404
CA-San Leandro	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-San Ramon	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-Santa Rosa	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-SF North Bay	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-Stockton	David Ross	1120 W Vernal Way, Stockton, CA 95203	520-628-0346
CA-Vacaville	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CA-Vallejo	Pete Athoe	125 ASH ST, Vallejo, CA 94589	707-644-8667
CT-Bridgeport	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CT-Connecticut	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CT-Danbury	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CT-Hartford	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CT-New Haven	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CT-New London	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CT-Stamford	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CT-Waterbury	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
CO-Colorado Springs-Pueblo	Jory Long	2755 S. Locust St., #220, Denver, CO, 80222	303-621-6152
CO-Denver	Jory Long	2755 S. Locust St., #220, Denver, CO, 80222	303-621-6152
CO-Fort Collins-Longmont	Jory Long	2755 S. Locust St., #220, Denver, CO, 80222	303-621-6152
CO-Grand Junction	Daniel Cox	45 Black Bear Dr., PO Box 1314, Gypsum, CO, 81637	970-376-3802
CO-Rocky Mountains	Daniel Cox	45 Black Bear Dr., PO Box 1314, Gypsum, CO, 81637	970-376-3802
FL-Boca Raton	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-Collier County	Nick and Wendy Raucci	8032 Dancing Wind Lane. Apt 608, Naples, FL, 34119	239-404-7160
FL-Davie	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-Daytona Beach	Amanda Acton	31 Twin River Dr., Ormond Beach, FL 32174	253-844-5809
FL-Fort Lauderdale	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-Gulf Coast	Mellony Kuester	3329 SKYWAGON DR, Crestview, FL 32539	850-225-6085
FL-Melbourne	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-North Orlando	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-North Port	Robert & Stephanie Pierce	1116 DUSTIN RD, North Port, FL 34288	941-204-6433
FL-Orlando	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-Osprey	Robert & Stephanie Pierce	1116 DUSTIN RD, North Port, FL 34288	941-204-6433
FL-Port Charlotte	Robert & Stephanie Pierce	1116 DUSTIN RD, North Port, FL 34288	941-204-6433
FL-Port St. Lucie	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-Rotonda West	Robert & Stephanie Pierce	1116 DUSTIN RD, North Port, FL 34288	941-204-6433
FL-Sarasota	Robert & Stephanie Pierce	1116 DUSTIN RD, North Port, FL 34288	941-204-6433
FL-Siesta Keys	Robert & Stephanie Pierce	1116 DUSTIN RD, North Port, FL 34288	941-204-6433
FL-South Orlando	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-Sun Coast	Robert & Stephanie Pierce	116 Dustin Rd., North Port, FL, 34288	941-204-6433
FL-Tampa	Bryan Taylor	11721 Manistique Way, New Port Richey, FL, 34654	813-842-0909

FL-Tampa Bay	Blake Wanecski	817 W Virginia Ave, Tampa, FL, 33603	941-920-2587
FL-Treasure Coast	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-Vero Beach	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
FL-West Palm Beach	Chad & Elaine Wouters	228 13TH PL SW, Vero Beach, FL 32962	772-359-2114
GA-Atlanta	Lerisha Harris & Chance B	1270 Hillcrest Drive	678-997-7882
GA-Stockbridge	Lerisha Harris	1270 Hillcrest Drive	678-997-7882
GA-Marietta	Lerisha Harris	1270 Hillcrest Drive	678-997-7882
GA-Norcross	Lerisha Harris	1270 Hillcrest Drive	678-997-7882
GA-Fairburn	Lerisha Harris	1270 Hillcrest Drive	678-997-7882
GA-East Atlanta	Lerisha Harris	1270 Hillcrest Drive	678-997-7882
GA-Cartersville	Lerisha Harris	1270 Hillcrest Drive	678-997-7882
GA-Covington	Lerisha Harris	1270 Hillcrest Drive	678-997-7882
ID-Boise	Michael Roberts	5868 S HARRINGTON WAY, Boise, ID 83709	208-949-1994
ID-Meridian	Michael Roberts	5868 S HARRINGTON WAY, Boise, ID 83709	208-949-1994
ID-Nampa	Michael Roberts	5868 S HARRINGTON WAY, Boise, ID 83709	208-949-1994
IL-Barrington	Joshua Bryan	111 W POLK ST, #814, Chicago, IL, 60605	312-994-2430
IL-Chicago	Joshua Bryan	111 W POLK ST, #814, Chicago, IL, 60605	312-994-2430
IL-Highland Park	Joshua Bryan	111 W POLK ST, #814, Chicago, IL, 60605	312-994-2430
IL-Joliet	Joshua Bryan	111 W POLK ST, #814, Chicago, IL, 60605	312-994-2430
IL-Naperville	Joshua Bryan	111 W POLK ST, #814, Chicago, IL, 60605	312-994-2430
IL-River Bend	Amanda Luedke	235 Flora Ave, Godfrey, IL, 62035	618-560-4732
IN-Lake County	Joshua Bryan	111 W POLK ST, #814, Chicago, IL, 60605	312-994-2430
IN-Indianapolis	Tony Popov	7643 Dean Road Indianapolis, IN 46240	317.755.8880
IN-Fisher	Tony Popov	7643 Dean Road Indianapolis, IN 46240	317.755.8880
IN-Carmel	Tony Popov	7643 Dean Road Indianapolis, IN 46240	317.755.8880
IN-Zionsville	Tony Popov	7643 Dean Road Indianapolis, IN 46240	317.755.8880
MA-Boston	Scott Fleming	90 Nathaniel Dr., Whitinsville, MA, 01588	508-714-8295
MD-NMD	Daniel & Kris Knox	4972 TOP FUEL DR, Manchester, MD 21102	410-960-1618
MN-Minneapolis St Paul	John Carruth	13656 Ashcroft Rd, Savage, MN 55378	612-868-7667
MO-North Kansas City	Martin Wood	5 Sweet Ct., St Joseph, MO 64506	816-937-6316
MO-South Kansas City	Martin Wood	5 Sweet Ct., St Joseph, MO 64506	816-937-6316
MO-Southeast Missouri	Paul Aydelott	1713 PERRYVILLE RD, CAPE GIRARDEAU MO 63701-	573-359-8977
MO-St. Charles	Rachel Lawson	1 FORRESTER DR, Wentzville, MO 63385	314-757-6818
MO-West St. Louis	Rachel Lawson	1 FORRESTER DR, Wentzville, MO 63385	314-757-6818
NC-Charlotte	Mark Adkins	8216 INVERARY PL, Charlotte, NC 28226	980-613-2100
NC-Cape Fear	Amy Humphries	318 McQuillan Dr, Wilmington NC 28412	910-409-0216
NC-Winston Salem Foothills	Derrick Barringer	3500 Wyo Road, Yadkinville, NC 27055	336-782-8688
NC-NW Charlotte	Mark Adkins	8216 INVERARY PL, Charlotte, NC 28226	980-613-2100
NC-NE Charlotte	Mark Adkins	8216 INVERARY PL, Charlotte, NC 28226	980-613-2100
NC-SE Charlotte	Mark Adkins	8216 INVERARY PL, Charlotte, NC 28226	980-613-2100
NC-SW Charlotte	Mark Adkins	8216 INVERARY PL, Charlotte, NC 28226	980-613-2100
NJ-NW Jersey	Isabella Pagan	834 County Road 517, Vernon Township, NJ 07418	862-354-0733
NJ-Hunterdon	Isabella Pagan	834 County Road 517, Vernon Township, NJ 07418	862-354-0733
NJ-Jersey Shore	George Malpass	807 Old Corlies Ave, Neptune NJ 07753	732-749-7373
NJ-Morris	Isabella Pagan	834 County Road 517, Vernon Township, NJ 07418	862-354-0733
NJ-Northern New Jersey	George Malpass	807 Old Corlies Ave, Neptune NJ 07753	732-749-7373
NJ-Somerset	Isabella Pagan	834 County Road 517, Vernon Township, NJ 07418	862-354-0733
NJ-Sussex	Isabella Pagan	834 County Road 517, Vernon Township, NJ 07418	862-354-0733
NJ-Warren	Isabella Pagan	834 County Road 517, Vernon Township, NJ 07418	862-354-0733
NV-Carson City	Kelley Leedy	1270 HARDESTY DR, Reno, NV 89509	775-843-1171
NV-Reno	Kelley Leedy	1270 HARDESTY DR, Reno, NV 89509	775-843-1171
NV-Sparks	Jennifer Hegg	2955 Los Arboles Lane, Sparks nv. 89441	775-424-0820
NV-Las Vegas	Ben Franklin	3516 El Cortez Ave, Las VEGAS, NV 89102	702-205-7415
NY-Buffalo	John Matyas	79 RELICH AVE, Buffalo, NY 14218	716-388-6146
NY-Long Island	Michael Roberts/Berenice Infante	39 Henrietta St., Valley Stream, NY 11580-3120	
NY-Westchester County	Freddy Enriquez	17 OLD STAGECOACH RD, Redding, CT 06896	203-818-5889
OH-Cleveland	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Chagrin Falls	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Akron	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371

OH-Lorain	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Willoughby	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Medina	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Hudson	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Elyria	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Aurora	Alaina Gurnari & Jay Mcqu	8705 Ansonia Avenue, Brooklyn, OH 44144	216-288-8371
OH-Batavia	Corey & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OH-Beavercreek	Cory & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OH-Centerville	Cory & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OH-Cincinnati	Cory & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OH-Dayton	Cory & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OH-Hyde Park	Cory & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OH-Columbus	David & Kendra Leonard	2820 VOLUNTEER CT, REYNOLDSBURG, OH 43068	614-578-8210
OH-NE Columbus	David & Kendra Leonard	2820 VOLUNTEER CT, REYNOLDSBURG, OH 43068	614-578-8210
OH-NW Columbus	David & Kendra Leonard	2820 VOLUNTEER CT, REYNOLDSBURG, OH 43068	614-578-8210
OH-SE Columbus	David & Kendra Leonard	2820 VOLUNTEER CT, REYNOLDSBURG, OH 43068	614-578-8210
OH-SW Columbus	David & Kendra Leonard	2820 VOLUNTEER CT, REYNOLDSBURG, OH 43068	614-578-8210
OH-Tipp City	Cory & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OH-West Cincinnati	Cory & Rachel Lefkowitz	425 DAYTON TOWERS DR, Dayton, OH 45410	937-242-8269
OK-OKC Central	Roger Abney	2540 NW 162ND TER, Edmond, OK 73013	405-250-5813
OK-OKC North	Roger Abney	2540 NW 162ND TER, Edmond, OK 73013	405-250-5813
OK-OKC South	Roger Abney	2540 NW 162ND TER, Edmond, OK 73013	405-250-5813
OK-OKC West	Roger Abney	2540 NW 162ND TER, Edmond, OK 73013	405-250-5813
OK-Tulsa	Claudia & Jose Serna	4716 W UNIONTOWN ST, Broken Arrow, OK 74012	918-800-9788
OR-Portland South	Vincent Carter	208 Boone Rd Se Apt 23, Salem,OR 97306	503-765-2765
OR-Salem	Vincent Carter	208 Boone Rd Se Apt 23, Salem,OR 97306	503-765-2765
PA-Pittsburgh	Alaina Gurnari & Jay Mcqu	1515 Cambridge St. Natrona Heights 15065, PA	216-288-8371
PA-Canonsburg	Alaina Gurnari & Jay Mcqu	1515 Cambridge St. Natrona Heights 15065, PA	216-288-8371
PA-Butler	Alaina Gurnari & Jay Mcqu	1515 Cambridge St. Natrona Heights 15065, PA	216-288-8371
PA-Natrona Heights	Alaina Gurnari & Jay Mcqu	1515 Cambridge St. Natrona Heights 15065, PA	216-288-8371
PA-Greensburg	Alaina Gurnari & Jay Mcqu	1515 Cambridge St. Natrona Heights 15065, PA	216-288-8371
PA-Beaver Falls	Alaina Gurnari & Jay Mcqu	1515 Cambridge St. Natrona Heights 15065, PA	216-288-8371
PA-West Chester	Erik & Jeanne Martinez	806 Irvington Rd., Drexel Hill, PA 196026	484-479-7147
PA-Philadelphia	Erik & Jeanne Martinez	806 Irvington Rd., Drexel Hill, PA 196026	484-479-7147
PA-Springfield	Erik & Jeanne Martinez	806 Irvington Rd., Drexel Hill, PA 196026	484-479-7147
PA-Trenton	Erik & Jeanne Martinez	806 Irvington Rd., Drexel Hill, PA 196026	484-479-7147
SC-Columbia	Angel Rawls	1214 Basin Rock Lane, Lexington, SC, 29073	803-973-2863
SC-Rock Hill	Mark Adkins	8216 INVERARY PL, Charlotte, NC 28226	980-613-2100
TN-East Nashville	Tiffany Ascher	150 West Thompson Lane, Apt # J204, Murfreesboro, TN	615-596-5007
TN-Franklin	Tiffany Ascher	150 West Thompson Lane, Apt # J204, Murfreesboro, TN	615-596-5007
TN-Knoxville	Danny Finstad	129 GREYSTONE DR, OAK RIDGE, TN, 37830-5608	865-318-0026
TN-Murfreesboro	Tiffany Ascher	150 West Thompson Lane, Apt # J204, Murfreesboro, TN	615-596-5007
TN-Nashville	Tiffany Ascher	150 West Thompson Lane, Apt # J204, Murfreesboro, TN	615-596-5007
TX-Arlington	Armando & Suzy Chavez	350 N STATE HIGHWAY 360, MANSFIELD, TX 76063	214-714-4471
TX-Central Dallas	Armando & Suzy Chavez	350 N STATE HIGHWAY 360, MANSFIELD, TX 76063	214-714-4471
TX-DeSoto	Armando & Suzy Chavez	350 N STATE HIGHWAY 360, MANSFIELD, TX 76063	214-714-4471
TX-Fort Worth	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Grapevine	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Benbrook	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-North Arlington	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Weatherford	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Roanoke	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Burleson	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Keller	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Saginaw	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Southlake	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Flowermound	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Denton	William & Lauren Kelley	2600 E SOUTHLAKE BLVD, Ste 120-263, SOUTHLAKE,	817-535-9595
TX-Houston	Raymond Beasley	5022 ADONIS DR, SPRING, TX 77373	713-447-0870

TX-North Dallas	Armando & Suzy Chavez	350 N STATE HIGHWAY 360, MANSFIELD, TX 76063	214-714-4471
TX-Williamson County	Donnie Stewart	1431 Oyster Crk Dr., Buda, TX, 78610	512-573-1934
TX-Hays County	Donnie Stewart	1431 Oyster Crk Dr., Buda, TX, 78610	512-573-1934
TX-Austin	Donnie Stewart	1431 Oyster Crk Dr., Buda, TX, 78610	512-573-1934
TX-North East Dallas	David Cavazos	3336 THIBET ST, DALLAS, TX 75211	214-809-0752
TX-North West Dallas	David Cavazos	3336 THIBET ST, DALLAS, TX 75211	214-809-0752
TX-Rockwall	Armando & Suzy Chavez	350 N STATE HIGHWAY 360, MANSFIELD, TX 76063	214-714-4471
TX-San Antonio	Tara Raabe	3414 Starbend St, San Antonio, TX, 78217	210-445-3242
UT-Provo	Daniel Harshberger	2163 N 2450 W, LEHI, UT 84043	385-484-1995
UT-Salt Lake City	Daniel Harshberger	2163 N 2450 W, LEHI, UT 84043	385-484-1995
UT-West Jordan	Daniel Harshberger	2163 N 2450 W, LEHI, UT 84043	385-484-1995
UT-West Valley City	Daniel Harshberger	2163 N 2450 W, LEHI, UT 84043	385-484-1995
VA-Arlington	Lacy Nelson	5238 GRAYSTONE RD, Warrenton, VA 20187	703-595-7689
VA-Fairfax	Lacy Nelson	5238 GRAYSTONE RD, Warrenton, VA 20187	703-595-7689
VA-Gainesville	Lacy Nelson	5238 GRAYSTONE RD, Warrenton, VA 20187	703-595-7689
VA-Leesburg	Lacy Nelson	5238 GRAYSTONE RD, Warrenton, VA 20187	703-595-7689
VA-NOVA	Lacy Nelson	5238 GRAYSTONE RD, Warrenton, VA 20187	703-595-7689
WA-Seattle North	Steve Howard	1330 CRYSTAL LN, BURLINGTON, WA 98233	206-795-7928
WA-Seattle South	Brian Doble	6118 401ST STREET CT E, EATONVILLE, WA, 98328	206-791-0356
WA-Tacoma	Brian Doble	6118 401ST STREET CT E, EATONVILLE, WA, 98328	206-791-0356
DC-District of Columbia	Lacy Nelson	5238 GRAYSTONE RD, Warrenton, VA 20187	703-595-7689

Company Owned

_AR-Fayetteville	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_AZ-Tucson	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_MI-Genesee/Oakland/Livingston	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_MI-Greater Lansing	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_MI-Macomb County	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_MI-Wayne County	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_MO-Saint Louis	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_NH-New Hampshire	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_NY-Albany	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_TX-New Braunfels	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_TX-South Houston	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_TX-South San Antonio	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911
_VA-Richmond	Franchisor Owned	PO BOX 844482, Dallas, TX 75284	877-766-7911

EXHIBIT F to Disclosure Document

GENERAL RELEASE

[Representative form- variable according to circumstances]

This General Release is given to Hounds Mounds, Inc. ("Hounds Mounds") by _____
("Franchisee").

FOR VALUE RECEIVED and in consideration of the franchise renewal or transfer approved by Hounds Mounds, Franchisee, on behalf of Franchisee and of Franchisee's predecessors, parent company, affiliated entities, successors and assigns, hereby: (a) represents to Hounds Mounds, Inc. ("Hounds Mounds") that Franchisee has no outstanding claims, suits, demands, causes of action or grievances, in any amount or kind, now known or unknown, arising from or in connection with any act, practice, omission or transaction occurring in whole or in part before the date of this Release in relation to or in connection with all matters relating to Hounds Mounds or the Hounds Mounds franchise system in any manner whatsoever, including, but not limited to, all Franchisee's Hounds Mounds franchises (collectively, "Claims"), and (b) releases and discharges Hounds Mounds, Inc., its parent, affiliates, shareholders, predecessors, successors and assigns, and their respective officers, agents, employees, directors and attorneys, from the Claims. Franchisee represents that he/it has carefully and fully read this Release, has had ample opportunity to review it with Franchisee's attorney, and understands its content and consequences.

This general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder.

IN WITNESS WHEREOF, they have executed these General Releases as dated below.
These Releases shall be effective as of the date signed by Franchisee.

FRANCHISEE:

By: _____

Its: _____

FRANCHISEE'S Controlling Persons:

_____, Individually

_____, Individually

_____, Individually

(Note: If Franchisee is a corporation or other entity, this Release MUST be signed both on behalf of the entity by an authorized officer, AND by each shareholder, member or owner individually with a 10%+ interest in the business entity.)

STATE EFFECTIVE DATES:

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

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

For State	Date
California	August 15, 2023*
Hawaii	October 10, 2023
Illinois	July 7, 2023*
Indiana	Pending
Maryland	November 27, 2023
Michigan	July 7, 2023*
Minnesota	July 17, 2023*
New York	July 7, 2023*
North Dakota	July 20, 2023*
Rhode Island	<u>July 16, 2023*</u>
South Dakota	July 31, 2023*
Virginia	June 26, 2023*
Washington	August 18, 2023*
Wisconsin	August 15, 2023*

**Renewal Pending*

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 sell-assisted marketing plans.

RECEIPT

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

If Hounds Mounds, Inc. offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, the franchisor, its parent or an affiliate in connection with the proposed franchise sale.

(New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.)

(Michigan, Oregon and Wisconsin require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.)

If Hounds Mounds, Inc. 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 Hounds Mounds, Inc., 3824 Cedar Springs Rd., Ste 200, Dallas TX 75219. 214-395-9420.

The franchise seller for this offering is Geoffrey Bodle, 3824 Cedar Springs Rd., Ste 200, Dallas TX 75219.

Date of Issuance: September 3, 2024

I have received a Disclosure Document dated September 3, 2024 that included the following Exhibits:

- A List of State Administrators and Agents for Service of Process
- B Financial Statements
- C Franchise Agreement
 - Exhibit A Agreement for the Sale of Receivables
 - Exhibit B Territory
 - Exhibit C Acknowledgment & Representation Regarding Controlling Persons
 - Exhibit D Restrictive Covenant Agreement
- D Operations Manual Table of Contents
- E List of Poop 911™ Operators
- F General Release

Prospective Franchisee

By: _____

Date: _____

You may return the signed receipt by signing, dating and mailing it to Hounds Mounds, Inc. at 3824 Cedar Springs Rd., Ste 200, Dallas TX 75219.

RECEIPT

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

If Hounds Mounds, Inc. offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, the franchisor, its parent or an affiliate in connection with the proposed franchise sale.

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Prospective Franchisee

By: _____

Date: _____

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