FRANCHISE DISCLOSURE DOCUMENT

PetSmart Veterinary Services, LLC
A Delaware limited liability company
19601 N. 27th Ave.
Phoenix, AZ 85027
Telephone Number: 623-587-2030
Email: vetownership@petsmart.com
Website: www.pvsownership.com

We offer franchises for veterinary practices under the name PETSMART VETERINARY SERVICES. The franchised veterinary practices are located in PETSMART® retail stores and offer full-service veterinary care and related products and services to the public, including urgent care, preventive care, general pet health management, and treatment for pets of PETSMART® customers.

The total investment necessary to begin operation of a PETSMART VETERINARY SERVICES franchise is $160,650 to $497,500. This includes $10,000 that must be paid to the franchisor.

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

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

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

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

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

Issuance date: **May 21, 2026**

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G 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 PETSMART VETERINARY SERVICES business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a PETSMART VETERINARY SERVICES franchisee?	Item 20, Exhibit E and Exhibit F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The Franchise Agreement requires you to resolve disputes with us by litigation only in the judicial district in which we have our principal place of business at the time the action is commenced, which is currently Maricopa County, Arizona. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with us in Arizona than in your own state.

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

3. **Sales Performance Requirement**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

4. **Supplier Control**. You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

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

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

7. **Turnover Rate**. In the last year, a large number of franchised outlets (52) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise system with a lower turnover rate.

8. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

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

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

Our sole business activity is franchising PETSMART VETERINARY SERVICES hospitals. We do not operate and have never operated any PVS Hospitals. We began offering franchises on May 27, 2022. Our affiliate, PetSmart Puerto Rico, LLC ("**PPRL**"), is the franchisor of PETSMART VETERINARY SERVICES franchises in Puerto Rico. Neither we nor our affiliates have ever offered franchises in any other line of business.

Our parent company is PetSmart LLC (f/k/a PetSmart, Inc.), a Delaware limited liability company with its principal place of business at 19601 N. 27th Avenue, Phoenix, AZ 85027. Our ultimate parent company, Benji Parent Holdco, Inc., is jointly controlled by two private investment firms, Apollo Global Management and BC Partners.

PetSmart LLC is the leading specialty provider of products, services and solutions for the lifetime needs of pets, operating 1,694 retail stores throughout the United States, Canada and Puerto Rico as of our fiscal year end on February 1, 2026. PetSmart LLC does not operate veterinary hospitals or offer veterinary medical services; however, PetSmart LLC does license space in its stores for full-service veterinary hospitals, owned and operated by third parties. As of our fiscal year end on February 1, 2026, 43 of those veterinary hospitals were franchised PVS Hospitals operated by our PVS franchisees; 3 were PVS Hospitals operated by franchisees of PPRL; 656 were BANFIELD hospitals operated or franchised by Medical Management International d/b/a Banfield, The Pet Hospital ("MMI"); and 18 were independent veterinary operators ("IVOs") operating in PETSMART® stores under various practice names.

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

Our affiliate, PetSmart Home Office, LLC, owns the PETSMART VETERINARY SERVICES marks and certain other trademarks, service marks, logos and commercial symbols and has licensed us to use them and to sublicense PETSMART VETERINARY SERVICES franchisees to use them. We do not have a predecessor as franchisor of the PETSMART VETERINARY SERVICES business. None of our affiliates operate company-owned units similar to the franchises we offer. We do not currently have any affiliates that sell products or services to our franchisees. However, we have the right to require that you purchase from affiliates in the future.

The PetSmart Veterinary Services Franchise

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

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

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

In nearly all instances, the Hospital has already been constructed at the time you sign the Franchise Agreement. PVS will refresh or remodel the Hospital at PVS's expense. This means generally, as necessary, patching and painting the walls, cleaning the floors, relacing any substantially damaged millwork, installing certain technology and equipment, installing PVS branding, and ensuring all lighting, including surgical and treatment lights, are in operation. You will accept the Hospital in its "AS-IS" condition when we deliver occupancy to you. Responsibility for maintenance and repairs will be allocated between PVS and you in accordance with the Brand Standards Manual. PVS will also arrange for or provide certain veterinary medical equipment and/or fixtures, technology systems, cages or kennels, and other equipment and furnishings for the Hospital (the "**Equipment**"), which will be licensed to you but remain our property. As part of your premises license, PVS will make available to the Hospital water, electricity, sewer, and trash service (other than for hazardous materials and medical wastes, for which you will be responsible).

The Franchisee must be qualified as a veterinary business and provide Veterinary Services either personally or through employees or independent contractors of the Franchisee who are licensed and qualified to practice veterinary medicine in the state where the Hospital is located. "**Veterinary Services**" means those services that may only be administered or provided

by, or under the supervision, direction or control of, a currently licensed veterinarian or, if required by applicable laws, a currently licensed or registered veterinary technician, in either case in good standing in the jurisdiction in which such services are provided. You must maintain accreditation of the Hospital by one or more veterinary accreditation associations as required by PVS, at your own expense. You must apply for and obtain accreditation within 18 months after the Commencement Date (defined in Item 5) as a PETSMART VETERINARY SERVICES hospital. If you are unable to obtain accreditation due to limitations outside of your control, PVS will work with you to determine appropriate exceptions to the accreditation standards. All veterinarians providing Veterinary Services in or through the Hospital ("**Hospital Veterinarians**") must hold a valid veterinary license and accreditation to practice in the applicable state or otherwise be qualified under the laws of the applicable state. Similarly, if required by the laws of the applicable state, all veterinary technicians and/or support personnel also must hold appropriate licenses and accreditations. You must provide PVS, promptly upon request, evidence of all required veterinary licenses and accreditations.

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

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

Industry-Specific Laws

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

You must also comply with general business laws and regulations applicable to the operation of your Hospital. These include laws such as the Americans with Disabilities Act and

employment laws. Local, state or federal laws could affect your business, financial condition and results of operations. You are solely responsible for compliance, at your own expense, with all local, state and federal laws that apply to your business operations, despite any information or advice that we may offer.

Market and Competition

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

ITEM 2

BUSINESS EXPERIENCE

Rob Pace, *President*

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

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

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

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

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

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

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

Jeff Keiser, *Vice President, Corporate Controller and Treasurer*

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

Michael J. Kuehn, *Vice President, Vet Health Services*

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

ITEM 3

LITIGATION

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

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

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

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

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

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

violations of Section 16(a) of the Exchange Act and Rule 16a-3 promulgated thereunder and agreed to pay a civil penalty of $25,000; and (b) Starwood agreed to cease and desist from any violations and any future violations of Section 13(a) of the Exchange Act and Rule 13a-1 promulgated thereunder and agreed to pay a civil penalty of $75,000.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5

INITIAL FEES

The initial franchise fee ("**Start-Up Fee**") for a PETSMART VETERINARY SERVICES franchise is $10,000 and must be paid in full upon execution of the Franchise Agreement. The Start-Up Fee is refundable only if Franchisee elects to terminate the Franchise Agreement for failure of PVS to deliver the Hospital according to the schedule specified in the Franchise Agreement. We may elect to waive part or all of the fee. Our decision to waive all or part of the initial fee is based on our discussions with each franchise candidate. In our last fiscal year, we uniformly charged $10,000 for initial fees.

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

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ITEM 6

OTHER FEES

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

Type of Fee[1]	Amount	Date Due	Remarks
Brand Fund Contribution	1.5% of Hospital Revenue	Same as Royalty Fee	Beginning on the Commencement Date, you must contribute to a Brand Fund we have established to support general development and recognition of the PETSMART VETERINARY SERVICES brand. We can increase the required contribution, up to a maximum of 2.5% of Hospital Revenue.
Local Marketing Expense	0.5% of Hospital Revenue	Annually	Not payable to us. For Local Marketing, you will pay vendors, media outlets, etc. directly.
Technology Fee	$750 per month	Same as Royalty Fee	Beginning on the Commencement Date, you must pay this fee to PVS for IT services and infrastructure, related equipment provided by PVS, and routine IT support, as detailed in the Brand Standards Manual. We can increase the Technology Fee by no more than ten percent (10%) per Fiscal Year; but if we elect not to increase the Technology Fee in any given year, we do not forfeit the right to that year's increase, and we can apply any previously unused annual increases in one or more subsequent years. The cumulative increases will not exceed the total amount that would have resulted had the fee been increased by ten percent (10%) per year on a compounded basis from the initial fee amount.
Non-Compliance Fee	$500, $750, or $1,000	As invoiced	We are entitled to assess you a fee of $500, $750, or $1,000 during any period of non-compliance with the Franchise Agreement or the System Standards, depending on the length of time you are in non-compliance. See Note 4 for details.

Type of Fee[(1)]	Amount	Date Due	Remarks
Training Fees	$500 per day (plus travel and living expenses incurred by our trainers if training is conducted at your location and by your trainees regardless of where training is conducted)	Before training begins	We provide training at no charge for the maximum number of trainees we designate, which is currently two trainees for initial training. However, we may charge a training fee: (a) for additional trainees in excess of the maximum number PVS designates for a training program; (b) if PVS requires additional training as a result of your failure to comply with our quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that PVS makes optional for franchisees. We can increase the this fee by no more than ten percent (10%) per Fiscal Year; but if we elect not to increase the fee in any given year, we do not forfeit the right to that year's increase, and we can apply any previously unused annual increases in one or more subsequent years. The cumulative increases will not exceed the total amount that would have resulted had the fee been increased by ten percent (10%) per year on a compounded basis from the initial fee amount.
Conference Fee	Not to exceed $1,000 per person	As incurred	If we decide to hold a franchise convention, you must attend.
Reimbursement for Examination or Audit	Actual cost of audit, including travel, lodging, wages and reasonable accounting and legal costs	Upon demand	Payable only if examination or audit reveals an understatement of Hospital Revenue of more than 2%. This is in addition to applicable interest and late fees.
Proposed Supplier Inspection	Reasonable cost of the inspection and the actual cost of the test	As incurred	You must reimburse us whether or not we approve the proposed supplier.
Indemnification	Our actual losses and expenses	As incurred	You must reimburse us if we incur any expense, including attorney fees and other costs, or are held liable for claims arising out of your franchise operations.

Type of Fee[(1)]	Amount	Date Due	Remarks
Interest	4% per annum over the prime rate of interest announced by JP Morgan Chase & Co.	As incurred	Payable if any amount due PVS is not received within 10 days after the due date. The interest rate will not exceed the maximum rate allowed by law in your state.
Late Fee	$150	With payment of overdue amount	Payable if any amount due PVS is not received within 10 days after the due date. We can increase the fee by no more than ten percent (10%) per Fiscal Year; but if we elect not to increase the fee in any given year, we do not forfeit the right to that year's increase, and we can apply any previously unused annual increases in one or more subsequent years. The cumulative increases will not exceed the total amount that would have resulted had the fee been increased by ten percent (10%) per year on a compounded basis from the initial fee amount.
Transfer Fee	Up to $5,000	At time of Transfer	Payable if you transfer the Franchise Agreement and/or substantially all of the assets of the Hospital, or if there is a transfer of direct or indirect ownership interest in the Franchisee that results in a change of control of the Franchisee.
Renewal Fee	Up to $5,000	At time of renewal	If you exercise your option for an Extension Period and you otherwise qualify, we can charge a fee for the extension.
Withholding Taxes	Actual amount of tax we owe plus any penalties, interest, and expenses (including legal and accounting fees) that we incur	As incurred	Payable only if you are obligated by law to withhold non-resident income taxes assessed against PVS and you fail to do so.
Step-In Management Fee	Greater of 10% of Hospital Revenue or $500 per day	As determined by management company	Payable only if you have failed to cure a default and we appoint a management company to run the Hospital. You will pay directly to the management company.

Type of Fee[(1)]	Amount	Date Due	Remarks
Holding Over Fee	150% of then-current Premises License Fee and Royalty Fee	On demand	Payable only if you remain in possession of the Hospital after your Franchise Agreement expires and without execution of a new agreement.
Estoppel Certificate	$250	As incurred	Payable only for the second or subsequent estoppel certificate you request from us during any 365-day period. See Note 5.
Prevailing Party Fees	Our reasonable attorneys' fees and expenses, as determined by the court	Upon demand	Payable if PVS is the prevailing party in a trial or other dispute resolution proceeding between us.

NOTES TO CHART:

(1) Unless otherwise noted, all fees and charges described in this Item derive from the Franchise Agreement. Unless otherwise noted, all fees are non-refundable, payable to us, and charged uniformly to franchisees who received this disclosure document. For all amounts payable to PVS and affiliates, you must use the payment method we designate. If we require payment by electronic funds transfer (EFT), such as an automated clearing house transfer (ACH), you will designate an account at a commercial bank of your choice (the "**Account**") and furnish the bank with authorizations as necessary to permit PVS to make direct debit withdrawals from the Account. If funds in the Account are insufficient to cover the amounts payable at the time PVS makes a direct debit withdrawal, the amount of the shortfall will be deemed overdue.

(2) As described in Item 1, our parent, PetSmart LLC, licenses space inside PetSmart retail stores to PVS and others for the operation of veterinary hospitals. PVS in turn licenses the space to independently-owned PetSmart Veterinary Services franchisees. The Premises License Fee is calculated on the "**Hospital GFA**", which means the number of square feet within the retail store that have been licensed to PVS for the operation of a veterinary hospital. The Premises License Fee currently includes "**Hospital Occupancy Costs,**" which means the Hospital's proportionate share, based on square footage, of the total occupancy-related costs, including but not limited to property insurance, liability insurance, common area expenses, electric and water/sewer charges, and real property taxes. In the future, we may elect to charge separately for Hospital Occupancy Costs.

(3) If you don't provide a Hospital Revenue report to us when due, we will have the right to estimate Hospital Revenue for the period and to withdraw by direct debit draft from the Account the estimated amount due for any charges that are calculated based on Hospital Revenue. When you provide the delinquent Hospital Revenue report, we will reconcile any difference between the estimated amount and the actual charges due for the period.

(4) If the non-compliance has not been cured 10 days after our delivery of notice, then (a) we will have the right to assess a Non-Compliance Fee of $500; (b) if the non-compliance remains uncured for an additional (30) days, we will have the right to assess a Non-Compliance Fee of $750; and (c) if the non-compliance remains uncured for another thirty

(30) day period, and for each thirty (30) days thereafter the non-compliance remains uncured, we will have the right to assess a Non-Compliance Fee of $1,000. If the Hospital is again out of compliance within the same calendar year, the Non-Compliance Fee will be $1,000 starting ten (10) days after delivery of the notice of non-compliance and continuing for each thirty (30) days thereafter the non-compliance remains uncured. The Non-Compliance Fee is in addition to all other rights of Franchisor arising from your non-compliance.

(5) You may request we provide you with an estoppel certificate, which does the following: (a) certifies the Franchise Agreement is in effect and unmodified (except for any modifications described in the certificate); (b) specifies the date payments have been made; (c) states whether or not you are in default; (d) states the Commencement Date; and (e) states which Extension Periods have been exercised, if any.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Start-Up Fee	$10,000	Lump Sum	Upon Execution of Franchise Agreement	Us
Initial Training Expenses(1)	$500 to $10,000	As Arranged	As Incurred	Hotels, Airlines, etc.
IDEXX Equipment(2)	$0 to $126,500	As Arranged	As Arranged	Designated Supplier (IDEXX)
Non-IDEXX Medical Equipment(3)	$25,000 to $84,000	As Arranged	As Arranged	Designated Supplier
Pharmacy Supplies(4)	$13,500 to $16,000	As Arranged	As Arranged	Third-party Suppliers
Surgical Supplies(5)	$6,000 to $7,000	As Arranged	As Arranged	Third-party Suppliers
Hospital Supplies(6)	$6,000 to $6,500	As Arranged	As Arranged	Third-party Suppliers
Office Equipment and Supplies(7)	$1,000 to $1,200	As Arranged	As Arranged	Third-party Suppliers
Opening Supplies(8)	$800 to $1,400	As Arranged	As Arranged	Third-party Suppliers
Professional Fees	$3,000 to $25,000	As Arranged	As Arranged	Your attorney, CPA, etc.
Insurance(9)	$3,000 to $18,000	As Arranged	As Arranged	Insurance company

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Business Licenses and Permits	$1,100 to $1,900	As Incurred	As Incurred	Government agencies
Accreditation	$750 to $5,000	As Incurred	As Incurred	Accrediting agencies
Grand Opening Marketing	$5,000	As Arranged	As Arranged	Vendors, media outlets, etc.
Additional funds - 3 months[(10)]	$85,000 to $180,000	As Incurred	After Opening	Employees, vendors, suppliers, etc.
Total	**$160,650 to $497,500**			

Notes:

1. The initial training expense estimate is based on two trainees over a course of seven days. Initial training will be conducted at the Phoenix headquarters of PVS and at the Hospital. You must pay for the travel and lodging expenses of your trainees, if applicable. Please see Item 11 for further details on training.

2. The estimate for IDEXX equipment represents the diagnostic items needed to fully operate a general practice veterinary hospital. Medical equipment from IDEXX includes items such as hematology analyzer, chemistry analyzer, lab station, UA analyzer, sediment analyzer, and x-ray plate (DR). The large cost range is because the vendor, IDEXX, permits: (a) a cash purchase of the equipment, (b) a placement where the initial cost is zero with a minimum annual commitment requirement, and/or (c) a combination of (a) and (b).

3. The estimated medical equipment represents non-diagnostic items needed to fully operate a general practice veterinary hospital. Medical equipment could include items such as anesthesia machines, dental machines, microscopes, and centrifuges.

4. The estimated pharmacy supplies represents a range of potential pharmacy items needed to operate a general practice veterinary hospital. Pharmacy supplies include items such as parasiticides, antibiotics, pain management drugs, and allergy medicine.

5. The estimate represents a range of potential surgical supply items needed to operate a general practice veterinary hospital. Surgical supplies include items such as surgical gloves, spay packs, and suture packs.

6. The estimated hospital supplies represents a range of potential hospital items needed to operate a general practice veterinary hospital. Hospital supplies include items such as gauze, x-ray aprons, leashes, and collars.

7. Office equipment and supplies include items such as paper, pens, highlighters, tape, and office chairs.

8. Opening supplies include items that do not traditionally fall under one of the other categories above.

9. You must procure and maintain throughout the term of the Franchise Agreement insurance of the types and amounts described in Item 8 of this disclosure document. The estimate in the table is for the likely cost of premiums for the first 12 months of coverage. The actual premiums could be higher or lower than the range in particular circumstances, depending on the insurance carrier (including the availability of several carriers), your location, prior loss history, and other uncontrollables that are difficult to anticipate.

10. This is an estimate of the additional funds you may need during the initial period of operation, which we define as 3 months from the opening of the Hospital. Additional funds may be needed to support on-going expenses such as payroll (e.g. veterinarian and technician compensation), marketing expenditures, inventory, utilities, and business licenses, to the extent that aggregate costs are not covered by your Hospital revenue. The estimate does not include any compensation that you may choose to pay yourself. In formulating this estimate, we have relied on our experience with opening new franchises since starting the PVS franchise program in May 2022.

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

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

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

The purchasing specifications, approved supplier requirements, and/or Designated Suppliers for particular items will be set out in the Brand Standards Manual from time to time. If we have named a Designated Supplier for a product or service, you must obtain the product or service from that Designated Supplier. As of the date of this disclosure document, our Designated Suppliers are IDEXX for medical diagnostic equipment; Rhapsody for the required practice information management (PIM) system (but there is no purchase of this system - it is cloud-based and included within the package that PVS provides for the Hospital); Intuit's QuickBooks for

financial management and accounting; and the American Animal Hospital Association ("**AAHA**") for Hospital accreditation. Elanco is the recommended (but not required) supplier of pharmacy supplies, and Covetrus is the recommended (but not required) supplier of surgical and hospital supplies.

We may earn a profit on products and services we sell to you and other franchisees, and we may receive rebates or other consideration from unaffiliated suppliers with respect to their sales of products or services to you or other franchisees, whether or not the product or service is presently mentioned in this Item. In our fiscal year ending February 1, 2026, we did not sell any products or services to franchisees, but we received $68,562 in rebates from unaffiliated suppliers, which was 3.4% of our total revenue for the fiscal year. None of our officers or directors owns a material direct or indirect interest in any existing unaffiliated supplier.

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

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

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

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

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

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

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

- A commercial general liability insurance policy with full limits, achieved either by primary or excess/umbrella insurance, for bodily injury and property damage of not less than $1,000,000 per occurrence, with an aggregate limit of not less than $2,000,000, to include products liability and contractual liability and contain no exclusion related to your compliance with mandatory or voluntary safety standards of the United States;

- If you use one or more vehicles in your Hospital operations, an automobile liability insurance policy with limits of not less than $1,000,000 combined single limit;

- Workers' compensation insurance, including coverage for occupational disease, in the benefit amounts required by applicable laws, and employer's liability insurance, with limits of bodily injury by accident of not less than $1,000,000 each accident, bodily injury by disease of not less than $1,000,000 policy limit, and bodily injury by disease of not less than $1,000,000 each employee. This coverage must also include coverage for temporary and contingent workers;

- Property insurance coverage in an amount equal to the full replacement value of your property, including but not limited to fixtures, furniture, equipment, machinery, goods, supplies, wares, or merchandise in the Premises;

- Veterinary malpractice insurance for Franchisee, the Hospital Veterinarians, employees, agents, and staff in an amount not less than $1,000,000 per incident with a $3,000,000 annual aggregate; and

- A crime insurance bond with policy coverage limits of not less than $250,000 per Occurrence. "Occurrence" means each criminal act giving rise to an event of coverage and not to each individual claim based on a criminal act.

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

The insurance policies must be provided on a primary and non-contributory basis and, with the exception of the worker's compensation and employers liability coverage, must name "PetSmart Veterinary Services, LLC.," "PetSmart LLC," and any other affiliates designated by PVS (including their parents, subsidiaries, affiliates, officers, directors, employees, agents, and other representatives) as additional insureds (the "Additional Insureds"). The insurance policies must also include: (i) separation of insureds (otherwise known as a cross-liability clause); (ii) a waiver of subrogation in favor of the Additional Insureds; and (iii) for the general liability policy, cover for PVS's property that is in your care, custody or control. You must provide to PVS a certificate of insurance or similar binder for each policy evidencing compliance with these requirements upon execution of the Franchise Agreement, on each anniversary thereafter, and within 10 days after written request from PVS. If any of the above policies are canceled before

the expiration date, notice will be delivered in accordance with the applicable policy provisions. The required insurance coverage will not act to limit your liability. PVS reserves the right to adjust coverage limits depending on the risks inherent in the operation of your Hospital.

* * *

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

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

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

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	None	Item 11
b. Pre-opening purchases/ leases	14.1, 17	Items 5, 7, and 8
c. Site development and other pre-opening requirements	None	Items 5, 7, 8, and 11
d. Initial and ongoing training	7	Items 6, 7 and 11
e. Opening	6.1, 12.2	Item 11
f. Fees	13	Items 5, 6 and 7

Obligation	Section in Franchise Agreement	Disclosure Document Item
g. Compliance with standards and policies/Operations Manual	8.2 - 8.4	Items 11 and 14
h. Trademarks and proprietary information	8.25 – 8.27, 24, 25	Items 13 and 14
i. Restrictions on products/ services offered	8.14	Items 8 and 16
j. Warranty and customer service requirements	None	Item 16
k. Territorial development and sales quotas	8.22	Item 12
l. Ongoing product/service purchases	8.15 – 8.20, 9	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	14, 15	Item 11
n. Insurance	17	Items 7 and 8
o. Advertising	12	Items 6 and 11
p. Indemnification	18	Item 6
q. Owner's participation/ management/staffing	8.5, 8.9, 8.10	Item 15
r. Records and reports	8.32, 30	Item 11
s. Inspections and audits	8.21, 27, 30.5	Items 6 and 11
t. Transfer	26	Item 17
u. Renewal	5.2	Item 17
v. Post-termination obligations	21	Item 17
w. Non-competition covenants	29	Item 17
x. Dispute resolution	32.9 – 32.16	Item 17
y. Other – Personal Guarantee	None	N/A

ITEM 10

FINANCING

As a standard practice, PetSmart Veterinary Services, LLC does not offer direct financing for any portion of your investment or operating expenses. However, in limited instances, PetSmart LLC or another affiliate of PVS (the "Lender") may offer financing for equipment, inventory, payroll, and working capital for the operation of your Hospital. The financing also covers a Loan Origination Fee equal to 5% of the loan amount or $5,000, whichever is less. The Lender will generally fund the loan in two tranches. The first tranche will account for approximately 60% of the approved loan amount. The remaining 40% of the approved loan amount, if still desired, may be disbursed near the 6-month mark following the opening of the Hospital. To be permitted to receive the second tranche, you must be: (a) in compliance with the terms of the Franchise Agreement and the existing Promissory Note, and (b) operating in good faith and in the betterment of the Hospital. No origination fee will be charged on the second tranche. The chart below summarizes the typical financing terms that the Lender may offer. You should not expect that the Lender would be willing to offer financing to you.

Many franchisees have obtained traditional financing from third-party lenders.

Item Financed	Amount Financed	Term	Interest Rate	Prepayment	Personal Guaranties Required	Potential Liability Upon Default	Loss of Legal Rights on Default
Loan Origination Fee, Equipment, Inventory, Payroll & Working Capital	Between $50,000 and $250,000	5 years	7.99% per annum during the first 30 months of the loan and 12.99% per annum thereafter through the fifth-year anniversary of the Promissory Note.	Allowed without penalty.	One or more owners of debtor (if a corporation, limited liability company, or other legal entity) and their spouses, as determined by Lender.	5% late fee, acceleration of entire amount due, court costs and attorney's fees for collection, cross-default under Franchise and Premises License Agreement	You waive presentment, demand, notice of nonpayment, notice of intent to accelerate, notice of acceleration, diligence in collection, and all other notices and acts to which borrower might otherwise be entitled under any applicable law; you consent to jurisdiction of and venue in Arizona courts and waive right to jury trial.

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

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

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

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

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

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

2. We will construct the Hospital at our expense, including interior and exterior signage, in the manner consistent with the Brand Standards Manual unless otherwise agreed between us. We will deliver it to you, and you must accept it, in its "AS-IS" condition, with all faults, and without warranty, express or implied. (Franchise Agreement, Section 14.1)

3. We will provide certain Equipment, as described in Item 8. (Franchise Agreement, Section 8.13)

4. We will provide you with electronic access to the Brand Standards Manual. We can modify the Brand Standards Manual as we think fit to reflect changes in the methods, standards, specifications and services we approve for the PVS System. (Franchise Agreement, Section 8.2).

5. We will provide initial training to your Operating Partner and any other Hospital personnel we designate. (Franchise Agreement, Section 7.1). Please see the "Training" section below in this Item.

6. We will arrange for IT services and infrastructure and related equipment, as specified in the Brand Standards Manual. You will pay us a Technology Fee for these services, as described in Item 6. (Franchise Agreement, Section 13.6)

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

Continuing Obligations

After your Hospital opens, we will:

1. If you are unable to obtain Hospital accreditation through AAHA due to limitations outside of your control, we will work with you in good faith to determine appropriate exceptions to the accreditation standards. (Franchise Agreement, Section 8.1)

2. We will continuously develop, update and maintain the System Standards and notify you of changes via the Brand Standards Manual or otherwise. (Franchise Agreement, Section 8.2).

3. We will manage the sourcing of current and future pharmaceuticals, medical equipment, information technology systems, software, SaaS, supplies, office equipment, furnishings, retail merchandise, promotional items, credit card processing services, and other products and services that you will purchase for operation of or sale in the Hospital. We will notify you when we establish specifications, approve or revoke approval of products or vendors, or designate specific vendors for particular items. If you submit a written request for approval of an alternative source, we will review your proposed supplier (unless we have named a Designated Supplier for the item). (Franchise Agreement, Section 8.15)

4. We will coordinate with PetSmart regarding shelf and/or racking space for Therapeutic Pet Foods in close proximity to the Hospital, so that it is efficient for the Hospital Veterinarians and other Hospital team members to help customers find the food that is best for their pet. "**Therapeutic Pet Foods**" means pet foods which are or have been labeled or marketed as "prescription" or "therapeutic" products (e.g., Hill's Prescription Diet). In addition, we will have the right (but no obligation) to implement an incentive program with respect to the sale of Therapeutic Pet Foods at the Premises. We will give you 60 days written notice before the start of any such program (Franchise Agreement, Section 8.14.4)

5. We will arrange for PetSmart to use the Hospital for all veterinary care of pets at the Premises ("**PetSmart Pets**"), including those in the PetsHotel®, day care, or grooming, those held for sale, and those injured in the store or parking lot. However, PetSmart may obtain veterinary care from other providers on a case by case basis if: (a) the Hospital is closed when the services are needed; (b) the Hospital Veterinarian on duty is engaged in any urgent medical case(s) that require direct veterinarian supervision; or (c) there is no Hospital Veterinarian on duty whom you have certified to provide services with respect to the type of pet requiring the services. We will pay you for your services to PetSmart Pets as described in the Franchise Agreement. (Franchise Agreement, Sections 10.1 and 10.2)

6. We will administer the Brand Fund, as described below in this Item. (Franchise Agreement, Section 12.3)

7. We will review and approve or disapprove your proposed advertising and promotional plans and materials. (Franchise Agreement, Section 12.6). However, we have no obligation to assist you with establishing prices for your Hospital services.

8. We will maintain the IT services and infrastructure provided by PVS, and continue to develop, as we deem appropriate, websites, email accounts, mobile applications, social media, software, databases, portals, other technology and communications channels, and related equipment. You will pay us a Technology Fee for these services. (Franchise Agreement, Section 13.6)

9. We will provide additional or refresher training as we deem necessary. (Franchise Agreement, Section 7.2).

10. We will arrange for you and your employees and agents to have access, without additional charge, to the break rooms, restrooms, and other employee amenities within the Premises, as designated by PVS, and to use the loading docks of the Premises with commercially reasonable coordination with PVS. (Franchise Agreement, Section 6.3)

11. We will share responsibility for maintenance and repairs of the Hospital, according to an allocation of responsibilities set out in the Brand Standards Manual. PVS will provide, at its cost, the maintenance and repair services allocated to PVS. (Franchise Agreement, Section 15.2)

12. We will maintain water, electricity, sewer, and trash service to the Hospital (other than services for removal of hazardous materials and medical wastes, which you will dispose of at your own cost in accordance with applicable laws) ("**Utilities**"). The cost of the Utilities is currently included in the Premises License Fee. (Franchise Agreement, Section 16)

13. We will provide after-hours access to the Hospital as reasonably needed during hours when the Premises are closed to the public, solely for purposes of maintaining the standard of care and subject to policies we PVS may institute for the purpose of security. (Franchise Agreement, Section 8.8)

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

Site Selection

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

Time Between Signing and Opening

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

Training

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

In the weeks/months prior to the opening of the Hospital, Franchisee (or the Operating Partner, if Franchisee is a company) is required to attend weekly training and informational

sessions to ensure that all tasks are completed prior to the opening of the Hospital (e.g., obtaining business licenses and insurance, hiring of staff, opening of bank accounts, etc.).

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

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

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

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

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

The chart below summarizes our initial training program:

TRAINING PROGRAM

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
PVS Training			
Overview of PVS - Mission and Vision Meeting the support team	3	0	Phoenix Home Office
Keys to a Successful Hospital Opening Leadership and Essential Skills	1.5	0	Phoenix Home Office

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
Planning for the Opening of Your Hospital Onboarding Plan Construction Details Equipment and Inventory	2	0	Phoenix Home Office
PETSMART® Store Relationship	1	2	Phoenix Home Office and Hospital
Financial Management and Business Success	2	5	Videoconference and On Site – Phoenix Home Office
PVS Consulting Support and VBC Relationships	1	1	Phoenix Home Office
Creating a Successful Business Model	2	2	Videoconference and On Site – Phoenix Home Office
Managing a P&L	1	2	Videoconference and On Site – Phoenix Home Office
Foundations of a Successful Hospital	1	.5	Phoenix Home Office
Marketing	2	4	Videoconference and On Site – Phoenix Home Office
Therapeutic Pet Food	1	1	Phoenix Home Office
Technology Training	1	5	Videoconference and On Site – Phoenix Home Office and Hospital
Medical Operations Keeping Pets Safe AAHA	1	1	Phoenix Home Office

Topics Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
Human Resources and Employment Issues – Avoiding Joint Employment	1	0	Phoenix Home Office and Hospital
Total - PVS Training	20.5	23.5	
Vendor Training			
Idexx – Lab and X-Ray	0	5	Videoconference or On-Site
Midmark – Dental X-Ray	0	1	Videoconference or On-Site
Gateway – Afterlife Service	.5	0	Videoconference or On-Site
Telephone System	0	1	Videoconference or On-Site
Covetrus – Account Ordering System	2	0	Videoconference or On-Site
Rhapsody – PIM System	5	5	Videoconference or On-Site
Total - Vendor Training	7.5	12.0	

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

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

Advertising

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

Brand Fund. We have established a fund to support development and recognition of the PETSMART VETERINARY SERVICES brand and the network of PVS Hospitals (the "**Brand Fund**").

You must contribute the amount we specify, not to exceed 2.5% of Hospital Revenue (the "**Brand Fund Contribution**") to the Brand Fund. As of the date of this disclosure document, the required contribution is 1.5% of Hospital Revenue. Unless otherwise specified by PVS, the Brand Fund Contribution will be paid monthly based on Hospital Revenue for the preceding Fiscal Month.

We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over strategic direction, creative concepts, materials, endorsements, and geographic, market and media allocation. We may use the Brand Fund to pay costs and expenses as we determine in its sole discretion, including but not limited to: preparation and production of video, audio, written, online, digital and mobile marketing materials; search engine optimization; purchasing promotional items; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of websites, social media, mobile applications and other digital marketing; implementation of advertising programs and in-Hospital promotions, including purchasing direct mail and media advertising; employing advertising agencies; implementing quality assurance programs; conducting other public relations, marketing, consumer research, and promotional activities, including product or service testing and test marketing programs; the development, testing, and implementation of trade dress and design prototypes; administrative costs and overhead incurred in activities reasonably related to the administration and activities of the Brand Fund, including reasonable salaries and expenses of employees, agents, representatives, and consultants working for or on behalf of the Brand Fund; reasonable fees and expenses of accounting firms, design firms, public relations firms, consultants and ad agencies; legal fees for advertising pre-clearance, defense of false advertising claims, and defense of any claims challenging our administration of the Brand Fund; and interest on any monies borrowed by the Brand Fund. We do not use the Brand Fund principally to solicit new franchise sales.

In our fiscal year ending February 1, 2026, we allocated $415,393 of our total brand marketing expenditures to the Brand Fund. 65% of the expenditures allocated to the Brand Fund were for Paid Search, 24% were for Paid Social, 10% were for Agency Fees, and 1% were for Other.

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

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

Local Marketing. You will spend at least 0.5% of Hospital Revenue annually on local marketing of the Hospital ("**Local Marketing**"), in a format and using materials and designs approved by us. All Local Marketing must be approved by us. At our request, you will provide invoices and other documentation to verify the type and amount of spending for Local Marketing. Unless specifically approved by PVS, you may not place advertising or promotional materials

within the Premises or within the common areas of the shopping center in which the Premises are located. PVS has no obligation to spend any amount on advertising in the area of your Hospital.

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

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

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

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

Technology Requirements

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

systems and you must configure security settings and/or provide PVS with any usernames and passwords necessary for that purpose. To protect confidential information, including but not limited to Hospital Records (as defined in Item 14) and Customer Data (as defined in Item 14), you agree not to use or otherwise engage with any AI Source for the operation of the Hospital without prior consent from PVS. The term "**AI Source**" means any resource, online or otherwise, that uses artificial intelligence technology (including but not limited to ChatGPT, Claude, Copilot, copy.ai, Gemini, OpenAI, or any other large language model) to gather, manage, analyze, process, or use information to generate responses or take actions on behalf of the user.

Most of the required technology systems are included within the Equipment package that PVS provides for the Hospital (see Item 1). For example, Rhapsody is the required practice information management (PIM) system, but you do not have to purchase this system because it is cloud-based and included within the package that PVS provides for the Hospital. We are not affiliated with the vendors of the technology systems. We license the technology systems to you, but they remain our property. We also arrange for IT services and infrastructure, including telephone and internet service. The cost is included in the Premises License Fee. We do not require that you purchase a separate maintenance agreement for the technology systems. However, you may have to purchase two credit card machines directly from the designated vendor at a cost of approximately $500 per machine to utilize touchless pay or Apple Pay type services. You must obtain a subscription for the QuickBooks financial management and accounting system, which costs approximately $275 per month (QuickBooks Advanced) which may increase or decrease in QuickBooks' discretion. QuickBooks Payroll can be added for approximately $50 per month which may increase or decrease in QuickBooks' discretion.

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

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

Brand Standards Manual

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

ITEM 12

TERRITORY

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

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

PVS and its affiliates retain all rights with respect to the Marks, PETSMART® stores, and the sale of products and services, anywhere in the world, including but not limited to: (a) the right to operate, and grant others the right to operate, PVS Hospitals anywhere in the world (including virtually); (b) the right to operate, and grant others the right to operate, veterinary hospitals under other names at any location, whether or not using the PVS System, on the terms and conditions that PVS and its affiliates deem appropriate; and (c) the right to develop, manufacture, market, distribute and sell, and to grant others the right, to develop, manufacture, market, distribute and/or sell, products and services through any channel of distribution whatsoever, whether at wholesale, retail or otherwise, including but not limited to the Internet and any means of e-commerce, under or in association with the Marks or any other marks, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate. PVS and its affiliates can engage in these or any other business activities regardless of the proximity to or effect on your Hospital. PVS and its affiliates, in exercising their rights to sell products through any channel of distribution, have no obligation to compensate franchisees. In addition, PVS and its affiliates can acquire, be acquired by, or merge with other businesses that have veterinary hospitals or other businesses at any location and convert those businesses to the Marks or to any other name.

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

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

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

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

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

As noted in Item 1, PetSmart LLC licenses space in PETSMART® stores for full-service veterinary hospitals owned and operated by third parties. As of the end of the fiscal year on February 1, 2026, there were veterinary hospitals in 720 of its stores, including franchised PVS Hospitals, BANFIELD hospitals franchised or operated by MMI, and IVOs operating under their own respective practice names. Neither we nor PetSmart LLC is the operator or franchisor of the non-PVS veterinary practices. Other than controlling which veterinary practices operate in which PETSMART® stores, PetSmart does not have policies to resolve conflicts between the veterinary practices regarding territory, customers, and franchisor support.

ITEM 13

TRADEMARKS

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

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

Mark	Registration Number	Registration Date
PETSMART VETERINARY SERVICES	**6969122**	**January 31, 2023**
	**7059399**	**May 23, 2023**
	**7207191**	**October 31, 2023**
	**7222409**	**November 21, 2023**
EVERYTHING FOR VETS	**8226212 (Class 35)**	**April 21, 2026**
EVERYTHING FOR VETS	**8226213 (Class 42)**	**April 21, 2026**

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

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

Other than the license from our IP Affiliate, there are no agreements that limit our rights to use or to license the use of the principal marks. There are no currently effective determinations

of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal marks, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the principal marks. We are not aware of any infringing uses that could materially affect your use of the principal marks. Other than our affiliate's ownership rights described above, we are not aware of any superior rights that could affect your use of the principal marks.

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

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

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

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

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

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

You must maintain strict secrecy of the Brand Standards Manual, our training materials, our approved suppliers and supply arrangements, advertising and promotional plans, sales performance, financial records, and other information and materials that we designate as confidential. You may not reproduce any portion of the confidential information or make it available to any unauthorized person. You may reveal confidential information only to those of your

employees who must have access to it in order to operate the Hospital, and to your contractors with our prior written approval. The Brand Standards Manual and all other confidential materials remain our property.

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

Subject to applicable laws, you must regularly provide PVS, in a format acceptable to PVS, with customer information concerning pets and pet parents seeking Veterinary Services including, but not limited to, names, addresses, phone numbers, email addresses and pet information (name and type) (collectively "**Customer Data**"). We will have the right to pull Hospital Revenue and business information (e.g., conversion, scheduling, appointments, diagnoses, etc.) data automatically from the Hospital's information systems and/or to require you to provide periodic reports of this information in a format and on a schedule that we prescribe. PVS, you, and the treating Hospital Veterinarian will work together to develop any applicable forms, including consent forms, to comply with applicable laws and facilitate the sharing of Customer Data with PVS. Following the termination of the Franchise Agreement: (a) you are permitted to solicit for Veterinary Services those customers who patronized the Hospital and obtained Veterinary Services for their pets, regardless of whether such customers were your customers before or after the Effective Date; (b) you are permitted to solicit for Veterinary Services any potential customers you identified and sourced through your own efforts without the aid or assistance of PVS; and (c) you are prohibited from soliciting, for any reason, those customers whose Customer Data was provided to you by PVS and who did not obtain Veterinary Services from the Hospital for their pets. PVS is permitted to solicit, for any reason, those customers whose Customer Data was provided by you to PVS.

You are responsible for any unauthorized use or disclosure of our confidential information by your Owners, officers, employees, agents and contractors. At our request, you must require your Owners, officers, and employees to sign confidentiality agreements. The agreements must be in a form satisfactory to us and identify us as a third-party beneficiary with the independent right to enforce the agreement. For greater certainty, input of any confidential information into any AI Source without prior approval of PVS constitutes disclosure to an unauthorized person.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

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

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

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

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

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

All original Owners of the Franchisee, and anyone who later becomes an Owner, must sign an agreement to be personally bound by the confidentiality obligations and restrictions on competition in the Franchise Agreement. Any individual Owner who owns 20% or more of the Franchisee must sign a personal guarantee of the Franchisee's obligations under the Franchise Agreement (the personal guarantee form is attached to the Franchise Agreement in Exhibit A).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

PETSMART® Store Products and Services. You may not, directly or indirectly, market, offer, or sell any product or service in the Hospital or elsewhere (including on-line or for home delivery) that is sold in PETSMART® stores (or by PetSmart on-line or for home delivery), now or

in the future. This includes grooming, pet day care, training, and overnight boarding services (except if boarding in the Hospital is ancillary to or required by medical observation, diagnosis, vaccination, or treatment). You are required to use best efforts to promote the products and services sold inside the PETSMART® store and you may not promote another retail business (including both on-line and brick and mortar retail business) or, directly or indirectly, create your own brick and mortar or on-line retail business.

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

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

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

Therapeutic Pet Foods. You may not sell Therapeutic Pet Foods at the Hospital (or on-line or for home delivery), except to the extent (if any) expressly authorized by the Brand Standards Manual. PetSmart will determine the brands of Therapeutic Pet Foods to be carried by the PETSMART® store and will negotiate arrangements with the suppliers of those brands. All Therapeutic Pet Foods will be checked out through the cash registers of the PETSMART® store (except Therapeutic Pet Foods purchased online and picked-up at the Premises or orders shipped from and/or delivered by the Premises).

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

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

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

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

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

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

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

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

You must maintain regular communication with us, respond promptly to all email and other correspondence from us relating to Hospital operations, consider in good faith our suggestions,

recommendations, and guidelines for improving operations and overall business performance, and cooperate with our efforts to assess Hospital performance.

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

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ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Franchise and Premises License Agreement

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

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

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

Provision	Section in Franchise Agreement	Summary
		any reproduction, copy or imitation of the Marks; and promptly communicate with all customers of the Hospital in coordination with PVS to maintain a good customer experience.
j. Assignment of contract by us	26.8	No restriction on our right to assign our rights and obligations, except that we must notify you.
k. "Transfer" by you – definition	26.1	Includes direct and indirect assignment of the Franchise Agreement, the assets of the Hospital, or transfer of an ownership interest in Franchisee, by any means (e.g., by sale or gift, either voluntarily or by operation of law, such as through divorce or bankruptcy proceedings).
l. Our approval of transfer by franchisee	26.1, 26.3 – 26.6	We have the right to approve all direct and indirect transfers.
m. Conditions for our approval of transfer	26.3	Conditions that we can impose for sale of the business include: no defaults and all monetary obligations satisfied; transferee meets our then-current qualifications for franchisees; transferee updates Hospital to then-current System Standards; transferee completes training; if transferee is another franchisee of PVS, transferee has no defaults and releases any claims against PVS; payment of transfer fee (see Item 6); at our request, you or transferee sign our then-current form of Franchise Agreement; you and the Owners release any claims against us; price and other terms of sale do not jeopardize ability to operate the Hospital; and financing is subordinated to obligations to us.
n. Our right of first refusal to acquire your business	26.2	We have the right to match any bona fide offer to purchase the Hospital or an ownership interest in Franchisee. Does not apply if you transfer ownership to a corporation or LLC that you form for that purpose; does not apply to a transfer to your spouse or adult son or daughter (including as a result of your death or incapacity).

Provision	Section in Franchise Agreement	Summary
o. Our option to purchase your business	None	
p. Your death or disability	26.6	Your executor or personal representative must apply to transfer your interest.
q. Non-competition covenants during the term of the franchise	29.1	Franchisee and its affiliates are prohibited from: (a) engaging in any activity relating to the ownership, operation or support of any business which is in the business of selling pet food, pet supplies, pet services, and/or pet products (including both on-line or brick and mortar); or (b) owning, operating or supporting any hospital or clinic providing Veterinary Services within a 5-mile radius of the Premises.
r. Non-competition covenants after the franchise is terminated or expires	29.1	The restrictions in q. continue for 1 year following expiration, termination, or assignment of the Franchise Agreement.
s. Modification of the agreement	32.6	No modification will be deemed binding unless in writing and signed by the parties.
t. Integration/merger clause	32.1	Only the terms of the agreement are binding (subject to state law). However, this clause will not be treated as a disclaimer of our representations in this disclosure document. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	32.10	Before filing litigation (other than litigation seeking a restraining order, preliminary injunction, or declaratory relief), a dispute between us and you and/or the Owners must be submitted to non-binding mediation administered by a neutral mediation service with experience in franchise disputes. These provisions are subject to state law in your state.
v. Choice of forum	32.11	You and the Owners must file any suit against us in the federal or state court where our principal office is located at the time the suit is filed (currently Maricopa County, Arizona). We can sue you where we have our principal office or where your principal office is located. You and we both waive the

Provision	Section in Franchise Agreement	Summary
		right to trial by jury and the right to seek punitive damages. These provisions are subject to state law in your state.
w. Choice of law	32.11	Arizona law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item presents certain results of operations of franchised PVS Hospitals in the fiscal year ending February 1, 2026, as reported to us by the franchisees. As of the end of our fiscal year on February 1, 2026, we had 43 franchised PVS Hospitals open and in operation.

Table 1 below presents 2025 fiscal year Hospital Revenue for 23 franchised PVS Hospitals that were open and operating for the entire 2025 fiscal year and that had operated for at least 12 months prior to the start of the 2025 fiscal year. Excluded from Table 1 are 6 franchised Hospitals that closed during the 2025 fiscal year (2 of which had been in operation for less than 12 months before closing), 12 Hospitals that opened during the 2025 fiscal year, and 3 Hospitals operating in Puerto Rico.

Table 1: FY 2025 Hospital Revenue

Group	Highest Hospital Revenue in Group (note 1)	Lowest Hospital Revenue in Group	Median	Average	Number & Percent Achieving Average
Top 10% (3 Centers)	$1,555,631	$1,243,621	$1,286,884	$1,362,045	1 of 3 (33.3%)
Middle 80% (17 Centers)	$1,146,406	$502,331	$826,432	$821,174	9 of 17 (52.9%)
Bottom 10% (3 Centers)	$423,843	$230,816	$404,344	$353,001	2 of 3 (66.7%)
All Franchised Centers (23 Centers)	$1,555,631	$230,816	$826,432	$830,656	11 of 23 (47.8%)

Note 1: "Hospital Revenue" means all revenues generated and collected from services and products sold by or through FRANCHISEE and all other income of every kind related to the Hospital or FRANCHISEE, net of any discounts or refunds to customers. If FRANCHISEE makes a claim for business interruption insurance, "Hospital Revenue" includes the amount of revenue used to determine FRANCHISEE's loss. "Hospital Revenue" does not include any sales taxes or other taxes FRANCHISEE collects from customers and pays directly to the appropriate taxing authority. PVS may determine Hospital Revenue from data in the practice information management system (PIMS). PVS reserves the right to modify this definition consistent with industry practices regarding revenue recognition and revenue reporting as circumstances, business practices, and technology change.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

The financial information we utilized in preparing the preceding financial performance representations was based on information reported to us by franchisees.

Written substantiation for the financial performance representations included in this Item 19 will be made available to the prospective franchisee upon reasonable request.

Other than the foregoing financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Vice President – Veterinary Health Services at 19601 N. 27th Ave., Phoenix, AZ, tel. 623-587-2030 or vetownership@petsmart.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-Wide Outlet Summary
For Years 2023 to 2025[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year[2]	Net Change
Franchised	2023	11	38	+27
	2024	38	37	-1
	2025	37	43	+6
Company	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total	**2023**	**11**	**38**	**+27**
	2024	**38**	**37**	**-1**
	2025	**37**	**43**	**+6**

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2025 fiscal year was a 52-week period ending on February 1, 2026.

Note 2: Does not include Hospitals in Puerto Rico.

Table 2
Transfers of Outlets from Franchisees to New Owners (Not Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
Pennsylvania	2023	1
	2024	0
	2025	0
Texas	2023	0
	2024	0
	2025	1
Total	**2023**	**1**
	2024	**0**
	2025	**1**

Table 3
Status of Franchised Outlets
For Years 2023 to 2025[1]

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - other reason	Outlets at the End the of Year[1]
AR	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
AZ	2023	2	7	1	0	0	1	7
	2024	7	3	9	0	0	0	1
	2025	1	0	0	0	0	0	1
CA	2023	3	4	0	0	0	0	7
	2024	7	1	0	0	0	0	8
	2025	8	2	1	0	0	0	9
CT	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
FL	2023	2	4	0	0	0	1	5
	2024	5	4	5	0	0	0	4
	2025	4	6	2	0	0	0	8
GA	2023	0	3	0	0	0	1	2
	2024	2	2	0	0	0	0	4
	2025	4	1	1	0	0	0	4
IL	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
LA	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MD	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MI	2023	0	2	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	1	0	0	0	1	1

NC	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
NE	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NV	2023	0	3	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	1	1	0	0	0	3
NY	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023	2	1	0	0	0	1	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1
TX	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
VA	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
WI	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total	**2023**	**11**	**33**	**1**	**0**	**0**	**5**	**38**
	2024	**38**	**15**	**16**	**0**	**0**	**0**	**37**
	2025	**37**	**12**	**5**	**0**	**0**	**1**	**43**

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2025 fiscal year was a 52-week period ending on February 1, 2026.

Table 4
Status of Company-Owned Outlets
For Years 2023 to 2025[1]

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2025 fiscal year was a 52-week period ending on February 1, 2026.

Table 5
Projected Openings
For Fiscal Year Ending February 1, 2026[1]

State	Franchise Agreement Signed but Hospital not Open as of 2/1/2026	Projected New Franchised Hospitals in FY 2026[2]	Projected New Company-Owned Hospitals in FY 2026
Arizona	0	1	0
California	1	5	0
Florida	0	4	0
Georgia	2	3	0
Illinois	0	1	0
Indiana	0	1	0
Minnesota	0	1	0
Ohio	0	2	0
New York	1	0	0
Texas	0	3	0
Utah	0	1	0
TOTAL	**4**	**22**	**0**

Note 1: Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st. Our 2025 fiscal year was a 52-week period ending on February 1, 2026.

Note 2: Includes the locations in column 1 that we expect to open in FY 2026, as well as new Franchise Agreements for locations that we expect to open in FY 2026.

* * *

The names, addresses and telephone numbers of our franchisees as of our fiscal year end on February 1, 2026 are listed in Exhibit E to this disclosure document.

Exhibit E also includes a separate list of the franchisees who had signed a franchise agreement but had not yet opened the Hospital as of our fiscal year end on February 1, 2026.

Exhibit F is a list of franchisees who had a Franchise Agreement transferred, terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our fiscal year ended February 1, 2026. There are no franchisees who have not communicated with us within the 10 weeks before the issuance date of this disclosure document.

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

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

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

ITEM 21

FINANCIAL STATEMENTS

Exhibit G to this disclosure document contains our audited financial statements, which comprise the balance sheets as of February 1, 2026, February 2, 2025 and January 28, 2024 and the related statements of operations, member's equity, and cash flows for the year ended February 1, 2026, the year February 2, 2025, and the year ended January 28, 2024. Our fiscal year is the 52- or 53-week period ending on the Sunday closest to January 31st.

ITEM 22

CONTRACTS

This disclosure document contains a copy of the following agreements:

Exhibit A	Franchise Agreement
Exhibit D	State-Required Contract Addenda
Exhibit H	Sample of Release to be signed when you renew or transfer the franchise

Exhibit I Promissory Note, Guaranty and Financing Addendum

ITEM 23

RECEIPTS

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

EXHIBIT A

FRANCHISE AND PREMISES LICENSE AGREEMENT

FRANCHISE AND PREMISES LICENSE AGREEMENT

THIS FRANCHISE AND PREMISES LICENSE AGREEMENT (this "Agreement") is entered into and effective as of the last date signed below ("Effective Date"), between PETSMART VETERINARY SERVICES, LLC ("PVS"), a Delaware limited liability company, and [LEGAL NAME], a/an [STATE] [TYPE OF ENTITY] ("FRANCHISEE"). PVS and FRANCHISEE may be individually referred to as a "Party" or collectively as the "Parties."

BACKGROUND

A. PetSmart LLC, a Delaware limited liability company ("PETSMART") has formed PVS to ensure that certain PETSMART stores not already served by veterinary practices will be able to provide in-store access to a reputable, licensed, full-service or urgent care veterinarian to provide preventive and/or acute care, general pet health management, and treatment for pets of PETSMART customers.

B. PVS has developed a distinctive format, appearance, and set of specifications and operating procedures (collectively, the "PVS System") for the operation of veterinary practices offering full-service or urgent/emergency veterinary care and related products and services in PETSMART stores. The distinctive elements of the PVS System include, but are not limited to, our design and appearance criteria for the hospital facilities; the Equipment package that we provide (described in Exhibit B); our specifications for equipment, products and services to be provided to franchisees by third parties; our quality assurance program; our marketing and brand development programs; our mandatory and recommended standards and procedures for business operations and coordination with the host PETSMART® Store; our training programs; and other policies and practices that reflect PVS's business judgment and accumulated trial and error experience. PVS can add to, improve, expand, replace or modify elements of the PVS System from time to time.

C. PVS identifies the veterinary hospitals operating under the PVS System by means of the PETSMART VETERINARY SERVICES mark and certain other trademarks, service marks, logos and commercial symbols (collectively, the "Marks"). PVS may designate new or different trade names, trademarks, service marks, logos and commercial symbols as Marks that FRANCHISEE must or may use. PVS's affiliate, PetSmart Home Office, Inc., owns the Marks and has licensed PVS to use them and to sublicense PETSMART VETERINARY SERVICES franchisees to use them. PetSmart Home Office, Inc. is not a party to this Agreement.

D. PETSMART, as tenant, and [XXXX], as landlord, entered into a Lease (the "Lease") relative to certain premises (the "Premises") located at [XXXX], [XXXX], [XXXX].

E. PETSMART has licensed [XXXX] square feet ("Hospital GFA") within the Premises to PVS for the limited purpose of providing veterinary services and the incidental retail sale of products related to veterinary services by an independently owned franchisee using the PVS System, as set forth on **Exhibit A** (the "Hospital").

F. FRANCHISEE desires to operate and manage a Hospital within the Hospital GFA and to obtain certain products and services provided by PVS as set forth in this Agreement.

AGREEMENT

1. **RECITALS.** The above Background statements are incorporated herein as part of this Agreement.

2. **PREMISES LICENSE.** PVS licenses to FRANCHISEE, and FRANCHISEE licenses from PVS, the Hospital GFA (the "License") to operate a veterinary hospital, subject to the terms, conditions and provisions set forth in this Agreement. FRANCHISEE acknowledges and agrees that it will have no property interest in or other rights to the Hospital GFA, the Premises, the License, or the Lease. FRANCHISEE and PVS acknowledge and agree that this Agreement is not intended to create a lease or any other interest in real property in favor of FRANCHISEE.

3. **FRANCHISE GRANT.** PVS grants FRANCHISEE the right, and FRANCHISEE undertakes the obligation, on the terms and conditions of this Agreement, to use the Marks and the PVS System only in connection with the operation of the Hospital at the Premises. FRANCHISEE may not use the Marks, the PVS System, or any of the Confidential Information (as defined in Section 25.1) at any other location without PVS's prior written agreement. Subject to Section 8.23, no satellite or mobile location is permitted under this Agreement without PVS's prior written approval.

4. **ALL OTHER RIGHTS RESERVED.** FRANCHISEE is not receiving any exclusive territory or other territorial rights or protections under this Agreement. Except for the rights expressly granted to FRANCHISEE in Sections 2 and 3, PVS and its affiliates retain all rights with respect to the Marks, PETSMART stores, and the sale of products and services, anywhere in the world, including but not limited to: (a) the right to operate, and grant others the right to operate, PETSMART VETERINARY SERVICES hospitals ("PVS Hospitals") anywhere in the world (including virtually); (b) the right to operate, and grant others the right to operate, veterinary hospitals under other names at any location, whether or not using the PVS System, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate; and (c) the right to develop, manufacture, market, distribute and sell, and to grant others the right, to develop, manufacture, market, distribute and/or sell, products and services through any channel of distribution whatsoever, whether at wholesale, retail or otherwise, including but not limited to any means of e-commerce, under or in association with the Marks or any other marks, on the terms and conditions that PVS and its affiliates in their sole discretion deem appropriate. PVS and its affiliates can engage in these or any other business activities regardless of the proximity to or effect on FRANCHISEE's Hospital. In addition, PVS and its affiliates can acquire, be acquired by, or merge with other businesses that have veterinary hospitals or other businesses at any location and convert those businesses to the Marks or to any other name.

5. **TERM AND EXTENSION PERIODS.**

5.1. **Term.** "Term" means, collectively, the Initial Term [and the Extension Period] (defined in Section 5.2). "Initial Term" means the period from the Commencement Date through

[XXXXXXXXXXX] [XX], 20[XX]. "Commencement Date" means the earlier of the: (a) Outside Commencement Date; or (b) date the Hospital opens for business at the Premises. "Outside Commencement Date" means seventy-five (75) days following the Delivery Date. "Delivery Date" means the date on which PVS has delivered possession of the Hospital in the Delivery Condition (defined in Section 14.1). PVS agrees to deliver the Hospital in the Delivery Condition within one hundred eighty (180) days from the Effective Date (the "Outside Delivery Date"). In the event PVS fails to deliver the Hospital by the Outside Delivery Date, as FRANCHISEE's sole remedy, FRANCHISEE may elect to terminate this Agreement upon thirty (30) days' notice to PVS. If FRANCHISEE elects to terminate based on the foregoing sentence, the Start-Up Fee (defined in Section 13.1) will be returned to FRANCHISEE. If PVS delivers the Hospital within the 30-day period, FRANCHISEE's notice to terminate shall be deemed null and void. Notwithstanding anything to the contrary, in no event will the Commencement Date occur during the Blackout Periods. "Blackout Periods" means: (a) Thanksgiving Day and the two (2) days before and after Thanksgiving Day; (b) Christmas Day and the two (2) days before and after Christmas Day; and (c) New Year's Day and the one (1) day before New Year's Day. FRANCHISEE is prohibited from opening for business within 30 days following the Delivery Date or during the Blackout Periods except as permitted by PVS in its sole and absolute discretion. If the Outside Commencement Date occurs during a Blackout Period, the Commencement Date will be deemed to be the next day following the last day of the Blackout Period. "Franchise Year" means a period of 12 successive calendar months beginning on the Commencement Date; except, if the Commencement Date is a day other than the first day of a calendar month, the first Franchise Year will include the initial fractional month, together with the next succeeding 12 calendar months, and the first Franchise Year will expire at 11:59 p.m. on the last day of the calendar month in which the first anniversary of the Commencement Date occurs. All times set forth in this Agreement will be Premises local time.

5.2. Extension Period. FRANCHISEE will have [X] option[s] of [X] years in duration to extend the Term of this Agreement (the "Extension Period"), contingent on satisfaction of the conditions in this Section. FRANCHISEE will satisfy all of the following requirements as a condition of extending this Agreement, unless the requirement is expressly waived by PVS:

5.2.1. FRANCHISEE will provide PVS written notice no later than 12 months prior to the expiry of the Initial Term that it wishes to renew this Agreement. If FRANCHISEE fails to provide PVS with written notice of renewal, then the Agreement will expire at the end of the Initial Term.

5.2.2. FRANCHISEE will cooperate with PVS in completing any review process that PVS may establish to determine eligibility for the Extension Period, such as (but not limited to) furnishing all required information and participating in meetings;

5.2.3. FRANCHISEE is not in default of this Agreement or any other agreement with PVS, its affiliates, or vendors of the Hospital at the time FRANCHISEE gives the notice in Section 5.2.1 or during the remainder of the Initial Term;

5.2.4. All Hospital personnel required to hold licenses or accreditation have been in good standing (within all applicable cure periods) with licensing authorities throughout the Initial Term;

5.2.5. FRANCHISEE has a good record of customer service and of compliance with System Standards (as defined in Section 8.2) and FRANCHISEE's contractual obligations to PVS;

5.2.6. At PVS's request, FRANCHISEE signs an updated Franchise and Premises License Agreement on substantially the same terms and conditions that PVS is then offering to franchisees for new PVS Hospitals, as modified by PVS to reflect the fact that the agreement is for the renewal of a Hospital already in operation (the **"**Renewal Agreement**"**). PVS can treat FRANCHISEE's failure or refusal to sign the Renewal Agreement within 30 days after delivery as FRANCHISEE's final decision not to renew;

5.2.7. FRANCHISEE (and if FRANCHISEE is a business entity, all person(s) who hold an ownership or equity interest in Franchisee (the "Owners")) sign a general release, in a form PVS prescribes, of any and all claims against PVS, its affiliates, and their respective officers, directors, shareholders and employees through the date of signing the Renewal Agreement;

5.2.8. FRANCHISEE pays a renewal fee in an amount specified by PVS, not to exceed $5,000; and

5.2.9. Before the end of the Initial Term, the Hospital personnel designated by PVS successfully complete any additional or refresher training courses that PVS may require, at FRANCHISEE's expense.

Notwithstanding the foregoing, the exercise of any renewal option and the commencement of any Extension Period will be subject to PETSMART electing, in its sole discretion, to exercise any renewal or extension period it may have under the Lease. If PETSMART elects not to exercise such renewal or extension period, then this Agreement will expire at the end of the Initial Term. PVS agrees to provide FRANCHISEE notice of such election within a commercially reasonable time after PVS is notified of PETSMART's election. In addition, PVS can refuse to provide the Extension Period if, before the end of the Initial Term, PVS has announced a decision to stop franchising PVS Hospitals in the region of the U.S.A. where FRANCHISEE's Hospital is located. If PVS exercises that right, PVS will notify FRANCHISEE within 45 days after receipt of FRANCHISEE's notice of intention to renew and PVS will waive the post-term restriction on competition in Section 29.1. In the event that PVS, through PETSMART, obtains an additional renewal option, PVS may, in its sole and absolute discretion offer such additional renewal options to FRANCHISEE.

6. USE AND OCCUPANCY.

6.1. Opening Deadline. Subject to Section 5.1, FRANCHISEE will begin operation of the Hospital by the Outside Commencement Date.

6.2. Permitted Use. FRANCHISEE will use the Hospital for the limited purpose of providing Veterinary Services and the incidental retail sale of products related to Veterinary

Services approved by PVS under Section 8.14 ("Approved Products and Services") to the public, and for no other purpose without the written consent of PVS, which consent may be withheld in PVS's sole and absolute discretion. "Veterinary Services" means those services that may only be administered or provided by, or under the supervision, direction or control of, a currently licensed veterinarian or, if required by Applicable Laws, currently licensed or registered veterinary technician, in either case in good standing in the jurisdiction in which such services are provided.

6.3. Breakrooms; Restrooms. In addition to the Hospital GFA, FRANCHISEE and its employees and agents will be entitled, without additional charge, to use the break rooms, restrooms, and other employee amenities within the Premises as designated by PVS, and FRANCHISEE will be entitled to utilize the loading docks of the Premises with commercially reasonable coordination with PVS.

6.4. Unacceptable Activities. No "bankruptcy," "going out of business," or similar sale will be conducted at the Hospital; care will be taken to prevent any objectionable or unpleasant sounds, sights, or odors from emanating from the Hospital; no radio, television, loudspeaker or amplifier will be placed outside the Hospital or where the same may be seen or heard from outside the Hospital; no antenna, awning or other projection may be attached to or placed near the exterior of the Hospital; no action may be allowed to be taken at the Hospital which would constitute a nuisance or would disturb or endanger customers of the PETSMART store or interfere with their use of the Premises; no action may be taken which would tend to injure the reputation of PETSMART; and no action may be taken which PVS informs FRANCHISEE would cause a breach of the Lease or License. Notwithstanding the foregoing and subject to commercially reasonable restrictions, with the consent of PVS, which may be withheld in its sole discretion, FRANCHISEE may place one television in an area mutually agreed to by PVS and FRANCHISEE, for the sole purpose of advertising the Hospital or the products and services offered by the Hospital as permitted under this Agreement.

7. TRAINING

7.1. Initial Training. Before the Hospital opens, FRANCHISEE (or the Operating Partner as defined in Section 8.5, if FRANCHISEE is a company) and any other Hospital personnel that PVS designates must successfully complete initial training at a location PVS specifies. The training will focus on (a) operation of the technology systems and equipment provided by PVS and its designated vendors; and (b) policies and procedures relating to occupancy of the Hospital and coordination with the PETSMART store at the Premises. PVS has the right to reduce the duration and content of initial training if the trainee has prior experience with PVS Hospitals.

7.2. Additional Training. After the Hospital opens for business:

7.2.1. PVS may require that any new Hospital Veterinarian (as defined in Section 8.1) and any other new Hospital personnel designated by PVS, before starting his or her duties, successfully complete initial training;

7.2.2. Each Hospital Veterinarian and any other Hospital personnel PVS designates must attend and successfully complete any additional training programs PVS requires from time to time; and

7.2.3. PVS may offer optional training programs.

7.3. **Successful Completion.** PVS alone will have the right to judge whether a person has successfully completed a training program. If any person fails to complete a required training program to PVS's satisfaction, he or she may repeat the course or FRANCHISEE may send a substitute to the next available scheduled training session.

7.4. **Training Methods.** Except for the initial training, PVS has the right to provide training programs in person, by video (live or reply), via the Internet, or by other means, as PVS determines.

7.5. **Training Fees.** PVS may charge a training fee: (a) for additional trainees that FRANCHISEE requests in excess of the maximum number PVS designates for a training program; (b) if PVS requires additional training as a result of FRANCHISEE's failure to comply with PVS quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that PVS makes optional for franchisees.

7.6. **Expenses.** For all training, including initial training, FRANCHISEE is responsible for all travel expenses, living expenses, wages, and other expenses incurred by FRANCHISEE's trainees. If PVS conducts training at the Hospital, FRANCHISEE will pay, in addition to any applicable training fee, the reasonable travel, meal and lodging expenses of PVS's trainer(s).

7.7. **Hospital Personnel.** FRANCHISEE is responsible for ensuring that all Hospital personnel are properly trained to perform their duties.

8. HOSPITAL OPERATIONS.

8.1. **Hospital Accreditation and Veterinary Licensing.** FRANCHISEE must be qualified as a veterinary business and provide Veterinary Services in the Hospital either personally or through employees or independent contractors of the FRANCHISEE who are licensed and qualified to practice veterinary medicine in the state where the Hospital is located. FRANCHISEE must maintain accreditation of the Hospital by one or more veterinary accreditation associations as required by PVS, at FRANCHISEE's expense. FRANCHISEE must apply for and obtain accreditation within 36 months after the Commencement Date. In the event FRANCHISEE is unable to obtain accreditation due to limitations outside of FRANCHISEE's control, PVS and FRANCHISEE will work in good faith to determine appropriate exceptions to the accreditation standards. All veterinarians providing Veterinary Services in or through the Hospital for or on behalf of FRANCHISEE ("Hospital Veterinarians") will hold a valid veterinary license and accreditation to practice in the applicable state or will otherwise be qualified under the laws of the applicable state to practice veterinary medicine therein. Where applicable under the laws of a state or jurisdiction, all veterinary technicians and/or support personnel will hold appropriate licenses

and accreditations. FRANCHISEE will provide PVS, promptly upon request, evidence of all veterinary licenses and accreditations required under this Section.

8.2. System Standards. In order to protect the reputation and goodwill of PETSMART stores and the Marks, PVS has developed mandatory and recommended specifications, standards, policies and procedures for the operation of PVS Hospitals ("System Standards"), which are expressed in PVS's confidential manuals, other written materials, electronic files, videos, and audio recordings relating to the development and operation of the PVS Hospitals (collectively, the "Brand Standards Manual"). PVS has the right to modify, in its sole and absolute discretion, the Brand Standards Manual from time to time to reflect changes in the System Standards. PVS will furnish FRANCHISEE with electronic access to the Brand Standards Manual, as modified by PVS from time to time. FRANCHISEE acknowledges that PVS owns the copyright in the Brand Standards Manual and that any portions in FRANCHISEE's possession or control are on loan from PVS and remain PVS's property. The Brand Standards Manual and any digital identification necessary to access digital versions of the Brand Standards Manual are part of the Confidential Information and must be used and protected accordingly.

8.3. Compliance with System Standards. To protect the reputation and goodwill of PETSMART stores and the Marks and to maintain high standards of operation, FRANCHISEE will (a) comply with the mandatory System Standards, except as limited by Section 8.4; and (b) meet or exceed the standards for veterinary medical practices generally prevailing in the community in which the Hospital is located. FRANCHISEE acknowledges that the System Standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Hospital. Subject to Section 8.4, a material failure to comply with mandatory System Standards will constitute a material breach of this Agreement. PVS has the right to vary the System Standards, in PVS's reasonable judgment, to accommodate the individual circumstances of different PVS Hospitals.

8.4. Professional Judgment. PVS and FRANCHISEE acknowledge that veterinarians must exercise professional judgment in the care and treatment of patients. Hospital Veterinarians and other licensed professionals employed or contracted to practice in the Hospital may deviate from the System Standards in the specific instances in which the licensed professional determines, in his or her professional judgment and in compliance with the appropriate veterinary standards, that the System Standards would not satisfy statutory, regulatory, or professional ethical obligations applicable to the practice in the state where the Hospital is located. In these instances, the licensed professional may deviate from the System Standards: (i) only to the extent he or she reasonably deems necessary to satisfy the applicable statutory, regulatory, or professional ethical obligations; and (ii) with prior notice to PVS, if feasible, and if prior notice is not feasible, then with notice to PVS within thirty (30) days after the deviation. If a situation arises where FRANCHISEE believes a deviation from the System Standards may be necessary, FRANCHISEE will promptly notify PVS so that PVS can assess the situation and communicate with FRANCHISEE. If FRANCHISEE wishes to deviate from the System Standards regarding any aspect of the Hospital that is not related to the practice of veterinary medicine, FRANCHISEE will apply for a formal variance and must obtain PVS's prior written consent.

8.5. Management of Practice. If FRANCHISEE is a company, an Operating Partner must be the day-to-day operator of the Hospital. "Operating Partner" means a natural person designated by the FRANCHISEE (or an entity controlled by that person) that: (a) owns at least 10% of equity interest (equity interest may include equity-like equivalents such as RSUs, phantom- equity, etc.); or (b) has at least 20% individual production, revenue, or profits interest; or (c) is otherwise approved by PVS in its sole and absolute discretion. PVS will have the right to rely on any statement, agreement, or representation made by the Operating Partner on behalf of FRANCHISEE and the Hospital. If the Operating Partner leaves FRANCHISEE's organization, FRANCHISEE must name a replacement within 60 days. If FRANCHISEE has not obtained approval of a new Operating Partner within 60 days, FRANCHISEE will be in material default of this Agreement.

8.6. Conduct of Business. FRANCHISEE will always conduct its business in accordance with the highest standards of honesty, integrity, competency, efficiency, conscientiousness, diligence, quality, confidentiality, professionalism, courtesy, humaneness, mercy, fair dealing and ethics. FRANCHISEE will do nothing which would tend to discredit, dishonor, reflect adversely upon, belittle, criticize or in any manner injure the reputation of PETSMART or PVS or otherwise cause prejudice to the goodwill associated with their businesses or the Marks.

8.7. Hours of Operation. From and after the Commencement Date, the Hospital is required to be open to the public and providing Veterinary Services for a minimum of 40 hours per week, with the days and hours of operation falling within the business hours of the PETSMART store at the Premises. The scheduled hours and days of the Hospital, and any updates to the scheduled hours and days, must be communicated to PVS at least 14 days in advance. Any deviations from scheduled hours and days of the Hospital shall be promptly communicated to PVS. Notwithstanding the foregoing, the Parties understand and agree that the Hospital may close from time-to-time on a non-frequent basis due to weather, holidays, or emergencies.

8.8. After Hours Access. FRANCHISEE and PVS acknowledge that it is every veterinarian's ethical and legal responsibility to check on any patient under their care and to provide appropriate treatment whenever it is necessary, irrespective of the time of day, day of week, or holiday observance. Accordingly, for purposes of maintaining the standard of care and subject to such reasonable policies as PVS may institute for the purpose of security, PVS will allow FRANCHISEE to have access to the Hospital as reasonably needed during hours when the Premises are closed to the public. For greater clarity, such access does not authorize FRANCHISEE to open the Hospital to the public outside of the hours when the Premises are open to the public. FRANCHISEE will be responsible for any liabilities or losses suffered by FRANCHISEE or PVS associated with after-hours access to the Premises by FRANCHISEE or its personnel.

8.9. Staffing. FRANCHISEE will use best efforts to ensure that the Hospital is adequately staffed during its operating hours. FRANCHISEE will staff the Hospital with such veterinary medical personnel during and after the Commencement Date as may be necessary to: (a) meet the minimum System Standards set out in the Brand Standards Manual; and (b) efficiently carry out the high-quality practice of veterinary medicine at the Hospital.

8.10. Employer Responsibilities. FRANCHISEE will be solely responsible for all employment decisions, functions and liabilities relating to the Hospital, including but not limited to decisions related to recruiting, screening, hiring, firing, training (other than training in System Standards under Section 7), scheduling, compensation, benefits, payroll taxes, wage and hour requirements, record keeping, supervision, safety, security, and discipline of employees. Any information PVS provides about employment matters, whether voluntarily or in response to FRANCHISEE's request, and whether directly or by means of any technology tools, is a recommendation only and not intended to exercise control over FRANCHISEE's employees, their wages, hours or working conditions, or the means and manner by which they carry out their duties. FRANCHISEE alone will direct and control all employees of the Hospital, subject only to applicable legal requirements, the terms of this Agreement, and the System Standards that PVS prescribes for the preservation of the goodwill associated with the Marks. FRANCHISEE will not use any of the Marks in connection with any employee documents (such as employment applications, paychecks, pay stubs, benefits materials, employee handbooks, and employment agreements) without a prominent notice on the document that FRANCHISEE is a franchisee of PVS and that neither PVS nor PETSMART is the employer, co-employer, or joint employer of anyone working in the Hospital. At PVS's request, made not more often than once every six months, FRANCHISEE will communicate to FRANCHISEE's current employees a reminder that neither PVS nor PETSMART is their employer, and that PVS and PETSMART do not assume and will not accept any employer, co-employer or joint employer obligations. FRANCHISEE agrees to indemnify PVS and PETSMART against any claims by FRANCHISEE's employees and independent contractors or arising from the acts or omissions of FRANCHISEE's employees and independent contractors, as provided in Section 18.

Subject to Applicable Laws, FRANCHISEE will conduct a background check on each employee or subcontractor who will regularly be physically present at the Premises or have access to PVS's information systems. The background check will include a criminal background check covering the past seven (7) years for all locations in which the individual has resided. Subject to Applicable Laws, FRANCHISEE will only allow access to the Premises by individuals who have no felony or animal abuse criminal convictions and whose background checks otherwise comport with information provided to FRANCHISEE by the individual. FRANCHISEE will provide evidence to PVS of FRANCHISEE's compliance with this requirement upon request. "Applicable Laws" mean, collectively, all applicable laws, codes, orders, statutes, ordinances, rules and regulations of federal, state, county and municipal authorities with appropriate jurisdiction (by way of example only, the Arizona State Veterinary Medical Examining Board), including any orders rendered by public officers with appropriate jurisdiction and authority.

8.11. Trade Dress. FRANCHISEE will make no changes to the trade dress provided by PVS for the Hospital (e.g., marks, logos, taglines, color palettes and icons) without the prior written approval of PVS.

8.12. Hospital Location Limitation. FRANCHISEE may not be a person or entity, or a subsidiary or affiliate of a person or entity, that owns or operates veterinary hospitals or other veterinary facilities at more than 50 locations within the United States and Puerto Rico (excluding vaccination clinics and other temporary facilities, such as mobile clinics). FRANCHISEE will,

upon request by PVS, provide any information concerning all persons or entities, or subsidiaries or affiliates of such persons or entities, associated with FRANCHISEE and whether such persons or entities, or subsidiaries or affiliates of such persons or entities, own or operate veterinary hospitals or other veterinary facilities at more than 50 locations within the United States and Puerto Rico (excluding vaccination clinics and other temporary facilities, such as mobile clinics). PVS, in its sole and absolute discretion, may waive the restrictions in this Section. Such waiver must be in writing and executed by an officer of PVS.

8.13. Equipment and Furnishings. The parties acknowledge that PVS will arrange for or provide certain veterinary medical equipment, technology systems, cages or kennels, and other equipment and furnishings to FRANCHISEE (the "Equipment") as detailed on **Exhibit B**. The Equipment will be licensed to FRANCHISEE to be used in the operation of the Hospital as part of the License. FRANCHISEE will acquire and install, at FRANCHISEE's expense, any additional or substitute fixtures, medical equipment, office equipment, furnishings, and décor items that PVS requires from time to time. FRANCHISEE will not install or use any fixtures, equipment, furnishings, signs, or décor items that PVS has not approved in writing. FRANCHISEE will be responsible for obtaining all repairs, maintenance and replacement of the Equipment through PVS or vendors and service providers approved by PVS, at FRANCHISEE's expense.

8.14. Approved Products and Services. FRANCHISEE will offer all Veterinary Services set forth on **Exhibit C** and all other veterinary medical and pet care services and related products and services that PVS designates from time to time as required items. FRANCHISEE may also offer any optional products and services that PVS has approved for sale in PVS Hospitals, but FRANCHISEE is prohibited from selling, directly or indirectly, either at the Hospital or elsewhere (including on-line), any unapproved products or services without PVS's prior written consent. FRANCHISEE agrees to discontinue selling or offering for sale any products or services that PVS disapproves at any time, in PVS's sole and absolute discretion. Without limiting the foregoing, FRANCHISEE acknowledges the following restrictions:

8.14.1. PETSMART Store Products and Services. FRANCHISEE and its affiliates or otherwise related entities may not, directly or indirectly, market, offer, or sell any product or service in the Hospital or elsewhere (including on-line or for home delivery) that is sold in PETSMART stores (or by PETSMART on-line or for home delivery), now or in the future, including, without limitation, grooming, pet day care, training, and overnight boarding services (except if such boarding is ancillary to or required by medical observation, diagnosis, vaccination, or treatment). FRANCHISEE will use best efforts to promote the products and services sold inside the PETSMART store and will not promote another retail business (including both on-line and brick and mortar retail businesses) or, directly or indirectly, create, operate, manage, or promote its own brick and mortar or on-line retail business.

8.14.2. Wellness Plans. FRANCHISEE and its affiliates or otherwise related entities will not, directly or indirectly, market, offer, accept, or sell within the Premises any wellness or preventive program, arrangement or agreement similar to Banfield's "Wellness Plans" or a prepaid and discounted veterinary services program

(collectively, "Wellness Plans"). For the avoidance of doubt, FRANCHISEE may not advertise, through any medium including flyers, handbills or posters, or otherwise solicit or recommend that its customers purchase a Wellness Plan from FRANCHISEE at its other locations or from any third-party. The parties understand and agree that compliance with this provision is of utmost importance to PVS and FRANCHISEE agrees that upon notice from PVS of a violation of this provision, FRANCHISEE will immediately cease any actions or omissions which are alleged to violate this provision. PVS, in its sole and absolute discretion, may waive the restrictions in this Section 8.14.2. Such waiver must be in writing and executed by an officer of PVS.

8.14.3. Pet Insurance. FRANCHISEE and its affiliates or otherwise related entities will not market, broker, offer, or sell any pet-insurance product, either under its own brand or the brand of a third party (or co-branded in any manner) at the Premises. Notwithstanding the foregoing, FRANCHISEE may counsel customers on the benefits of pet-insurance products for the care of the customer's pet and the payment of veterinary expenses. PVS, in its sole and absolute discretion, may waive the restrictions in this Section 8.14.3. Such waiver must be in writing and executed by an officer of PVS.

8.14.4. Therapeutic Pet Foods. PVS and FRANCHISEE agree as follows concerning the sale of Therapeutic Pet Foods at the Hospital and the Premises. "Therapeutic Pet Foods" means pet foods which are or have been labeled or marketed as "prescription" or "therapeutic" products (e.g., Hill's Prescription Diet):

(a) FRANCHISEE will not sell, directly or indirectly, Therapeutic Pet Foods at the Hospital (or on-line or for home delivery), except to the extent (if any) expressly authorized by the Brand Standards Manual. FRANCHISEE acknowledges that (i) PETSMART will determine the brands of Therapeutic Pet Foods to be carried by the PETSMART store and will negotiate arrangements with the suppliers of those brands; and (ii) all Therapeutic Pet Foods will be checked out through the cash registers of the PETSMART store (except Therapeutic Pet Foods purchased online and picked-up at the Premises or orders shipped from and/or delivered by the Premises). PVS will coordinate with PETSMART regarding the ordering, purchasing, storage, stocking, facing, and handling of all Therapeutic Pet Foods at the Premises.

(b) FRANCHISEE agrees to provide, at no charge to PVS or PETSMART, a prescription card to all customers for Therapeutic Pet Food. PVS will arrange for PETSMART to verify and process only transactions that are supported by a valid prescription card or alternative electronic method which is agreeable to FRANCHISEE.

(c) PVS will coordinate with PETSMART regarding shelf and/or racking space for the Therapeutic Pet Foods in close proximity to the Hospital, so that it

is efficient for the Hospital Veterinarians and other Hospital team members to help customers find the food that is best for their pet.

(d) PVS reserves the right (but will have no obligation) to implement an incentive program with respect to the sale of Therapeutic Pet Foods at the Premises. PVS will give FRANCHISEE sixty (60) days written notice before the start of any such program.

8.15. Sourcing of Products and Services. To maintain high standards of quality, to promote uniformity and efficiency, and to reduce costs for all PVS Hospitals, PVS has the right to require that all current and future pharmaceuticals, medical equipment, telemedicine platforms and services, information technology systems, software, SaaS, supplies, office equipment, furnishings, retail merchandise, promotional items, credit card processing services, and other products and services that FRANCHISEE purchases for operation of or sale in the Hospital: (a) meet specifications that PVS establishes from time to time; (b) be purchased only from suppliers that PVS has expressly approved; and/or (c) be purchased only from a particular manufacturer, wholesaler, distributor or other source that PVS has designated for the particular product or service ("Designated Supplier"). FRANCHISEE acknowledges that PVS can name itself, an affiliate of PVS, or a PVS-organized buying cooperative as the Designated Supplier for any item. The purchasing specifications, approved supplier requirements, and/or Designated Suppliers for particular items will be set out in the Brand Standards Manual from time to time. PVS's ability to negotiate and maintain arrangements with Designated Suppliers may depend on the participation of as many PVS Hospitals as possible; accordingly, if PVS has named a Designated Supplier for a product or service, FRANCHISEE must obtain the product or service from that Designated Supplier. FRANCHISEE will comply with the terms and conditions included in the contract with a Designated Supplier, provided that the terms and conditions apply to all PVS Hospitals that receive the goods or services covered by the contract.

If FRANCHISEE desires to purchase any items from a source that has not been approved by PVS, and provided that PVS has not named a Designated Supplier for the item, FRANCHISEE must submit a written request for approval or request the proposed source itself to do so. PVS will have the right to, among other requirements in its sole discretion, require that: (a) its representatives be permitted to inspect the proposed source's facilities and that samples from the source be delivered, at PVS's option, either to PVS or to an independent laboratory designated by PVS for testing; and (b) the proposed supplier comply with certain standards required by PVS including, but not limited to, data protection and data breach requirements. FRANCHISEE will pay PVS a fee not to exceed the reasonable cost of the inspection and the actual cost of the test, whether or not PVS approves the proposed source.

8.16. Branded Products. PVS may make available, in its discretion, products bearing the Marks and/or prepared using ingredients, formulations, mixes and/or methods of preparation created, adapted or developed by or for PVS or its affiliates ("Branded Products"). PVS may modify, discontinue, substitute, and/or add items to the Branded Products at any time in its sole discretion. FRANCHISEE will purchase any such Branded Products only from PVS or an affiliate PVS designates.

8.17. **No Product Diversion**. FRANCHISEE will not resell to others any pharmaceuticals or products purchased for the Hospital or engage in any other buying or selling practices that may put FRANCHISEE's veterinary license at risk (e.g., grey market sales). If PVS determines that FRANCHISEE has ordered an excess inventory of pharmaceuticals or products for the Hospital, PVS may investigate as PVS sees fit and exercise the right to conduct an inspection under Section 27.

8.18. **No Liability for Unaffiliated Suppliers**. PVS and its affiliates disclaim all express and implied warranties (including any warranties of merchantability, fitness for a particular purpose, availability, quality, pricing or profitability) concerning any products or services that FRANCHISEE obtains from any source other than PVS and its affiliates, even if PVS designated or approved the source under Section 8.15. FRANCHISEE agrees not to assert any claims against PVS (or any of PVS's officers, directors or affiliates) with respect to any products and services FRANCHISEE obtains from sources other than PVS and its affiliates. FRANCHISEE will assert any claims only against the supplier in question. FRANCHISEE agrees to provide PVS with written notice before taking any action on a claim against a Designated Supplier.

8.19. **Supplier Payments**. FRANCHISEE acknowledges and agrees that PVS and its affiliates will or may receive (a) profits from direct sales to FRANCHISEE; and/or (b) commissions, rebates, promotional allowances, volume discounts, and other payments or benefits based on FRANCHISEE's purchases from other vendors and suppliers. Except as limited by applicable law or by agreement with the supplier, PVS and its affiliates have the right to retain any payments or other economic benefits received from vendors and suppliers based on FRANCHISEE's purchases.

8.20. **Inventory.** FRANCHISEE will maintain a sufficient inventory of products and supplies, including Branded Products if applicable, to meet the System Standards (or to meet reasonably anticipated customer demand, if PVS has not prescribed specific standards).

8.21. **Quality Assurance Program**. FRANCHISEE will comply with PVS's quality assurance program, which may include, among other things, customer satisfaction surveys, random medical record reviews, peer review of selected cases, employee satisfaction and perception surveys, health and safety reviews, and review of FRANCHISEE's random drug testing requirements. PVS may use the Brand Fund (as defined in Section 12.3) to pay for the services of any independent third parties (e.g., AAHA, etc.) that PVS engages to conduct these activities. FRANCHISEE will bear any other expenses to carry out the quality assurance program for the Hospital. If FRANCHISEE fails to achieve the minimum score that PVS prescribes for a specific quality assurance category, PVS may require FRANCHISEE and/or designated personnel to complete additional training in the System Standards at the Hospital or a location that PVS designates, at the FRANCHISEE's expense. If FRANCHISEE fails to achieve the prescribed minimum score on two consecutive assessment occasions or on three or more assessment occasions in any three (3) year period, PVS will have the right to terminate this Agreement by written notice to FRANCHISEE, without opportunity to cure.

8.22. **Minimum Performance Requirements**. FRANCHISEE agrees that the Hospital must achieve minimum annual thresholds for Hospital Revenue (as defined in Section 13.3) as set

forth in this Section (the "Minimum Performance Requirements"). The Minimum Performance Requirements are:

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

If the Hospital does not achieve the Minimum Performance Requirement in any Franchise Year, PVS will notify FRANCHISEE of default and PVS will have the right to: (i) require FRANCHISEE to implement a revenue improvement program approved by PVS, which may include, among other things, engaging in specified marketing activities; and (ii) terminate this Agreement if FRANCHISEE fails to comply with the terms of the revenue improvement program or fails to achieve, in the first six months of the succeeding Franchise Year, 50% of the Minimum Performance Requirement for the succeeding Franchise Year. FRANCHISEE acknowledges that the Minimum Performance Requirements do not predict or project the Hospital's revenue and are not a representation or guarantee of any financial results to FRANCHISEE from the exercise of the rights granted in this Agreement.

8.23. Off-Premises Operations. FRANCHISEE will obtain prior written approval from PVS before engaging in any Off-Premises Operations. "Off-Premises Operations" means the offering of any Approved Products and Services under the Marks at or from a location outside of the Premises, including, for example, in a mobile van, community event, or customer's home. All Off-Premises Operations will be subject to all applicable provisions of this Agreement, including (but not limited to) the Royalty Fee and Brand Fund contribution in Section 13, the operational requirements in this Section 8 (including use of the Hospital's practice information management system (PIMS) for all transactions), the limitations on use of the Marks in Section 24, and the obligation to indemnify PVS in Section 18. If PVS authorizes Off-Premises Operations, PVS may limit the geographic area and/or specific types of locations in which FRANCHISEE is permitted to provide Approved Products and Services. PVS may establish rules and policies to coordinate the Off-Premises Operations of PVS Hospitals to prevent customer confusion. FRANCHISEE will pay any fees and costs required to comply with such rules and policies.

8.24. Information Systems. PVS has the right to specify the point-of-sale (POS) system, practice information management system (PIMS), accounting software (e.g., QuickBooks), credit card processing systems, back- office system, software applications, audio/visual equipment and programs, electronic payment devices, and other hardware and software that FRANCHISEE must install and use in the operation of the Hospital. FRANCHISEE will accept the vendor's standard license agreement or user terms or as otherwise negotiated by PVS, if required to use a system that PVS specifies. FRANCHISEE will not install any unrelated software or connect any unauthorized devices to the PIMS or any other required information systems (e.g., computers provided by PVS). FRANCHISEE will maintain the information systems in good working order at all times and, if so directed by PVS, promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of

hardware, software, and other information system components, at FRANCHISEE's expense. PVS will have independent access to FRANCHISEE's systems and FRANCHISEE will configure security settings and/or provide PVS with any usernames and passwords necessary for that purpose. To protect the Confidential Information (as defined in Section 25.1), including but not limited to Hospital Records and Customer Data, FRANCHISEE agrees not to use or otherwise engage with any AI Source for the operation of the Hospital without the prior consent of PVS. The term "AI Source" means any resource, online or otherwise, that uses artificial intelligence technology (including but not limited to ChatGPT, Claude, Copilot, copy.ai, Gemini, OpenAI, or any other large language model) to gather, manage, analyze, process, or use information to generate responses or take actions on behalf of the user.

8.25. Data Security. FRANCHISEE will implement industry-standard administrative, physical, and technical security measures and devices to protect data from unauthorized access, acquisition, loss, destruction, disclosure or transfer. FRANCHISEE is required to use best efforts to secure the Hospital systems, including, but not limited to, use of firewalls, access code protection, anti-virus systems, and backup systems. If FRANCHISEE accepts payment from customers by credit and/or debit card, FRANCHISEE will comply with the then-current Payment Card Industry Data Security Standards (PCI-DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization and will complete PCI-DSS audits as and when required by the standards. FRANCHISEE acknowledges that compliance with PCI-DSS is not a guarantee that a security breach will not occur. FRANCHISEE waives any and all claims FRANCHISEE may have against PVS and its affiliates as the direct or indirect result of computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders. In the event of a known or suspected security breach, FRANCHISEE will notify PVS promptly and comply with Applicable Laws and PVS's reasonable instructions regarding response to the breach. Any losses or expenses PVS and its affiliates incur as a result of an actual or suspected security breach of the Hospital will be subject to indemnification under Section 18. FRANCHISEE will participate in and cooperate with any security audit performed by or for PVS and notify PVS promptly of any harm to the information systems or violation of PVS policies relating to them.

8.26. Patient and Hospital Records. Subject to Applicable Laws, all patient records, reports, and information obtained, generated, or encountered relating to a patient visit, examination or diagnostics ("Hospital Records") will be the property of FRANCHISEE and/or the treating Hospital Veterinarian, as applicable. FRANCHISEE and/or the treating Hospital Veterinarian, and not PVS, will be responsible for securing and maintaining the privacy and confidentiality of the Hospital Records (whether or not stored within the Hospital), and FRANCHISEE will indemnify, defend, and hold harmless PVS and PETSMART for any liability, losses, damages, or judgments brought against PVS or PETSMART arising or resulting from, or in any way related to, the improper security or maintenance of Hospital Records or customer credit card information. FRANCHISEE and/or the treating Hospital Veterinarian shall utilize best efforts, in coordination with PVS, to gain written consent from the customer to share patient records, reports, and information described herein with PVS and its affiliates and to enable the treating Hospital Veterinarian, FRANCHISEE and PVS and/or its affiliates or designees to provide additional services and care for the patient, including but not limited to telehealth and telemedicine. Notwithstanding the foregoing, PVS will be liable and will indemnify FRANCHISEE for any liability, losses, damages, or judgments brought against FRANCHISEE arising or resulting from, or in any way related to the failure of PVS to maintain the confidentiality of any Hospital Records provided to PVS. To the extent permitted by Applicable Laws, PVS will have the right to receive copies of Hospital Records as part of its quality assurance program and/or to assist in any investigation concerning an injury to a pet. PVS will instruct its personnel to keep confidential any

such information, as well as any financial, statistical, personnel, and patient information relating to the Hospital.

8.27. Customer Data. Subject to Applicable Laws, FRANCHISEE will regularly provide PVS, in a format acceptable to PVS, customer information collected by FRANCHISEE concerning pets and customers seeking Veterinary Services including, but not limited to, names, addresses, phone numbers, email addresses and pet information (name and type) (collectively "Customer Data"). PVS, FRANCHISEE, and the treating Hospital Veterinarian will use best efforts to develop any applicable forms, including consent forms, to comply with Applicable Laws and facilitate the collection and sharing of Customer Data by FRANCHISEE and the treating Hospital Veterinarian with PVS. FRANCHISEE and PVS acknowledge that each Party is an independent business or controller with respect to Customer Data and that each Party maintains separate and independent relationships with customers. Following the expiration or termination of this Agreement: (a) FRANCHISEE is permitted to solicit for Veterinary Services those customers who patronized the Hospital and obtained Veterinary Services for their pets, regardless of whether such customers were customers of the FRANCHISEE before or after the Effective Date; (b) FRANCHISEE is permitted to solicit for Veterinary Services any potential customers FRANCHISEE identified and sourced through its own efforts without the aid or assistance of PVS; and (c) FRANCHISEE is prohibited from soliciting, for any reason, those customers whose Customer Data was provided by PVS to FRANCHISEE and who did not obtain Veterinary Services from the Hospital for their pets. PVS is permitted to solicit, for any reason, those customers whose Customer Data was provided to PVS by FRANCHISEE.

8.28. Gift Cards and Loyalty Programs. FRANCHISEE will participate in any programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, and other electronic money programs PVS prescribes from time to time for PVS Hospitals. Participation includes both issuing program benefits or credits and accepting them for payment by customers and may require FRANCHISEE to purchase additional equipment. PVS will coordinate the crediting and debiting of funds among PVS Hospitals based on customer purchases and redemption of stored value. FRANCHISEE will also participate in any customer loyalty programs PVS prescribes from time to time. FRANCHISEE may not offer its own gift card, electronic money, or loyalty program.

8.29. Public Positions. FRANCHISEE will not make any public statements concerning PETSMART, PVS, FRANCHISEE's relationship with PVS, or FRANCHISEE's treatment of any PetSmart Pets (defined in Section 10.1) or pets injured at or around the Premises without the consent of PVS, which consent may be withheld in PVS's sole and absolute discretion. Notwithstanding the foregoing, PVS and FRANCHISEE agree that they will strive to make coordinated and consistent public statements on issues that are of concern to both Parties and, to that end, will consult with one another at the appropriate officer level with respect to such matters.

8.30. Compliance with Laws. FRANCHISEE will operate the Hospital in full compliance with all Applicable Laws. FRANCHISEE IS RESPONSIBLE FOR VERIFYING THAT THE SYSTEM STANDARDS COMPLY WITH THE VETERINARY LAWS AND REGULATIONS OF THE STATE AND LOCAL JURISDICTIONS IN WHICH THE HOSPITAL OPERATES, DESPITE ANY INFORMATION OR ADVICE THAT PVS OR ITS

AFFILIATES MAY PROVIDE. IF FRANCHISEE RECEIVES NOTICE FROM ANY STATE OR LOCAL AUTHORITY CLAIMING THAT ANY SYSTEM STANDARDS CONFLICT WITH THE PROVISIONS OF ANY STATE OR LOCAL LAWS OR REGULATIONS, FRANCHISEE WILL PROMPTLY PROVIDE A COPY OF THAT NOTICE TO PVS. FRANCHISEE will, at its sole cost, dispose of all medical waste in compliance with all Applicable Laws.

8.31. Attendance at Meetings, Seminars and Conferences. FRANCHISEE must attend all meetings, seminars and conferences that PVS reasonably designates as mandatory, including but not limited to annual conferences, marketing meetings for the marketing area in which the Hospital is located, and meetings related to new products, new business procedures or programs, financial management, sales or sales promotion, or similar topics. If the FRANCHISEE or Operating Partner is not able to attend the meeting, seminar or conference, FRANCHISEE will notify PVS before the meeting, seminar or conference and substitute another person from FRANCHISEE's organization to attend. If PVS holds a franchisee convention, PVS has the right to charge a reasonable registration fee, not to exceed $1,000 per person.

8.32. Cooperation in Hospital Operations and Performance Improvement. FRANCHISEE acknowledges that maintaining a high standard of operations and performance is essential to the success of the Franchise system. To achieve the mutual goals of both parties, FRANCHISEE agrees to collaborate with PVS in efforts to improve the operations and performance of the Hospital. This cooperation shall include, but is not limited to, the following:

8.32.1. Regular Communication: FRANCHISEE agrees to maintain regular communication with PVS, including scheduled telephone calls or meetings as deemed necessary by PVS to discuss operational matters, performance improvement strategies, and other relevant topics. The frequency and timing of such communications will be mutually agreed upon by both parties.

8.32.2. Prompt Responses: FRANCHISEE shall respond promptly to all correspondence from PVS, including emails, letters, or other forms of communication, relating to Hospital operations and performance improvement matters. FRANCHISEE acknowledges the importance of timely responses to ensure efficient and effective operations.

8.32.3. Consideration of Franchisor Suggestions: FRANCHISEE agrees to consider, in good faith, all reasonable suggestions, recommendations, and guidelines provided by PVS with respect to improving Hospital operations, service delivery, financial performance, and overall business performance. FRANCHISEE shall actively assess the feasibility and potential benefits of such suggestions and shall work with PVS to implement agreed-upon improvements where appropriate.

8.32.4. Performance Monitoring and Reporting: FRANCHISEE shall cooperate with PVS's efforts to monitor and assess Hospital performance, including providing requested reports, data, or access to operational information necessary for such evaluations.

9. PHARMACY OPERATION.

9.1. Prescribing of Rx. FRANCHISEE will not sell, dispense, or prescribe any medication or pharmaceutical product (those products that may only be prescribed and dispensed by a licensed veterinarian) ("Pharmacy Products") to any customer for any pet other than for pets that are examined or treated as patients of the Hospital (the "Pet Patients"). Subject to this Article 9, FRANCHISEE may prescribe and fulfill Pharmacy Products to any Pet Patients through any internal pharmacy that is a part of the Hospital.

10. CARE OF PETSMART PETS.

10.1. Use of Hospital for Services. PVS agrees that PETSMART will use the Hospital for all veterinary care of pets at the Premises ("PetSmart Pets"), including but not limited to those in the PetsHotel, day care or grooming, those held for sale, and those injured in the store or parking lot; provided, however, that PETSMART may obtain veterinary care for such pets from other providers on a case by case basis if: (a) the Hospital is closed when the services are needed; (b) the Hospital Veterinarian on duty is engaged in any urgent medical case(s) that require direct veterinarian supervision; or (c) there is no Hospital Veterinarian on duty who has been certified by FRANCHISEE to provide services with respect to the type of pet requiring the services. FRANCHISEE agrees to provide such services within a commercially reasonable timeframe and consistent with the System Standards. FRANCHISEE agrees to provide office visits and physical examinations for PetSmart Pets, free of charge. All other services, including medical waste fees, will be provided for PetSmart Pets at a discount of 35% off the Hospital's retail prices. All prescription medication, products or inventory items will be provided for PetSmart Pets at a discount of 35% off the Hospital's retail prices. Further, FRANCHISEE will provide euthanasia services for PetSmart Pets and appropriate disposal, including cremation, of the remains of PetSmart Pets at the cost of $2.00 per pet.

10.2. Payment for Services. Within 15 days from the close of each month during the Term, FRANCHISEE agrees to provide PVS: (a) a detailed breakdown of all services provided by the Hospital to PetSmart Pets under Section 10.1 for such month; (b) copies of invoices; and (c) any other information or copies of additional documents as may be reasonably required by PVS to verify the date, amount and purpose of all such services (collectively "the "Hospital Reconciliation Documents"). Within 45 days of PVS's receipt of the Hospital Reconciliation Documents, PVS or its designee will facilitate the payment to FRANCHISEE or issuance of a credit to FRANCHISEE, as determined by PVS, for the verified services.

11. EMPLOYEE DISCOUNTS.

In order to promote the health and well-being of pets and to cross promote the services of the Hospital within the total PETSMART shopping experience, PVS reserves the right to establish a program under which employees of FRANCHISEE and employees of PETSMART will receive discounts on services and product offerings provided by the other. In no instance will PVS require a FRANCHISEE to provide more than a 15% discount to employees of PETSMART. PVS will have the right to terminate or modify the employee discount program at any time without prior notice to FRANCHISEE. As part of the program, PVS and FRANCHISEE acknowledge and agree that PVS will require certain information concerning FRANCHISEE's

employees including, but not limited to, name, phone number, email address, employment status and employee ID to validate the employee's eligibility. FRANCHISEE agrees to provide such information to PVS and permit PVS to assess such information through any shared systems (e.g., PIMS).

12. ADVERTISING AND PROMOTION.

12.1. Acknowledgments. FRANCHISEE acknowledges the importance of marketing and advertising programs to the goodwill and public image of all PVS Hospitals and the need for standardization of marketing and advertising to maintain a coherent brand image. Accordingly, FRANCHISEE agrees to fulfill the obligations in this Section 12 and to cooperate with PVS and other PVS Hospitals in promoting and enhancing the Marks.

12.2. Grand Opening and Promotional Activity. FRANCHISEE will conduct grand opening activities within thirty (30) days from the Commencement Date. FRANCHISEE agrees to spend not less than $5,000 for grand opening marketing and in-store and external promotional activity approved by PVS. At PVS's request, FRANCHISEE will provide all supporting documentation evidencing compliance with this Section.

12.3. Brand Fund. PVS has established a fund to support development and recognition of the Marks and the network of PVS Hospitals (the "Brand Fund"). FRANCHISEE will contribute to the Brand Fund as provided in Section 13.4. The Brand Fund will be administered as follows:

12.3.1. PVS will direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over strategic direction, creative concepts, materials, endorsements, and geographic, market and media allocation. PVS may use the Brand Fund to pay costs and expenses as PVS determines in its sole discretion, including but not limited to: preparation and production of video, audio, written, online, digital and mobile marketing materials; search engine optimization; purchasing promotional items; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of websites, social media, mobile applications and other digital marketing; implementation of advertising programs and in-Hospital promotions, including purchasing direct mail and media advertising; employing advertising agencies; implementing quality assurance programs; conducting other public relations, marketing, consumer research, and promotional activities, including product or service testing and test marketing programs; the development, testing, and implementation of trade dress and design prototypes; administrative costs and overhead incurred in activities reasonably related to the administration and activities of the Brand Fund, including reasonable salaries and expenses of employees, agents, representatives, and consultants working for or on behalf of the Brand Fund; reasonable fees and expenses of accounting firms, design firms, public relations firms, consultants and ad agencies; legal fees for advertising pre- clearance, defense of false advertising claims, and defense of any claims challenging our administration of the Brand Fund; and interest on any monies borrowed by the Brand Fund.

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

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

12.3.4. Nothing in this Agreement is intended or may be construed to create a trust or give PVS a fiduciary obligation with respect to the Brand Fund. Other than as expressly provided in this Section 12.3, PVS assumes no direct or indirect liability or obligation to FRANCHISEE with respect to maintenance, direction, or administration of the Brand Fund.

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

12.5. **Approval**. FRANCHISEE will request prior written approval from PVS for all advertising and promotional materials FRANCHISEE intends to use. FRANCHISEE will submit all proposed advertising and promotional materials to PVS at least thirty (30) days before their intended use, except that FRANCHISEE is not required to submit materials that were prepared by PVS or that PVS has approved within the prior six (6) months. All proposed advertising should align with the Marks. Proposed advertising materials are deemed to be disapproved unless PVS has approved them in writing within fifteen (15) days after submission. Neither the approval of FRANCHISEE's advertising and promotional material nor the provision of any such materials by PVS will, directly or indirectly, require PVS to pay for any such advertising or promotion. PVS will not be responsible for confirming compliance with Applicable Laws for any advertising and promotional materials proposed or submitted by FRANCHISEE.

12.6. Digital Marketing. Unless PVS has agreed to it in writing, FRANCHISEE will not create, use, register, maintain, or sponsor any website, URL, social media, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or Internet presence that uses or displays any of the Marks (or any derivative thereof) or any other marks or that promotes any products or services of the Hospital or FRANCHISEE. FRANCHISEE acknowledges that the use of any electronic medium constitutes advertising and promotion subject to PVS's approval under Section 12.5. FRANCHISEE will not post or transmit, or cause any other party to post or transmit, advertisements or solicitations by telephone, e-mail, text message, instant message, website, social media, mobile apps, VoIP, streaming media, or other electronic media that are inconsistent with PVS's brand advertising guidelines and standards. The brand advertising standards may include the use of disclaimers, warnings, and other statements that PVS prescribes. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Hospital must be requested through PVS. PVS will register them in PVS's name and provide FRANCHISEE with administrative access only, retaining ownership and ultimate control for PVS. PVS may offer to provide, or may require that FRANCHISEE have, a website for the Hospital (which may be structured as a separate page of a consumer website(s) supported by the Brand Fund) and PVS may charge FRANCHISEE a reasonable fee for development and/or support of the Hospital-specific site.

13. FEES.

13.1. Start-Up Fee. Upon execution of this Agreement, FRANCHISEE shall pay PVS a non-refundable initial start-up fee of Ten Thousand Dollars ($10,000) (the "Start-Up Fee"). The Start-Up Fee is not refundable, and is payable in consideration of the services that PVS provides FRANCHISEE in connection with helping FRANCHISEE establish the Hospital.

13.2. Premises License Fee. Starting after the Ramp-Up Period (the "Ramp-Up Period" is the period of 365 days starting on the Commencement Date), and continuing throughout the Term of this Agreement, FRANCHISEE will pay PVS, the following amounts (the "Premises License Fee"):

	Annual License Fee		**Monthly License Fee**
Franchise Year(s)	/Sq. Ft.	Total	Total
Initial Term Commencement Date through [INSERT]	$10.00	$	$
[1st Extension Period] [INSERT] through [INSERT]	$15.00	$	$

The Premises License Fee is for the License and for occupancy-related costs including, but not limited to, property insurance, liability insurance, common area expenses, electric and water/sewer charges, and real property taxes. If the first day following the Ramp-Up Period falls

on a day other than the first day of a calendar month, the License Fee payable for such partial month will be prorated based on the actual number of days in that month and be paid together with the License Fee for the following month. PVS reserves the right to change the billing period and payment date for the License Fee.

13.3. Franchise Royalty. In addition to the Premises License Fee, from and after the Ramp-Up Period, on a monthly basis, FRANCHISEE will pay an ongoing royalty fee (the "Royalty Fee") calculated as follows:

• 2% of the first $750,000 of Hospital Revenue in the Fiscal Year; then
• 2.5% of Hospital Revenue above $750,000 and up to $1 Million in the Fiscal Year; then
• 3% of Hospital Revenue in excess of $1 Million and up to $1.25 Million in the Fiscal Year; then
• 3.5% of Hospital Revenue in excess of $1.25 Million in the Fiscal Year.

The royalty rate reverts to 2% at the start of the next Fiscal Year. "Fiscal Year" means the 52- or 53-week period ending on the Sunday closest to January 31st, and "Fiscal Month" means each 4-week or 5-week accounting period in PVS's retail calendar. PVS will provide its fiscal calendar to FRANCHISEE prior to the start of each Fiscal Year. Unless PVS designates a different period, the Royalty Fee will be paid monthly based on Hospital Revenue for the preceding Fiscal Month.

"Hospital Revenue" means all revenues generated and collected from services and products sold by or through FRANCHISEE and all other income of every kind related to the Hospital or FRANCHISEE, net of any discounts or refunds to customers. If FRANCHISEE makes a claim for business interruption insurance, "Hospital Revenue" includes the amount of revenue used to determine FRANCHISEE's loss. "Hospital Revenue" does not include any sales taxes or other taxes FRANCHISEE collects from customers and pays directly to the appropriate taxing authority. PVS may determine Hospital Revenue from data in the practice information management system (PIMS). PVS reserves the right to modify this definition consistent with industry practices regarding revenue recognition and revenue reporting as circumstances, business practices, and technology change.

13.4. Brand Fund Contribution. From and after the Commencement Date, on a monthly basis, FRANCHISEE will pay an ongoing fee in an amount designated by PVS, up to 2.5% of Hospital Revenue in the Fiscal Year, as a contribution to the Brand Fund. The Brand Fund contribution will be calculated monthly and paid in the same manner as the Royalty Fee and will be used as described in Section 12.3.

13.5. Local Marketing Spend. From and after the Commencement Date, FRANCHISEE will spend, on an annual basis, 0.5% of Hospital Revenue for local marketing that targets customers within the local geographic area of the Hospital (the "Local Marketing Spend").

Materials developed and methods of distribution, including media and vendors, for the Local Marketing Spend, must be approved by PVS under Section 12.5. At PVS' request, FRANCHISEE will provide all supporting documentation evidencing compliance with this Section.

13.6. Technology Fee. From and after the Commencement Date, on a monthly basis, FRANCHISEE will pay a periodic fee to PVS for the IT services and infrastructure related to equipment provided by PVS (the "Technology Fee") as specified in the Brand Standards Manual. Unless PVS designates a different period, the Technology Fee will be paid on the same schedule and manner as the Royalty Fee. PVS may also charge separately for support calls as provided in the Brand Standards Manual. PVS may revise the Technology Fee at any time on reasonable notice to FRANCHISEE, which need not be more than thirty (30) days.

13.7. Non-Compliance Fee. If PVS determines that the Hospital is not in compliance with this Agreement or the System Standards, PVS is entitled to give notice declaring FRANCHISEE non-compliant. The notice shall include sufficient detail to provide FRANCHISEE with the opportunity to cure its non-compliance. If the non-compliance has not been cured after ten (10) days from delivery of the notice, then (a) PVS shall have the right to assess a fee of Five Hundred Dollars ($500); (b) if the non-compliance remains uncured for an additional thirty (30) days, PVS shall have the right to assess a fee of Seven Hundred Fifty Dollars ($750); and (c) if the non-compliance remains uncured for another thirty (30) day period, and for each thirty (30) days thereafter the non-compliance remains uncured, PVS shall have the right to assess a fee of One Thousand Dollars ($1,000) (the "Non-Compliance Fee"), in PVS's sole and absolute discretion. If the Hospital is again not in compliance within the same calendar year, the Non-Compliance Fee will be One Thousand Dollars ($1,000) starting ten (10) days after delivery of the notice of non-compliance by PVS and continuing each thirty (30) days thereafter the non-compliance remains uncured. This right is cumulative of all other rights of PVS arising from FRANCHISEE's non-compliance, including, but not limited to, termination of this Agreement.

13.8. Business Tax and Licenses. FRANCHISEE will promptly pay: (i) all costs and expenses relating to the operation of the Hospital; and (ii) all business or other applicable taxes in respect of the business carried on by FRANCHISEE in or by reason of its occupancy or use of the Hospital including, but not limited to, all federal, state and local tax payments (excluding real property taxes as such are paid pursuant to Section 13.2), fees, penalties and assessments arising out of FRANCHISEE's business activities, business licenses, sign licenses, and occupancy licenses (including the obtaining of such licenses and/or permits). PVS will have no obligation to obtain any such licenses or permit or pay any such costs and expenses.

13.9. Payment Method. For all amounts payable to PVS and affiliates (including but not limited to amounts due for purchases of goods and services, the Premises License Fee, Royalty Fees, Brand Fund contributions, and Technology Fees), FRANCHISEE will use one or more payment method(s) that PVS designates from time to time. If PVS requires payment by electronic funds transfer (EFT), such as by automated clearing house transfer (ACH), FRANCHISEE will designate an account at a commercial bank of its choice (the "Account") and furnish the bank with authorizations as necessary to permit PVS to make direct debit withdrawals from the Account. FRANCHISEE will maintain sufficient funds in the Account to cover the amounts payable to PVS and its affiliates. If funds in the Account are insufficient to cover the amounts payable at the time PVS makes a direct debit withdrawal, the amount of the shortfall will be deemed overdue. PVS shall not be responsible for any fees, costs, liabilities, or expenses relating to or in connection with FRANCHISEE being overdrawn on its Account or otherwise having insufficient funds.

13.10. No Set-off; Application of Payments. FRANCHISEE's obligations for the full and timely payment of the fees described in this Agreement are absolute and unconditional. FRANCHISEE will not set off, deduct, delay, escrow or withhold any payment based on alleged non-performance of obligations by PVS or any other claims that FRANCHISEE believes it has against PVS or its affiliates. PVS may apply any

payments received from FRANCHISEE to Premises License Fees, Royalty Fees, Brand Fund contributions, Technology Fees, purchases from PVS or its affiliates, interest, late charges or any other obligation in the order PVS chooses, regardless of any designation FRANCHISEE makes.

13.11. Estimated Payments. If PVS does not receive Hospital Revenue data from the Hospital's information systems or from FRANCHISEE as provided in Section 30.2, PVS will have the right to estimate Hospital Revenue for the period and to withdraw by direct debit from the Account the estimated amount due for any charges that are calculated based on Hospital Revenue. When PVS receives the delinquent Hospital Revenue data, PVS will reconcile any difference between the estimated amount and the actual charges due for the period.

13.12. Late Fee and Interest. If any payment due PVS is not received within 10 days after the due date, in addition to the payment due, FRANCHISEE will pay PVS a late fee of $150.00, plus Interest (as defined below) for each day that payment is not made as required by this Agreement. As used herein, the term "Interest" means interest at the rate of: (a) 4% per annum over the prime rate of interest announced from time to time by JP Morgan Chase & Co. (or if such bank ceases to exist or to regularly announce a prime rate, by the largest bank headquartered in the U.S. that announces a prime rate); or (b) the maximum rate allowed by Applicable Laws, whichever is less. Interest will be due and owing from the payment due date until such payment is made in full.

13.13. Withholding Taxes. If FRANCHISEE is obligated by law to withhold any non- resident income taxes that are assessed against PVS by taxing authorities in the jurisdiction where the Premises are located ("Withholding Taxes"), and FRANCHISEE fails to withhold or to pay any Withholding Taxes on time to the appropriate government authority, FRANCHISEE will indemnify PVS and its affiliates for any penalties, interest, and expenses (including legal and accounting fees) that they incur because of FRANCHISEE's failure to withhold or to pay the taxes as required by law.

14. CONDITION OF PREMISES; ALTERATIONS; SIGNAGE.

14.1. Condition of Premises. Subject to Applicable Laws and any approvals required from PETSMART and the landlord, PVS will construct the Hospital, including interior and exterior signage, in the manner consistent with the Brand Standards Manual unless otherwise agreed by PVS and FRANCHISEE**.** Subject to the obligations in this Section, PVS will have no obligation whatsoever to make additions or alterations to the Hospital, and, on the Delivery Date, FRANCHISEE agrees to accept the Hospital in its "AS-IS" condition, with all faults, and without warranty, express or implied (the "Delivery Condition"). Other than signage provided by PVS, FRANCHISEE will have no right to any additional signage at the shopping center in which the Premises are located (the "Shopping Center").

14.2. Alterations. All Alterations will require, in addition to all consents required under the Lease, the prior written consent of PVS, which may be withheld in PVS's sole discretion. "Alterations" means any alterations, additions, restorations, changes, replacements, or installations in, of, or to the Hospital or Premises. All Alterations will be performed: (i) diligently; (ii) in a good and workmanlike manner; (iii) by vendors approved by PVS; and (iv) in compliance with the System Standards and Applicable Laws. During the Blackout Period, FRANCHISEE is prohibited from making any Alterations to the exterior of the Hospital or undertaking any Alterations which may disrupt the operation of the Premises.

15. MAINTENANCE AND SECURITY.

15.1. Hospital Maintenance. FRANCHISEE will maintain the Hospital in a clean, safe, and modern condition, oriented towards providing friendly, high-quality veterinary and customer service, free from dirt, rubbish, or waste at all times, and in good order and repair. FRANCHISEE will, at its sole cost and expense, provide the Hospital with all services and personnel necessary to provide for the proper security, maintenance, and cleanliness of the Hospital. The hiring of any such third-party service provider, including any security agency or sanitary service, will be subject to the prior written approval of PVS.

15.2. Hospital Maintenance Services. Responsibility for maintenance and repairs will be allocated between PVS and FRANCHISEE as provided in the Brand Standards Manual. PVS will provide, at its cost, the maintenance and repair services allocated to PVS. FRANCHISEE will be responsible for all other repair and maintenance services including the costs of performing the same. For maintenance and repair services allocated to FRANCHISEE, FRANCHISEE will follow the procedures set forth in the Brand Standards Manual to schedule the maintenance and repair services using vendors approved by PVS. Each party agrees to promptly perform, or have performed, such maintenance and repairs as are its responsibility. FRANCHISEE will permit PVS or its designated maintenance contractor to enter the Hospital to make any necessary repairs or replacements for which PVS is responsible under this Agreement, and in so doing PVS will use commercially reasonable efforts to minimize interruption of FRANCHISEE's business. In any situation of a sudden and urgent nature requiring immediate action to avoid serious or severe personal injury or property damage ("Emergency"), PVS may enter the Hospital to remedy such Emergency, in which event PVS will give FRANCHISEE notice as soon as reasonably practicable under the circumstances of the reason for and time of entry and of the actions taken by PVS. If PVS takes action to remedy the Emergency and the Emergency was caused by a circumstance other than PVS's failure to provide maintenance and repair services specifically set out in the Brand Standards Manual, FRANCHISEE will reimburse PVS for the reasonable and actual costs incurred by PVS. Notwithstanding the foregoing, if any repairs required for which PVS is responsible under this Agreement are necessitated by the negligence or willful misconduct of FRANCHISEE (or its agents, contractors or employees), PVS will complete such repairs and FRANCHISEE will reimburse PVS for the reasonable and actual costs incurred by PVS.

15.3. Payment for Maintenance Services. For maintenance and repair services allocated to FRANCHISEE, unless PVS designates a different period, the costs and expenses incurred for maintenance and repair services will be charged to FRANCHISEE and paid in accordance with Section 13.8.

16. UTILITIES. PVS agrees to cause to be available to the Hospital water, electricity, sewer, and trash service (other than for hazardous materials and medical wastes which FRANCHISEE will dispose of at its sole cost and expense in accordance with Applicable Laws) ("Utilities"). PVS will not be liable for any interruption whatsoever in Utility services or other services provided to FRANCHISEE unless such interruption is due to PVS's gross negligence or intentional misconduct. The cost of the Utilities is included in the Premises License Fee .

17. **INSURANCE REQUIREMENTS.** From and after the Delivery Date, FRANCHISEE will maintain, at its sole cost and expense, through the end of the Term and for at least 2 years thereafter, the following insurance coverage with reputable insurance companies authorized by law to conduct business in the United States with the financial rating of at least A-VII status, as rated in the most recent edition of Best's Insurance Reports:

(a) a commercial general liability insurance policy with full limits, achieved either by primary or excess/umbrella insurance, for bodily injury and property damage of not less than $1,000,000 per occurrence, with an aggregate limit of not less than $2,000,000, such policies to include products liability and contractual liability and contain no exclusion related to FRANCHISEE's compliance with mandatory or voluntary safety standards of the United States;

(b) if automobiles are used in connection with FRANCHISEE's business operations, an automobile liability insurance policy with limits of not less than $1,000,000 combined single limit;

(c) workers' compensation insurance, including coverage for occupational disease, in the benefit amounts required by Applicable Laws, and employer's liability insurance, with limits of bodily injury by accident of not less than $1,000,000 each accident, bodily injury by disease of not less than $1,000,000 policy limit, and bodily injury by disease of not less than $1,000,000 each employee; coverage must also include coverage for temporary and contingent workers;

(d) property insurance coverage in an amount equal to the full replacement value of FRANCHISEE's property, including but not limited to fixtures, furniture, equipment, machinery, goods, supplies, wares, or merchandise in the Premises;

(e) veterinary malpractice insurance for FRANCHISEE, the Hospital Veterinarians, employees, agents, and staff in an amount not less than $1,000,000 per incident with a $3,000,000 annual aggregate; and

(f) a crime insurance bond with policy coverage limits of not less than $250,000 per Occurrence. "Occurrence" will mean each criminal act giving rise to an event of coverage and not to each individual claim based on such criminal act.

Any retention or deductible under the above coverages will not exceed $25,000. The amount of retention or deductible must be shown on the certificate of insurance, and any retention or deductible in excess of $25,000 must be approved by PVS in writing at its sole discretion. Additionally, should FRANCHISEE's commercial general liability, umbrella, or excess liability policy annual aggregate limit applicable to any policy year become exhausted, FRANCHISEE agrees to immediately replace the coverage and liability limits for that policy year.

The insurance policies will be provided on a primary and noncontributory basis and, with the exception of the worker's compensation and employers Liability coverage, will name "PetSmart Veterinary Services, LLC.," "PetSmart LLC," and any others PVS designates to FRANCHISEE (including their parents, subsidiaries, affiliates, officers, directors, employees, agents, and other representatives) as additional insureds (the "Additional Insureds"). The insurance policies must also include: (i) separation of insureds (otherwise known as a cross- liability clause); (ii) a waiver of subrogation in favor of the Additional Insureds; and (iii) for the general liability policy, cover for PVS's property that is in the care, custody or control of

FRANCHISEE. FRANCHISEE will provide to PVS a certificate of insurance or similar binder for each policy evidencing compliance with this Agreement, and on each anniversary thereafter, and upon 10 days of written request from PVS. FRANCHISEE will send such certificates or binders to riskmanagement@petsmart.com. Should any of the above policies be canceled before the expiration date thereof, notice will be delivered in accordance with the applicable policy provisions. The insurance coverage provided for in this Agreement will not act to limit FRANCHISEE's liability under this Agreement. PVS reserves the right to adjust coverage limits depending on the risks inherent in FRANCHISEE's business operation.

18. INDEMNIFICATION. FRANCHISEE agrees to hold harmless, defend, and indemnify PVS, its affiliates, the landlord under the Lease, and their respective past, present, and future officers, directors, members, shareholders, employees, and agents against any claims, losses, costs, expenses, liabilities, and damages (collectively, **"**Claims**"**) arising directly or indirectly from, as a result of, or in connection with FRANCHISEE's use, occupancy, management or control of the Hospital or FRANCHISEE's conduct or activities in the Shopping Center or under this Agreement, as well as the costs of defending against such Claims (including, but not limited to, reasonable attorneys' fees, costs of investigation, settlement costs, and interest). To the extent permitted by Applicable Law, this indemnity includes Claims alleged to be caused by PVS's negligence, unless (and then only to the extent that) the Claim is finally determined by a court to have been caused by PVS's gross negligence or willful misconduct. With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect any of the indemnitees, the indemnitees will have the right, but no obligation, to: (i) choose counsel; (ii) direct, manage, and control the handling of the matter; and (iii) settle, on behalf of the indemnitees, any claim against the indemnitees. FRANCHISEE's obligation under this Section is not limited by the amount of FRANCHISEE's insurance coverage. This Section will survive the expiration or termination of this Agreement.

19. FRANCHISEE'S DEFAULT.

19.1. Default, Notice and Cure Period. If FRANCHISEE defaults in the performance of any of its obligations or covenants under this Agreement, PVS may give notice to FRANCHISEE, which notice will specify the nature of such default. If FRANCHISEE does not cure the default within 10 days (as to a default in payment), or within 30 days in all other cases of default, PVS will be entitled to all remedies set forth in Section 19. Any other provisions of this Agreement expressly providing for a specific cure period or providing for a remedy without expressly requiring a cure period, will supersede any cure period set forth in this Section 19.1. For the sake of clarity, in addition to FRANCHISEE's other obligations or covenants under this Agreement, the following will also constitute an event of default by FRANCHISEE:

(a) failure to operate waste disposal equipment to minimize insect or other vermin infestation and to prevent odor and disease hazards or other nuisance conditions;

(b) failure to have sanitary and aesthetic disposal of dead animals and other wastes which complies with Applicable Laws;

(c) failure to store supplies, including food and bedding, in a manner which adequately protects against infestation, contamination, or deterioration;

(d) failure to adequately refrigerate supplies that are of a perishable nature, including foods, drugs, and biologicals;
(e) failure to provide examination and surgery tables with impervious surfaces;
(f) failure to maintain cages, pens, exercise areas, or stalls for confinement of animals in a comfortable, sanitary, and safe manner;
(g) failure to maintain the Hospital in a clean, orderly, and sanitary condition;
(h) failure to store, maintain, administer, dispense, and prescribe controlled substances in compliance with Applicable Laws;
(i) violations by any Hospital Veterinarians of Applicable Laws in the performance of this Agreement including licensing requirements; or
(j) violations by any Hospital Veterinarians of ethical rules in providing Veterinary Services or acting under the terms of this Agreement.

19.2. PVS's Remedies. If FRANCHISEE fails to cure any default within the applicable cure period, PVS will be entitled to all Available Remedies including, but not limited to, termination of this Agreement, terminating FRANCHISEE's right to enter the Hospital, re- entering the Hospital, dispossessing FRANCHISEE (and any other permitted occupants thereof) and holding the Hospital free of this Agreement. Upon dispossession from the Hospital, FRANCHISEE will be entitled to remove its Trade Fixtures (defined in Section 32.3) and property (including any live animals). PVS's Available Remedies will include the right to incur any expense reasonably necessary to perform the obligations of FRANCHISEE arising from its default and the right to receive reimbursement from FRANCHISEE for such costs. "Available Remedies" means, collectively, all rights and remedies available to the applicable party under this Agreement, at law or in equity.

19.3. Immediate Termination. PVS may terminate this Agreement by written notice to FRANCHISEE, without opportunity to cure, in the event:

(a) the Lease expires or is sooner terminated for any reason;
(b) FRANCHISEE violates Section 8.12;
(c) FRANCHISEE or any Owner appears on any government list of "blocked" persons or FRANCHISEE's assets, property, or interests are "blocked" under any anti- terrorism law or similar law that prohibits PVS from doing business with FRANCHISEE or the Owner;
(d) FRANCHISEE receives three (3) or more notices of default under Section 19.1 within any twelve (12) month period, whether the defaults are of a similar or different nature and whether or not any of them is cured after notice;
(e) the filing of a bill in equity or other proceeding for the appointment of a receiver or trustee for all or a substantial part of the assets or properties of FRANCHISEE or the Hospital;
(f) FRANCHISEE is adjudicated bankrupt or judged to be insolvent;
(g) any advertisement for the bulk liquidation of FRANCHISEE's assets or property under bankruptcy, insolvency or similar Applicable Laws, or if the bulk assets or property of FRANCHISEE are attached or levied upon;
(h) any purported transfer or assignment of this Agreement, of any ownership interest in FRANCHISEE, or in the assets of the Hospital that is contrary to Section 26; or

(i) FRANCHISEE expressly repudiates, in writing, its obligations under this Agreement.

In the event of termination under this Section 19.3, PVS will be entitled to all Available Remedies.

19.4. Cross-Default. Any default by FRANCHISEE under any promissory note (or by any guarantor of a promissory note) or any other agreement with PVS, its affiliates, or vendors of the Hospital will constitute a default under this Agreement, subject to any applicable provisions for notice and cure set forth in the other agreement. PVS will have the right to terminate this Agreement under Section 19.1 or Section 19.3, as applicable, in the event of an uncured or uncurable default of the other agreement.

19.5. Store Lease Default. If PVS is in default under the License or PETSMART is in default under the Lease because of an act or omission of FRANCHISEE which is not cured by FRANCHISEE within a reasonable period of time after receipt of written notice from PVS, PVS: (a) may take such action as is reasonably necessary to cure the default; and (b) FRANCHISEE will pay for all reasonable costs incurred and reimburse PVS for all reasonable costs previously paid in connection with the default and/or the cure. If the default is not capable of being cured through reasonable efforts of PVS, then PVS will have the right to immediately terminate this Agreement. If Landlord is in default under the Lease and, as a result, PETSMART elects to terminate the Lease or PVS elects to terminate the License, PVS shall not be liable to FRANCHISEE and FRANCHISEE shall not be liable to PVS. If PETSMART elects to terminate the Lease or PVS elects to terminate the License due to a default of Landlord, this Agreement will terminate on the date the Lease or License terminates.

19.6. Store Lease Termination. In the event that the Lease expires during the Term of this Agreement, subject to Section 19.3(a), the Parties will use good faith efforts to identify another PETSMART store location where PVS has, or is able to, license space for the operation of a PVS Hospital and relocate FRANCHISEE, at PVS's commercially reasonable cost, to that location upon terms consistent with this Agreement. If the Parties have not agreed to a specific site for relocation within thirty (30) days after the Lease expires, either Party may terminate this Agreement.

19.7. Termination Based on Court Order. In the event a court or other legal authority rules that PVS or its affiliates are prohibited from engaging in the PETSMART VETERINARY SERVICES franchise program, PVS will have the right to terminate this Agreement by written notice to FRANCHISEE, without liability to FRANCHISEE or PVS, and FRANCHISEE will have the option to (i) terminate this Agreement and wind down the operation of the Hospital and vacate the Hospital on a schedule to be agreed between PVS and FRANCHISEE; or (ii) convert the Hospital to a different name and continue to operate the Hospital under the terms and conditions of PETSMART's standard Independent Veterinary Operator Agreement.

19.8. Step In Rights. In addition to PVS's right to terminate this Agreement, and not in lieu of that right or any other rights PVS may have, upon FRANCHISEE's failure to cure any default within the applicable cure period (if any), PVS will have the right, but not the obligation,

to appoint a management company (the "Manager") to enter the Hospital premises and to exercise complete authority with respect to the operation of the Hospital until such time as PVS determines that the default has been cured and FRANCHISEE is otherwise in compliance with this Agreement. If PVS exercises the right described in this Section, FRANCHISEE will pay the Manager a management fee equal to the greater of 10% of Hospital Revenue or $500 per day, and FRANCHISEE will reimburse the Manager for all costs and overhead, if any, incurred in connection with the operation of the Hospital. If PVS appoints a Manager pursuant to this Section, FRANCHISEE agrees to indemnify and hold PVS (and its designees and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of the Manager's operation of the Hospital.

20. PVS'S DEFAULT.

20.1. Default, Notice and Cure Period. If PVS defaults in the performance of any of its obligations or covenants under this Agreement, FRANCHISEE may give notice to PVS, which notice will specify the nature of such default and indicate the action needed to cure such default. If PVS does not cure such default within 30 days after receipt of such notice (or if such default is of a nature that cannot be reasonably cured within such 30-day period, then within such longer period as is reasonably required to cure such default, provided PVS commences such cure within said 30-day period and thereafter pursues the completion thereof with reasonable diligence), FRANCHISEE will be entitled to all remedies set forth in Section 20.2, except there will be no duplication of remedies. Any other provisions of this Agreement expressly providing for a specific cure period, or providing for a remedy without expressly requiring a cure period, will supersede any cure period set forth in this Article 20.

20.2. FRANCHISEE's Remedies. Subject to Section 20.3, if PVS fails to cure any default within the applicable cure period, FRANCHISEE's sole remedy will be to pursue an action for money damages or equitable relief against PVS, and FRANCHISEE will not be entitled to terminate this Agreement as a result of the default unless such default was material and a willful and intentional act of PVS.

20.3. Limitation of Liability. Notwithstanding any contrary provision of this Agreement, PVS will not be liable to FRANCHISEE or any of the FRANCHISEE PARTIES (as defined in Section 22.1) for any consequential, special, indirect, exemplary or punitive damages of any kind or nature, whether arising as a result of a PVS default under this Agreement or otherwise. In the event FRANCHISEE is successful in an action against PVS for monetary damages pursuant to Section 20.2, FRANCHISEE agrees, to the fullest extent permitted by law, to limit the liability of PVS, whether arising from breach of contract, negligence, or other common law or statutory theory of recovery, or claims and/or expenses from any cause or causes, including attorney's fees and costs and expert witness fees and costs, so that the total aggregate liability of PVS shall not exceed the total monetary value of: (a) the Royalty Fee and Premises License Fee for the prior 12 months; plus (b) the unamortized balance of the cost of the improvements made by FRANCHISEE to the Hospital as of the date immediately prior to FRANCHISEE's cessation of business in the Hospital, as determined in accordance with generally accepted accounting principles (but in no event will the useful life of such improvements be deemed to be greater than 15 years); plus (c) if FRANCHISEE terminates this Agreement and vacates the Hospital, the

commercially reasonable costs for moving FRANCHISEE's property from the Hospital to a location within 10 miles of the Hospital, not to exceed $15,000. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law, including but not limited to negligence, breach of contract, or any other claim whether in tort, contract or equity.

21. OBLIGATIONS ON TERMINATION OR EXPIRATION

21.1. De-branding. Unless PVS directs otherwise, upon termination or expiration of this Agreement under any circumstances, FRANCHISEE will:

21.1.1. Cease to operate the Hospital;

21.1.2. Peaceably and quietly quit and surrender the Hospital (including all Alterations), broom-clean, in good order and condition, reasonable wear and tear excepted;

21.1.3. Remove all branded presence of the Hospital online and in any mobile network or other electronic marketing or communications channel, whether authorized or unauthorized by PVS, including but not limited to any social media, blog, messaging system, email account, user name, text address, directory, or smart phone application, and transfer to PVS all domain name registrations and other accounts, profiles, pages, user names, and registrations for such media. If FRANCHISEE does not voluntarily transfer any domain names, accounts, profiles, pages, user names, and registrations, the registrars and hosts of any such electronic marketing or communications channels may accept this Agreement as evidence of PVS's exclusive rights in the domain names, accounts, profiles, pages, user names, and registrations and of our authority to direct their transfer on FRANCHISEE's behalf. FRANCHISEE acknowledges that when the domain names, accounts, profiles, pages, user names, and registrations are transferred, all hosted content will also be transferred to PVS, including all data housed on the electronic marketing and communications channels as well as all members, friends, contacts and customers who are linked to the accounts or sites;

21.1.4. Cease to use all Confidential Information of PVS and its affiliates (including the Brand Standards Manual), the Marks, and all other distinctive elements associated with the PVS System, and return to PVS all materials in FRANCHISEE's possession or control, in any medium, that contain Confidential Information or bear any of the Marks;

21.1.5. Leave in place at the Hospital all Equipment provided by PVS;

21.1.6. Provide PVS with all Hospital Records and Customer Data as permitted by Sections 8.26 and 8.27;

21.1.7. Withdraw all advertising that can be canceled and remove all letterhead and other items that display the Marks;

21.1.8. Cancel any assumed name registration or equivalent registration that contains "PetSmart Veterinary Services" or any variation thereof or any other Marks, and furnish evidence satisfactory to PVS of compliance with this obligation within five (5) days after termination or expiration of this Agreement;

21.1.9. Not directly or indirectly represent FRANCHISEE to the public or hold yourself out as a present or former franchisee of a PVS Hospital;

21.1.10. Not use any reproduction, counterfeit, copy, or colorable imitation of the Marks in connection with any other business that, in PVS's opinion, is likely to cause confusion, mistake, or deception or to dilute PVS's its affiliates' rights in and to the Marks; and

21.1.11. Promptly communicate with all Customers of the Hospital in coordination with PVS to maintain a good customer experience.

21.2. **Continuing Obligations**. All obligations which expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment and continue beyond the term and termination of this Agreement. For greater certainty, the surviving obligations include, without limitation, the following obligations for which FRANCHISEE will remain liable to PVS:

21.2.1. Prompt payment of all sums owing to PVS and its affiliates;

21.2.2. Permitting PVS access to and examination of books and records as provided in Section 30;

21.2.3. Not using or disclosing any Confidential Information of PVS or its affiliates;

21.2.4. Not making any statements about PVS or its affiliates that may constitute trade disparagement;

21.2.5. Complying with the post term restrictions on competition in Section 29.1; and

21.2.6. Indemnifying PVS with respect to the period through the effective date of expiration, termination or transfer as provided in Section 18.

22. ENVIRONMENTAL RESPONSIBILITIES.

22.1. **FRANCHISEE's Responsibilities.** FRANCHISEE will not (and FRANCHISEE will cause the FRANCHISEE PARTIES to not) sell, use, store, or release in or around the Shopping Center any Hazardous Substances in violation of Applicable Laws. FRANCHISEE will defend, indemnify (including, but not limited to, causing the remediation and removal of same at FRANCHISEE's sole cost and expense) and hold harmless PVS and the Additional Insureds (as defined in Section 17) from and against any claims, demands, losses, costs, or liabilities caused by any breach by FRANCHISEE of this obligation. This indemnification will survive and continue

after the expiration or termination of this Agreement. "Hazardous Substances" means, collectively, any flammable explosives, radioactive materials, petroleum, natural gas liquids, underground or aboveground storage tanks, any PCB-contaminated items, mold, asbestos, lead paint, hazardous materials or wastes, or any other hazardous or toxic substance defined as such under any Applicable Laws. "FRANCHISEE PARTIES" means FRANCHISEE's parents, subsidiaries, affiliates, officers, directors, shareholders, members, employees, agents, services providers, and other representatives.

22.2. PVS's Responsibilities. PVS will not sell, use, store, or release in or around the Shopping Center any Hazardous Substances in violation of Applicable Laws. PVS will defend, indemnify (including, but not limited to, causing the remediation and removal of same at PVS's cost) and hold harmless FRANCHISEE and the FRANCHISEE PARTIES from and against any claims, demands, losses, costs, or liabilities caused by any breach by PVS of this obligation. This indemnification will survive and continue after the expiration or termination of this Agreement. However, with respect to the presence of any Hazardous Substances at the Shopping Center occurring after the Delivery Date and not attributable to PVS or its affiliates, PVS will use commercially reasonable efforts to enforce its rights pursuant to the terms of the Lease, but PVS will have no liability, exposure, defense, or indemnification obligations to or in favor of FRANCHISEE.

23. CASUALTY AND CONDEMNATION. FRANCHISEE will give written notice to PVS of any material damage caused to the Hospital or Premises by fire or other casualty promptly upon learning thereof. In the event:

(a) the Hospital is destroyed and untenantable to an extent in excess of 50% percent of the Hospital GFA by a casualty; or

(b) if more than 50% percent of the Hospital GFA will be taken for any public or quasi- public use under government law;

then PVS may, in its sole discretion, elect either to terminate this Agreement or to proceed to rebuild, repair or reapportion the Hospital. PVS will give written notice to FRANCHISEE of such election within 30 days after the occurrence of such casualty or taking, and, if it elects to rebuild, repair, or reapportion, will proceed to do so with reasonable diligence.

In the event the Hospital should be damaged by casualty or taken for public or quasi-public use in a manner so as to impair the ability of FRANCHISEE to conduct FRANCHISEE's Business in accordance with Applicable Laws in the Hospital and PVS does not terminate this Agreement in accordance with the preceding paragraph and such damage or destruction is not repaired and restored, or the Hospital is not reapportioned due to such taking, within 180 days after the date of such casualty or taking, FRANCHISEE will have the right, at its option, to terminate this Agreement by giving written notice to PVS specifying the date of such termination. PVS's obligation to rebuild, repair, or reapportion under this Article 23 will in any event be limited to restoring the Hospital to substantially the condition in which the same existed prior to the casualty or taking.

During any period of reconstruction, repair, or reapportionment of the Hospital, FRANCHISEE will continue the operation of its business within the Hospital, to the extent practicable. During the period from the occurrence of the casualty or taking until PVS's reconstruction, repair, or reapportionment is completed, the Premises License Fee due from FRANCHISEE to PVS hereunder will be equitably abated to such extent as may be fair and reasonable under the circumstances. In the event it is impracticable for FRANCHISEE during any period of reconstruction, repair, or reappointment to operate its business in the Hospital and FRANCHISEE ceases operations, then the Premises License Fee due from the FRANCHISEE to PVS hereunder will abate in its entirety until such time as the reconstruction, repair, or reapportionment is completed.

24. INTELLECTUAL PROPERTY.

24.1. IP License. PVS grants to FRANCHISEE a limited, revocable, non-exclusive, non- transferable license to use the Marks subject to the terms and conditions of this Agreement.

24.2. Ownership. Notwithstanding anything contained in this Agreement, FRANCHISEE acknowledges that it does not, and will not at any time, acquire any ownership interest in any of the Marks and will not apply for any intellectual property rights related to this Agreement. FRANCHISEE acknowledges that the ownership of the Marks is and will at all times remain PetSmart Home Office, Inc.'s property, and that any use of the Marks or goodwill associated with the Marks shall inure to the exclusive benefit of PetSmart Home Office, Inc. and its affiliates, and that nothing in this Agreement will confer on FRANCHISEE any right, title to, or interest in, to or under any of PetSmart Home Office, Inc.'s intellectual property, including without limitation the Marks. FRANCHISEE and its employees and agents will not contest or assist a third-party in contesting the validity of PetSmart Home Office, Inc.'s intellectual property worldwide. In the event FRANCHISEE at any time obtains or claims any rights in or to the intellectual property, FRANCHISEE will promptly notify PVS of such event and immediately transfer such rights to PetSmart Home Office, Inc., or its affiliates, as directed by PVS, and provide all required assistance and documentation related to such transfer. For such purposes, FRANCHISEE hereby appoints PVS as its attorney-in-fact for the transfer of such rights.

24.3. Use. FRANCHISEE will not use any Mark or portion of any Mark as part of any corporate name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols or in any modified form. FRANCHISEE will not use any Mark in connection with the sale of any products or services or in any other manner not expressly authorized in writing by PVS. FRANCHISEE will cooperate with PVS in maintaining PVS's rights with respect to the Marks and will execute all such documents as PVS may reasonably request to confirm, perfect, or continue such rights.

24.4. Modification. FRANCHISEE recognizes that from time to time after the Effective Date, PVS may change or modify the Marks, including, without limitation, the adoption and use of new or modified trade names, trademarks, service marks, logos, or copyrighted materials. FRANCHISEE acknowledges that any such changes in the Marks will be deemed to be part of the Marks at the time of the Effective Date. In the event PVS modifies any of the Marks, PVS will be responsible for all reasonable costs associated with implementing the changes at the Hospital.

24.5. Improvements. FRANCHISEE will not introduce any Improvement into the Hospital or PVS System without the prior written consent of PVS. "Improvement" means any change, idea, innovation, concept (including any advertising slogan or idea), product, process, or improvement that may enhance or improve the PVS System. Any Improvement developed by FRANCHISEE or any Owner, employee or agent of FRANCHISEE is the property of PVS. At PVS's request, FRANCHISEE will provide PVS with information about the Improvement and sign any documents necessary to verify assignment of the Improvement to PVS, without compensation. PVS will have the right to use, disclose, and/or license the Improvement for use by others.

25. CONFIDENTIAL INFORMATION.

25.1. Definition. In this Agreement, "Confidential Information" means all knowledge and data not generally known to the public, whether or not constituting trade secrets, that PVS and its affiliates disclose to FRANCHISEE PARTIES or that any of them obtain by virtue of this Agreement or any activities under this Agreement, including but not limited to: (i) the System Standards and contents of the Brand Standards Manual; (ii) development and marketing plans for PVS Hospitals; (iii) PVS's business methods and sales systems; (iv) non-public techniques, specifications, standards, policies, and procedures relating to the operation of PVS Hospitals; (v) Hospital Records and Customer Data; (vi) the financial performance of and other operating data about PVS Hospitals; (vii) vendor lists, terms of purchase, and other information concerning the selection and sourcing of products, services, technology, equipment and supplies for PVS Hospitals; (viii) the results of any surveys, feasibility studies, marketing studies, or cost studies conducted by or for PVS; and (ix) any other business plans and non-public information about PVS and its affiliates that would have commercial value to competitors of PVS and its affiliates.

25.2. Nondisclosure. FRANCHISEE is prohibited, both during and after the term of this Agreement, from communicating or divulging Confidential Information to any unauthorized person and from using Confidential Information for FRANCHISEE's own benefit or for the benefit of any other person, other than for operation of the Hospital. FRANCHISEE may divulge Confidential Information only to FRANCHISEE's employees, agents and contractors who must have access in order to carry out their duties relating to the Hospital. All information that PVS designates as confidential will be deemed to be Confidential Information for purposes of this Agreement. For greater certainty, input of any Confidential Information into any AI Source without prior approval of PVS constitutes disclosure to an unauthorized person.

25.3. Individuals Affiliated with FRANCHISEE. At PVS's request, the FRANCHISEE PARTIES and any persons PVS designates are required to sign a separate Confidentiality and Non-Compete Agreement in a form acceptable to PVS. At our request, FRANCHISEE is required to use best efforts to obtain signed confidentiality agreements from its contractors and any other person outside of FRANCHISEE's organization to whom you wish to disclose any of our Confidential Information. The confidentiality agreements are required to be in a form satisfactory to PVS and identify us as a third-party beneficiary with the independent right to enforce the agreement.

26. ASSIGNMENT OR CHANGE OF OWNERSHIP.

26.1. By FRANCHISEE or Owner. PVS has entered into this Agreement in reliance on the business skill, financial capacity, and personal character of FRANCHISEE and its Owners. Accordingly, neither FRANCHISEE nor the Owners may, directly or indirectly, sell, assign, transfer, convey, give away, pledge, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) (collectively, "Transfer") any direct or indirect interest in this Agreement, in FRANCHISEE, or in the assets of FRANCHISEE related to the Hospital without PVS's prior written consent. If FRANCHISEE is a corporation, limited liability company or other business entity, this Section also applies to the direct or indirect transfer of an ownership interest in FRANCHISEE. FRANCHISEE shall notify PVS in writing of any proposed Transfer at least sixty (60) days before the Transfer is to take place, and provide information and documentation relating to the proposed Transfer as PVS requests. FRANCHISEE and the Owners agree that the conditions of Transfer in Sections 26.3 through 26.6 below are reasonable and that they do not preclude other reasonable conditions that PVS may impose. PVS has the right to communicate with and counsel FRANCHISEE, the Owners, and the proposed transferee on any aspect of a proposed Transfer. If PVS has not responded within 60 days after PVS receives all requested information, PVS will be deemed to have refused consent. Unless otherwise agreed, PVS does not waive any claims against the transferring party if PVS approves the Transfer. If PVS does not approve the Transfer, FRANCHISEE must continue to operate the Hospital in accordance with this Agreement.

26.2. Right of First Refusal. PVS has the right, exercisable within 45 days after receipt of the notice required by Section 26.1, to send written notice to FRANCHISEE that PVS intends to purchase the interest proposed to be transferred. The request for approval of Transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, description of financing or other contingencies, and any other documents reasonably necessary to support a prudent business decision by PVS on whether to exercise the right of first refusal. PVS can assign its right of first refusal to someone else either before or after PVS exercises it. However, PVS's right of first refusal will not apply to a Transfer under Section 26.5 or to a Transfer to a spouse or adult son or daughter (including Transfers to a spouse, son, or daughter as a result of death or incapacity as described in Section 26.6).

26.2.1. If the proposed Transfer is a sale, PVS or its designee may purchase on the same economic terms and conditions offered by the third party. Closing on the purchase must occur within sixty (60) days after the date of PVS's notice to the seller electing to purchase the interest. If PVS cannot reasonably be expected to furnish the same type of consideration as the third party, then PVS may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, FRANCHISEE and PVS will jointly designate and pay the cost of an independent appraiser, and the appraiser's determination will be final. PVS or its designee will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. Any material change in the third party's offer after PVS has elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as for the third party's initial offer.

26.2.2. If a Transfer is proposed to be made by gift, FRANCHISEE and PVS will jointly designate, at PVS's expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. PVS or its designee will have thirty (30) days after receipt of the appraiser's determination to decide whether to purchase the interest at the fair market value determined by the appraiser. If PVS or its designee decides to purchase, closing on the purchase will occur within 45 days after notice to the transferor of that decision.

If PVS elects not to exercise its rights under this Section, the transferor may complete the proposed Transfer after complying with Sections 26.3 through 26.6, provided that the final sale price is not less than the price at which PVS was entitled to purchase. If PVS determines that the final sale price is less than the price at which PVS was entitled to purchase, PVS may refuse consent to the Transfer. Closing of the Transfer must occur within 60 calendar days of PVS's election not to exercise its rights. If closing does not occur within the 60-day period, the third party's offer will be treated as a new offer subject to PVS's right of first refusal.

26.3. **Transfer of Entire Business**. The conditions set forth in this Section apply to a proposed transfer of this Agreement and/or substantially all of FRANCHISEE's assets related to the Hospital, as well as to a proposed transfer of any direct or indirect ownership interest in FRANCHISEE that would result in a change of control of FRANCHISEE. Unless waived by PVS, the conditions are:

26.3.1. FRANCHISEE and the Owners must be in compliance with all obligations to PVS and its affiliates under this Agreement and any other agreements FRANCHISEE and the Owners have with PVS and its affiliates as of the date of the request for approval of the Transfer, or must make arrangements satisfactory to PVS to come into compliance by the date of the Transfer.

26.3.2. The proposed transferee must:

(a) Demonstrate to PVS's satisfaction that the proposed transferee and its owners and managers meet all of PVS's then-current qualifications to become the operator of the Hospital, which may include educational, managerial, and business standards; absence of involvement with Competing Businesses (as defined in Section 29); good moral character, business reputation, and credit rating; and aptitude and ability to operate the Hospital. If the proposed transferee is already a franchisee of PVS, that fact does not guarantee approval of the Transfer. PVS will have no less discretion with respect to a proposed transferee than PVS has with a new franchisee;

(b) Make arrangements to modernize and upgrade the Hospital, at the transferee's expense, to comply with PVS's then-current System Standards;

(c) Complete any training programs PVS then requires; and

(d) If the proposed transferee is an existing franchisee of PVS, the proposed transferee must not have any outstanding notice of default under any agreements with PVS and must sign a general release in a form acceptable to PVS.

26.3.3. FRANCHISEE must pay PVS a Transfer fee in an amount PVS designates, not to exceed $5,000.

26.3.4. At PVS's request, FRANCHISEE must sign PVS's then-current standard form of Franchise Agreement (or the standard form most recently offered to new franchisees). There is no limitation on the extent to which the terms of the new Franchise Agreement may differ from the terms of this Agreement.

26.3.5. FRANCHISEE and all Owners must sign a general release, in a form satisfactory to PVS, of all claims against PVS and its past, present and future affiliates, officers, directors, shareholders, agents and employees. FRANCHISEE and the Owners will remain liable to PVS for all obligations arising before the effective date of the Transfer.

26.3.6. The price and other proposed terms of the Transfer must not, in PVS's reasonable business judgment, have the effect of negatively impacting the proposed transferee's ability to operate the Hospital.

26.3.7. Any financing incurred in connection with the Transfer must be expressly subordinated to the proposed transferee's obligations to PVS and its affiliates.

26.4. **Transfer of Minority Ownership Interest**. For any proposal to admit a new Owner, to remove an existing Owner, or to change the existing distribution of ownership interests among the Owners, or for any other transaction that amounts to the Transfer of a minority equity interest in FRANCHISEE or this Agreement, FRANCHISEE must give PVS advance notice and submit a copy of all proposed contracts and other information concerning the Transfer that PVS may request. PVS will have a reasonable time (not less than 45 days) after receiving all requested information to evaluate the proposed Transfer. PVS may withhold consent or give its consent subject to the conditions of Section 26.3 that PVS deems to be applicable. Each proposed new Owner must submit a personal application.

26.5. **Transfer to a Business Entity**. PVS will consent to the assignment of this Agreement to and assumption of this Agreement by a corporation or limited liability company that FRANCHISEE forms solely for the convenience of ownership (a **"Company"**), without payment of a Transfer fee, provided that FRANCHISEE complies with all of the following:

26.5.1. FRANCHISEE must provide PVS with proof that the Company is in existence and in good standing in the state where it was organized. The Company must have no other business besides the development and operation of Hospitals. The legal name of the Company must not contain any words or phrases similar to the Marks.

26.5.2. The Owners must hold equity interests in the Company in the same proportion as prior to the Transfer.

26.5.3. The Company must designate an Operating Partner, as defined in Section 8.5.

26.5.4. FRANCHISEE must reimburse PVS for the reasonable costs and expenses PVS incurs in connection with the assignment, including legal fees.

26.6. **Transfer on Death, Incapacity or Bankruptcy**. If FRANCHISEE or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to PVS in writing within 3 months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of Sections 26.2 through 26.4, as applicable. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the applicable conditions, the executor may transfer the decedent's interest to another successor that PVS has approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 26.6 within one year after the date of death or appointment of a personal representative or trustee, PVS will have the right to terminate this Agreement by written notice to FRANCHISEE.

26.7. **Non-Conforming Transfers**. Any purported Transfer that is not in compliance with this Section 26 is null and void and constitutes a material breach of this Agreement, for which PVS may terminate this Agreement without opportunity to cure.

26.8. **Transfer By PVS**. PVS may freely assign this Agreement: (a) to PVS's parent, subsidiary or affiliated entity; (b) for collateral or security purposes; or (c) in connection with any merger, acquisition, initial public offering, or consolidation involving PVS or its parents, subsidiaries, and/or affiliates.

27. **ACCESS.** FRANCHISEE will provide PVS full and complete access to the Hospital, to the extent permitted by Applicable Laws, for the purpose of allowing PVS to: (a) confirm FRANCHISEE's compliance of its obligations under this Agreement; and (b) perform its obligations under this Agreement. PVS acknowledges that it will not exercise its right unreasonably.

28. **RELATIONSHIP.** Nothing contained in this Agreement is intended or will be construed to make PVS or any of its affiliates and FRANCHISEE partners, joint venturers, or any similar arrangement or to render either party liable for any debts or the obligations of the other. FRANCHISEE is an arms-length independent contractor and nothing in this Agreement is intended or will be construed as creating an employment, agency or fiduciary relationship between the parties. FRANCHISEE will not hold itself out as an agent or employee of PVS or any of its affiliates. Each employee of FRANCHISEE, and any employee of a permitted subcontractor of the FRANCHISEE under this Agreement, will be instructed to identify themselves as an employee of FRANCHISEE or such subcontractor, as the case may be, and not as an agent or employee of PVS or PETSMART. At PVS's request, FRANCHISEE will post a conspicuous notice in the Hospital stating that it is not affiliated with PETSMART or Banfield Pet Hospital. At PVS's option, such notice may be combined with other similar or relevant information.

29. RESTRICTIONS ON COMPETITION.

29.1. Non-Competition. During the term of this Agreement and for the 1 year following its expiry or termination, FRANCHISEE and its affiliates will not, on their own behalf or on behalf of or in connection with any person, directly or indirectly: (a) engage in any activity relating to the ownership, operation or support of any business which is in the business of selling pet food, pet supplies, pet services, and/or pet products in the U.S.A. (including both on-line or brick and mortar); or (b) own, operate or support any hospital or clinic providing Veterinary Services within a 5-mile radius of the Premises. The businesses referred to in clause (a) and clause (b) collectively constitute "Competing Businesses."

29.2. Non-Solicitation. Subject to Applicable Laws, during the term of this Agreement and for the 1 year following its expiry or termination, FRANCHISEE will not, on FRANCHISEE's own behalf or on behalf of or in connection with any other person, directly or indirectly, in any capacity whatsoever, solicit or entice away from the employment of PVS, PETSMART, or Medical Management International, Inc. d/b/a Banfield, The Pet Hospital (or any operator of a Banfield hospital) ("MMI") any individual who is employed by PVS, PETSMART, or MMI whether or not such individual would commit any breach of their contract or terms of employment by leaving the employ of PVS, PETSMART, or MMI. Notwithstanding the foregoing, FRANCHISEE will not have violated the terms set forth in this Section if an employee of PVS, PETSMART, or MMI responds to a general, non-targeted solicitation for employment issued by FRANCHISEE, such as a newspaper or online advertisement. The restriction on solicitation of MMI's employees will cease at the earlier of the time set forth above or the time that PVS and/or PETSMART is no longer restricted from soliciting MMI's employees.

29.3. Reasonableness. FRANCHISEE expressly acknowledges that this Agreement is reasonable and valid in all respects and irrevocably waives (and irrevocably agrees not to raise) as a defense any issue of reasonableness (including the reasonableness of the territory or the duration and scope of this Agreement) in any proceeding to enforce any provision of this Agreement, the intention of the parties being to provide for the legitimate and reasonable protection of the interests of PVS and its affiliates by providing, without limitation, for the broadest scope, the longest duration and the widest territory allowable by Applicable Laws.

30. REPORTS AND FINANCIAL STATEMENTS; AUDIT RIGHTS.

30.1. Maintaining Accurate Books and Records. FRANCHISEE shall maintain and preserve, for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and the manner prescribed by PVS (e.g., Charts of Accounts, etc.) from time-to-time in the Brand Standards Manual or otherwise in writing. These records shall include, without limitation, Hospital Revenue, expenditures relating to Grand Opening, Local Marketing Spend, expenditures with vendors and/or suppliers, and all other business transactions.

30.2. Business Reporting. PVS will have the right to pull Hospital Revenue and business information (e.g., conversion, scheduling, appointments, diagnoses, etc.) data automatically from

the Hospital's information systems (e.g., accounting software, PIMS, etc.) and/or to require FRANCHISEE to provide to PVS access to the information systems or periodic reports of the same in a format prescribed by PVS, in either case on a schedule specified by PVS. PVS may provide copies of any Hospital Revenue report received from FRANCHISEE to PETSMART, landlord, lenders, purchasers and prospective lenders and purchasers of the portion of the Shopping Center containing the Premises. PVS may also disclose such Hospital Revenue information (a) to its affiliates, any financing companies, franchisees, and prospective franchisees; and (b) to other persons if affirmatively compelled to do so by Applicable Law.

30.3. Quarterly Financial Statements. Within thirty days after the end of each quarter of the Fiscal Year, FRANCHISEE will submit a statement of financial condition (a balance sheet) as of the end of the fiscal quarter and a statement of income and expenses relating to the Hospital for the fiscal quarter and for the Fiscal Year-to-date, prepared in accordance with generally accepted accounting principles in the United States ("US GAAP"). For consistency of reporting across Hospitals, PVS will have the right to prescribe the chart of accounts that FRANCHISEE must use and/or the format of the required periodic financial statements.

30.4. Annual Financial Statements. FRANCHISEE will provide FRANCHISEE's annual Financial Statements to PVS within 90 days following the end of each Fiscal Year. "Financial Statements" means, collectively, FRANCHISEE's balance sheet and income statement (i.e. profit and loss statement) pertaining to the most recently ended Fiscal Year, prepared in accordance with US GAAP, certified as being true and correct by an officer of FRANCHISEE.

30.5. Right to Examine or Audit. PVS is entitled, upon 72 hours' notice, to examine or audit FRANCHISEE's books and records relating to the Hospital, either in-person or remotely, using any combination of PVS's own personnel and/or outside service providers. In any such examination or audit, all books, records, accounts, correspondence, data, financial statements required by this Agreement and all tax returns related to the Hospital must be made available for inspection. FRANCHISEE agrees to cooperate with the persons making the examination or audit on behalf of PVS. If FRANCHISEE or PVS discovers at any time, by means of an audit or otherwise, that there has been an underpayment of royalty fees or other amounts due, FRANCHISEE will promptly pay the amount due, together with applicable late fees and interest under Section 13.11. Payment and acceptance of the overdue amounts will not constitute a waiver of or prejudice PVS's right to exercise any other remedy in this Agreement, including termination in accordance with Section 19.1 of this Agreement.

30.6. Cost of Examination or Audit. If PVS performs an examination or audit due to: (i) FRANCHISEE's failure to submit reports of Hospital Revenue or financial statements, (ii) FRANCHISEE's failure to maintain books and records as required; or (iii) if the cumulative Hospital Revenue reported for any Fiscal Year is more than 2% below the actual Hospital Revenue for the period as determined by the examination or audit, then FRANCHISEE will pay PVS the reasonable and customary cost of the examination or audit, including travel and lodging expenses for the examiners or auditors. For purposes of calculating the reasonable and customary cost, PVS will use hourly rates for its own personnel that are commensurate with the rates of mid-level professionals of independent accounting firms.

31. **NOTICES.** Any notices, consents, approvals, disapprovals, waivers, elections, submissions, requests, or demands required or permitted to be given under this Agreement or pursuant to any Applicable Laws by either party to the other will be in writing (whether or not herein expressly so provided) and will be deemed received and effective: (a) three Business Days after being sent by certified mail, return receipt requested, postage prepaid; or (b) one Business Day after being sent prepaid by overnight express mail or nationally recognized courier service (e.g., United Parcel Service, Federal Express, DHL, etc.) to PVS or FRANCHISEE, at their respective addresses set forth below or such other addresses as either party may designate by notice to the other from time to time, except that neither party will use a P.O. Box for a notice address. "Business Day" means any day other than Saturday, Sunday or a legal holiday in the jurisdiction where the Premises is located. The notice addresses for PVS and FRANCHISEE are as follows:

PVS's Address for Notices:

PetSmart Veterinary Services, LLC 19601 N. 27th Avenue
Phoenix, Arizona 85027 Attn: President

With copies to: PetSmart LLC
19601 N. 27th Avenue Phoenix,
Arizona 85027 Attn: General Counsel

FRANCHISEE's Address for Notices:

[XXXX]
[XXXX]
[XXXX]

Changes to the Brand Standards Manual and/or any written instructions that PVS furnishes to FRANCHISEE relating to operational matters do not require formal notice under this Section and may be given by email, by posting the change in the franchisee portal or other online forum, or by other reasonable notice method.

32. **GENERAL.**

32.1. **Entire Agreement.** This Agreement, including all exhibits attached hereto, contains the entire agreement of the parties and supersedes all prior or contemporaneous agreements between the parties with respect to the subject matter hereof. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

32.2. **End of Term and Trespass.** Upon expiration or termination of this Agreement, FRANCHISEE will peaceably and quietly quit and surrender the Hospital (including all Alterations), broom-clean, in good order and condition, reasonable wear and tear excepted. In the

event FRANCHISEE remains in possession of the Hospital after the expiration of this Agreement and without the execution of a new Agreement, it will be deemed to be occupying the Hospital as a trespasser at a fee equal to 150% of the Premises License Fee and 150% of the Royalty Fee herein provided and the Hospital will remain subject to all other conditions, provisions, and obligations of this Agreement insofar as the same are applicable. Should FRANCHISEE remain in possession of the Hospital after the expiration of this Agreement, such holding over will not be deemed to extend the Term of or constitute an election to renew this Agreement and such holding over period may be terminated by PVS at any time.

32.3. Trade Fixtures. All trade fixtures, furniture, equipment and other personalty furnished or installed by FRANCHISEE in the Premises (including fixtures leased to FRANCHISEE), regardless of the manner or mode of attachment, including veterinarian equipment and fixtures, compactors, scales and registers (all of which are referred to herein as "Trade Fixtures"), will be and remain the property of FRANCHISEE and may be removed by FRANCHISEE at any time during the Term of this Agreement (including any period of holdover). Any Trade Fixtures remaining in the Premises after the expiration of such period will be deemed abandoned by FRANCHISEE and will become the property of PVS without payment therefor. FRANCHISEE agrees to repair any damage done to the Premises resulting from FRANCHISEE's removal of such Trade Fixtures. This provision will survive the expiration or termination of this Agreement.

32.4. Estoppel Certificates. Upon reasonable request of the other party, PVS and FRANCHISEE agree to execute and deliver to the other within 5 days after such request a certificate in a form reasonably satisfactory to both parties and: (a) certifying that this Agreement has not been modified except as set forth in such certificate and is in full force and effect as modified; (b) specifying the date to which Premises License Fees, Royalty Fees, and other fees have been paid; (c) stating whether or not, to the actual knowledge of the party executing such certificate, the other party thereto is in default and, if so, stating the nature of such default; (d) stating the Commencement Date; and (e) stating which Extension Periods have been exercised, if any. The requesting party will pay to the non-requesting party a processing fee of $250 for the second and any subsequent such certificate requested by the requesting party during any 365-day period.

32.5. Commissions. FRANCHISEE warrants that it has not dealt with a broker in connection with this Agreement who will be entitled to claim a commission.

32.6. Waiver. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term or provision will be deemed binding or effective unless in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement will constitute or be deemed a waiver of any other provision, nor will any waiver be a continuing waiver.

32.7. Counterparts; Facsimile or Electronic Signature. This Agreement may be executed in one or more counterparts by facsimile or by a scanned signature transmitted electronically, for the convenience of the parties, and any such counterpart will be deemed to

constitute one and the same instrument, and each of said counterparts will be deemed an original hereof.

32.8. Headings. All paragraph, section and subsection headings herein are inserted for convenience of reference only and will not modify or affect the construction or interpretation of any provision of this Agreement.

32.9. Governing Law. This Agreement and the relationship between PVS and FRANCHISEE and the Owners is governed by the laws of the State of Arizona, except that if any provision of this Agreement would not be enforceable under the laws of Arizona, and if the provision would be enforceable under the laws of the state in which the Hospital is located, then that provision will be governed by the laws of the state in which the Hospital is located. In the event of any conflict of law question, the laws of Arizona will prevail, without regard to the application of Arizona conflict of law rules. This Section is not intended to subject this Agreement or PVS's relationship with FRANCHISEE to any Arizona statute or regulation that would not apply by its own terms without considering this Section.

32.10. Submission to Mediation. Except as provided in Section 32.13, before filing litigation, any dispute between PVS and FRANCHISEE and/or the Owners must be submitted to non-binding mediation administered by a neutral mediation service with experience in franchise disputes. Participants in the mediation must sign a confidentiality agreement before participating in the proceeding. The mediation will take place in the city where PVS's principal offices are located at the time the demand for mediation is filed. Once a party has submitted a dispute to mediation, the obligation to attend will be binding on all parties. PVS and FRANCHISEE will each bear one-half of the expenses for the mediation service and mediator.

32.11. Venue for Litigation. FRANCHISEE and the Owners must file any lawsuit against PVS only in the federal or state court for the district in which our principal office is located at the time the suit is filed. PVS may file a lawsuit against FRANCHISEE or the Owners in the federal or state court where our principal office is located or where FRANCHISEE's principal office is located at the time the suit is filed. The parties waive all objections to personal jurisdiction and venue for purposes of carrying out this provision.

32.12. Provisional or Declaratory Relief. Nothing in this Agreement prohibits either Party's right to seek a restraining order, preliminary injunction, or declaratory relief in court under the applicable court rules.

32.13. Time Limit on Filing. Any lawsuit arising out of or relating to this Agreement must be filed and served within two (2) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

32.14. Jury Waiver. PVS AND FRANCHISEE HEREBY WAIVE TRIAL BY JURY IN ANY COURT ACTION, PROCEEDING, OR COUNTERCLAIM, INCLUDING ANY CLAIM OF INJURY OR DAMAGE AND ANY PROVISIONAL REMEDY. THIS WAIVER WILL EXPRESSLY SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

32.15. Class Action Waiver. TO THE EXTENT PERMITTED BY APPLICABLE LAWS, FRANCHISEE AND THE OWNERS WAIVE THE RIGHT TO SEEK CERTIFICATION OF A CLASS IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM AGAINST PVS.

32.16. Attorneys' Fees. In any trial, dispute resolution or other proceeding, including appeal, the Prevailing Party will receive from the other all costs, including reasonable attorneys' fees and expenses, the amount of which will be determined by the court. Notwithstanding any contrary provision of this Agreement, to the extent this Agreement imposes an obligation on either party to pay for the other party's attorneys' fees, such obligation will extend only to reasonable attorneys' fees charged by third-party attorneys and will exclude, by way of example and not limitation, fees for any work performed by a party's employed attorneys or so-called "in-house counsel." "Prevailing Party" means the party whose positions and arguments substantially prevail, even if some of such party's positions or arguments that are not material to the court's overall findings of fact and conclusions of law do not prevail.

32.17. Interpretations and Definitions. The parties agree that each party and such party's counsel have reviewed and revised this Agreement (or have had the opportunity to do so) and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Agreement.

32.18. Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of any other provisions hereof. If any provision of this Agreement or the application thereof to any person or circumstance is rendered invalid or unenforceable in a court of law or by another legal authority, a suitable and equitable provision will be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of any such invalid or unenforceable provision and the remainder of this Agreement will be not be affected by such invalidity or unenforceability.

32.19. Exhibits. All exhibits attached to this Agreement are incorporated into this Agreement by this reference.

32.20. Consent. Whenever the consent of either party is required under this Agreement, such consent will, unless expressly provided otherwise in this Agreement, not be unreasonably withheld, conditioned, or delayed.

32.21. PVS's Business Judgment. Unless otherwise expressly provided in this Agreement, whenever PVS exercises a right and/or discretion to take or withhold an action, PVS can make its decision or exercise its discretion based on PVS's judgment of what is in the best interests of the PETSMART VETERINARY SERVICES brand at the time, even though (a) there may have been alternative decisions or actions that could have been taken; (b) PVS's decision or the action taken promotes PVS's own financial interest; or (c) PVS's decision or the action may apply differently to different franchisees, multi-unit developers, or Hospitals. In the absence of an applicable statute, PVS will have no liability to FRANCHISEE for any such decision or action. If Applicable Laws imply a duty of good faith and fair dealing in this Agreement, PVS and FRANCHISEE agree that the duty does not encompass any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

32.22. Time for Performance. Whenever the time for performance under this Agreement is measured in days, such measurement means calendar days, unless expressly provided to be measured in Business Days. Notwithstanding the foregoing, if the last day to perform an obligation under this Agreement falls on a non-Business Day, the obligated party has until the next Business Day to complete such performance.

32.23. Time of the Essence. Time is of the essence in each and every provision hereof.

32.24. Subordination and Attornment. FRANCHISEE accepts this Agreement subject and subordinate to any mortgage, lease, deed of trust, or other lien presently existing or hereafter and to any renewals and extensions thereof. FRANCHISEE agrees that any such mortgagee or lessor shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Agreement; provided, however, that, notwithstanding that this Agreement may be (or made to be) superior to such mortgage, deed of trust, lease, or other lien, the provisions of such mortgage, deed of trust, lease, or other lien relative to the rights of the mortgagee with respect to proceeds arising from an eminent domain taking (including a voluntary conveyance by PVS) and/or arising from insurance payable by reason of damage to or destruction of the Hospital shall be prior and superior to any contrary provisions contained in this instrument with respect to the payment or usage thereof. PVS is hereby irrevocably vested with full power and authority to subordinate FRANCHISEE to any mortgage, deed of trust, lease, or other lien hereafter placed and FRANCHISEE agrees upon demand to execute such further instruments subordinating this Agreement as PVS may request.

At any time when the holder of an outstanding mortgage, deed of trust, lease, or other lien covering PVS's interest in the Hospital has given FRANCHISEE written notice of its interest in this Agreement, FRANCHISEE may not exercise any remedies for default by PVS hereunder unless and until the holder of the indebtedness secured by such mortgage, deed of trust, lease, or other lien shall have received written notice of such default.

Each of the parties agrees that it will from time to time upon request by the other execute and deliver a written statement addressed to the requesting party (or to a party designated by such requesting party), which statement shall identify this Agreement, shall certify that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), shall confirm that the requesting party is not in default as to any obligations under this Agreement (or if the requesting party is in default, specifying any default), shall confirm the agreements contained above in this Section, and shall contain such other information or confirmations as the requesting party may reasonably require.

32.25. Force Majeure Event. Neither party shall be liable or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by any acts of God, flood, fire, earthquake, war, pandemic, invasion, terrorism, embargoes in effect after the date of this Agreement, or other material and substantial events outside the commercially reasonable control of such party (each of the foregoing, a "Force Majeure Event"), in each case, provided that (i) the affected party provides prompt notice to the other party, stating the period of time the occurrence is expected to continue; (ii) the affected party uses diligent efforts to end the failure or delay and

minimize the effects of such Force Majeure Event; and (iii) the affected party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Notwithstanding the foregoing, the following will not excuse performance by FRANCHISEE under this Section: FRANCHISEE'S financial inability to perform; strikes or labor issues of FRANCHISEE or its personnel or classification of independent contractors; changes in cost or availability of materials, components or services; market conditions; or supplier actions or contract disputes. If the Force Majeure Event continues for a period of thirty (30) days or longer, PVS shall have the right to terminate this Agreement without penalty upon notice to FRANCHISEE.

32.26. Owners. As of the Effective Date, FRANCHISEE represents and warrants all Owners of the FRANCHISEE are set forth on **Exhibit D**. Any Owner owning more than 20% of the FRANCHISEE entity will be required to sign a personal guaranty, attached as **Exhibit E.**

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, PVS and FRANCHISEE have caused this Agreement to be executed as of the Effective Date.

FRANCHISEE: [NAME OF FRANCHISEE]

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR: PETSMART VETERINARY SERVICES, LLC

By: _____
Name: Rob Pace
Title: President
Date: _____

EXHIBIT A

PREMISES AND HOSPITAL GFA

 **= Hospital**

[attach floorplan]

EXHIBIT B

EQUIPMENT SCHEDULE

[include list]

EXHIBIT C

MINIMUM HOSPITAL SERVICES

Veterinary Services shall, at minimum, include the following:

1. All patients checked into the Hospital must receive a physical examination and assessment of the presenting complaint;

2. All patients must have updated and accurate medical records – including medical record keeping for each visit – that are in alignment with the veterinary practice act of the state where the Hospital is located;

3. All emergencies are to be triaged at the Store (e.g., PetSmart Pets, Hospital patients, etc.). If the emergency can be treated at the Hospital, then that is the preferred option. Emergencies may be referred to a designated referral center as determined by the veterinarian;

4. Elective and general surgeries must only be provided utilizing the accepted means of anesthesia, including the use of monitoring equipment to observe vital parameters;

5. Sick and ill patients are to be assessed, diagnosed and treated according to the veterinary practice act of the state where the Hospital is located;

6. If performed, dental procedures must be performed under general anesthesia;

7. Digital radiology must be provided; ultrasounds are not required;

8. A suite of in-house diagnostic laboratory tests must be provided and is the preferred method for diagnostic work up; and

9. Humane Euthanasia will be offered at the discretion of the FRANCHISEE.

FRANCHISEE acknowledges and agrees that it is the intent of the parties that the Hospital be operated as a full-service or urgent/emergency care veterinary hospital rather than a "wellness clinic" or "shot clinic" and FRANCHISEE agrees to operate the Hospital as a full-service or urgent/emergency care veterinary hospital.

EXHIBIT D

FRANCHISEE OWNERS

The names and address of all Owners of the FRANCHISEE and the amount of their interest in the FRANCHISEE as of the Effective Date are as follows:

[XXXX]
[XXXX]
[XXXX]

[XXXX]
[XXXX]
[XXXX]

[XXXX]
[XXXX]
[XXXX]

EXHIBIT E

PERSONAL GUARANTY OF FRANCHISE AGREEMENT

In consideration of, and as an inducement to, the signing and delivery of the Franchise Agreement ("Agreement") with a Start Date of _____, by and between PetSmart Veterinary Services, LLC, a Delaware limited liability company ("Franchisor"), and _____ _____, a _____, ("Franchisee"), each of the undersigned guarantees unto Franchisor that the Franchisee will perform during the term of the Agreement every covenant, payment, agreement and undertaking by Franchisee contained and set forth in such Agreement.

Franchisor, its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of the liabilities of Franchisee to Franchisor (the "Liabilities"), whether or not it or its successors have resorted to any property securing the Liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on the Liabilities, (b) release or compromise any liability of the undersigned or any liability of any party or parties primarily or secondarily liable on the Liabilities, and (c) extend, renew or credit the Liabilities for any period (whether or not longer than the original period); alter, amend or exchange the Liabilities; or give any other form of indulgence, whether under the Agreement or not.

The undersigned agrees to comply with and abide by all of the covenants and provisions of the Agreement, as such relate to the Owners of Franchisee, to the same extent as and for the same time as Franchisee must comply with and abide by such covenants and provisions. These obligations of the undersigned will survive any expiration or termination of the Franchise Agreement or this Guaranty.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices, including without limitation: notice of acceptance, notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Franchisor in enforcing the foregoing Agreement and this Guaranty against Franchisee and against the undersigned and in collecting or attempting to collect any amounts due by Franchisee or the undersigned, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by Franchisor, its agents, its successors or assigns, regarding the foregoing Agreement, will in no way modify or amend this Guaranty, which will be continuing, absolute, unconditional and irrevocable.

If more than one person has executed this Guaranty, the term "the undersigned," as used herein will refer to each such person, and the liability of each of the undersigned hereunder will be joint and several and primary.

IN WITNESS WHEREOF, the parties to Guaranty of Franchise Agreement have signed this document, in multiple counterparts, each of which will be considered an original for all purposes.

GUARANTOR: [NAME]

By: _____
Name: _____
Date Executed: _____

GUARANTOR: [NAME]

By: _____
Name:_____
Date Executed: _____

EXHIBIT B

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EXHIBIT C

STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Dep't of Financial Institutions Securities Div. – 3rd Floor PO Box 41200 Olympia WA 98504-1200 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Insurance Commissioner North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT D

ADDITIONAL STATE-REQUIRED INFORMATION AND STATE-REQUIRED CONTRACT ADDENDA

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

INFORMATION REQUIRED
BY 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 AT LEAST 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.

OUR WEBSITE, WWW.PVSOWNERSHIP.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

THE REGISTRATION OF THIS FRANCHISE OFFERING BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal accreditation, licensing and regulatory requirements relating to the practice of veterinary hospitals and medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Veterinary Medical Board, AAHA (American Animal Hospital Association), USDA Aphis/National Veterinary Accreditation Program, or any other agency overseeing the practice of veterinary hospitals and medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

California Corporations Code § 31512.1 provides that any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; and (d) violations of any provision of the California Franchise Investment Law.

Item 3, Additional Disclosure.

Neither we nor any person identified in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

Item 5, Additional Disclosure.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer

the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

Item 6, Additional Disclosure.

The highest interest rate allowed by California law for late payments is 10% annually.

Item 10, Additional Disclosures.

If you sign the Promissory Note attached as Exhibit J to the FDD to obtain financing, you and your spouse must also sign a personal guaranty making you and your spouse individually liable for your financial obligations to our financing affiliate. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if you do not meet your financial obligations to our affiliate under the Promissory Note.

Item 17, Additional Disclosures.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement includes 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. § 101 et seq.).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code § 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement contains a covenant not to complete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws of the State of Arizona. This provision may not be enforceable under California law.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

You must sign a general release if you renew or transfer the franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the California Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the California Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Professional Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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.

Each owner of the franchise is required to execute a personal guarantee. Doing so could jeopardize the marital assets of non-owner spouses domiciled in a community property state such as California.

Item 22, Additional Disclosure.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum relates to franchises sold in California and is intended to comply with the California statutes and regulations.

1. The parties agree to amend the Franchise Agreement to add the following section:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. For Franchisees operating outlets located in California, the California Franchise Investment Law and the California Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF HAWAII

This Addendum relates to franchises sold in the State of Hawaii and is intended to comply with Hawaii statutes and regulations.

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

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

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

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

The name and address of our agent in this state authorized to receive service of process is Commissioner of Securities, Department of Commerce and Consumer Affairs, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

HAWAII AMENDMENT TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties agree to modify the Franchise Agreement as follows:

1. Section 13.1 of the Agreement is amended by adding the following:

   The Start-Up Fee will be due on the day that you have opened your business and we have fulfilled all of our pre-opening obligations under the Franchise Agreement.

2. This amendment will apply only if the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., would apply on its own without referring to this amendment.

IN WITNESS WHEREOF, the parties have signed and delivered this Hawaii amendment on the same date as the Agreement was executed.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF ILLINOIS

Cover Page, Additional Disclosures.

THE GOVERNING LAW, VENUE AND JURISDICTION REQUIREMENTS IN THE DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE ILLINOIS FRANCHISE DISCLOSURE ACT, AND NOTHING IN THESE DOCUMENTS SHALL BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE ILLINOIS FRANCHISE DISCLOSURE ACT.

Item 5, Additional Disclosures.

All initial fees and payment owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the hospital is open. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Item 17, Additional Disclosures.

The conditions under which the Franchise Agreement can be terminated and your rights upon non-renewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Pursuant to Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void.

The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Item 22, Additional Disclosures.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Illinois Franchise Disclosure Act of 1987 (the "Act"), Illinois Compiled Statutes, Chapter 815, Sections 705/1 to 705/44, the parties agree to modify the Franchise Agreement as follows:

1. Termination. Section 19 is amended by adding the following:

   If anything in this Section concerning termination is inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then the Act shall apply.

2. Renewal. Section 5.2 is amended by adding the following:

   If anything in this Section concerning non-renewal is inconsistent with Section 20 of the Illinois Franchise Disclosure Act of 1987, then the Act shall apply.

3. Fees. Section 13.1 is deleted in its entirety and replaced with the following:

   Upon completion of PVS's pre-opening obligations and the opening of the Hospital, FRANCHISEE shall pay PVS a non-refundable initial start-up fee of Ten Thousand Dollars ($10,000) (the "Start-Up Fee"). The Start-Up Fee is not refundable, and is payable in consideration of the services that PVS provides FRANCHISEE in connection with helping FRANCHISEE establish the Hospital.

4. Governing Law. Section 32.9 of the Franchise Agreement is deleted. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

5. Jurisdiction and Venue. Section 32.11 is amended by adding the following:

   Section 4 of the Act states that any provision in a franchise agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

6. Time Limit on Filing. Section 32.13 is amended by adding the following:

   Notwithstanding the foregoing, any claims arising under the Act shall be commenced within the period of limitation established in Section 27 of the Act.

7. Section 41 of the Act states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Franchise Agreement.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. This Addendum will have effect only if the Franchise Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of the Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INDIANA ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum relates to franchises sold in Indiana and is intended to comply with Indiana statutes and regulations. The parties agree to supplement the Franchise Agreement as follows:

1. Pursuant to Section 23.2-2.7-1 of the Indiana Code, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:

(A) advertising campaign or contest;

(B) promotional campaign;

(C) promotional materials; or

(D) display decorations or materials;

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

2. If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Indiana Code will supersede the Agreement.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. This Addendum will have effect only if the Franchise Agreement and/or the relationship between FRANCHISOR and FRANCHISEE satisfy all of the jurisdictional requirements of the Indiana Code, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF MARYLAND

Item 5, Additional Disclosures.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

Item 17, Additional Disclosures.

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

The Franchise Agreement requires you to sign a general release as a condition of renewal or transfer of the franchise. These releases will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

A limitation on the period of time within which arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

Item 22, Additional Disclosures.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Franchise Agreement as follows:

1. Releases. The following is added to Section 5.2.7 and Section 26.3.5 of the Franchise Agreement:

   This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Fee Deferral. The following is added to Section 13 of the Franchise Agreement:

   Section 13.15. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by the franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

3. Entire Agreement. Section 32.1 is amended by adding the following:

   Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to PVS's prior representations.

4. Governing Law. Section 32.9 is amended by adding the following:

   Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

5. Jurisdiction and Venue. Section 32.11 is amended by adding the following:

   Any choice of forum for litigation is subject to your right to bring an action under the Maryland Franchise Registration and Disclosure Law in Maryland.

6. Time Limit on Filing. Section 32.13 is amended by adding the following:

   The foregoing limitation on the period of time within which arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. General. Section 32 is further amended by adding the following:

   Section 32.27. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and Franchisee satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF MICHIGAN

Cover Page, Additional Disclosures.

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 the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchises of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state. **[Note: PVS reserves the right to challenge the restriction on the location of arbitration under the Federal Arbitration Act.]**

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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 shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913 (517) 373-7117.

INFORMATION REQUIRED
BY THE STATE OF MINNESOTA

Item 13, Additional Disclosure.

PVS will indemnify you against liability to a third party resulting from claims that your use of the Marks infringes trademark rights of the third party, provided that your use of the Marks is in accordance with the requirements of the Franchise Agreement and the PVS System.

Item 17, Additional Disclosures.

PVS will comply with Minnesota Statutes Section 80C.14, subdivisions 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minnesota Statutes § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring you to waive 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.

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 Statutes §§ 80C.01 - 80C.22.

Minnesota Rule 2860.4400J prohibits us from requiring you to waive your rights to a trial or to consent to liquidated damages, termination penalties, or judgment notes. This rule does not bar a voluntary arbitration of any matter.

Item 22, Additional Disclosures.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY

CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement as follows:

1. Releases. The following sentence is added to Section 5.2.7 and Section 26.3.5:

   Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Renewal and Termination. Section 5.2 and Section 19 are each amended by adding the following:

   Notwithstanding anything to the contrary in Sections 5.2 and 19, PVS will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

3. Marks. Section 24 is amended by adding the following:

   PVS will indemnify you against liability to a third party resulting from claims that your use of the Marks infringes trademark rights of the third party, provided that your use is in accordance with the requirements of the Franchise Agreement and the PVS System.

4. Entire Agreement. Section 32.1 is amended by adding the following:

   Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

5. Jurisdiction and Venue. Section 32.11 is amended to add the following:

   Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit LMFC from requiring litigation to be conducted outside Minnesota.

6. Time Limit on Filing. Section 32.13 is amended to add the following:

   Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within

three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. This Addendum will have effect only if the Franchise Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE STATE OF NEW YORK

Cover page, Additional Disclosures.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.

PVS REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

Item 3, Additional Disclosures.

Other than as disclosed in Item 3, neither PVS its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

1. Has any administrative, criminal or material 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. There are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the System or its business operations.

2. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this disclosure document, 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.

3. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under any 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.

Item 4, Additional Disclosure.

Except as described in this Item, neither PVS, its affiliates, its predecessors, officers, nor general partners, during the ten-year period immediately before the date of the disclosure document: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws; or (c) was a principal officer of a company or general partner of 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 any foreign bankruptcy laws, or that obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws during or within one year after the officer or general partner of LMFC held this position in the company or partnership.

Item 17, Revised Disclosures.

1. *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 Our 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.

2. *The following is added to the end of the Summary section in Item 17(d):*

   You may also terminate the Franchise Agreement on any grounds available by law.

3. *The following is added to the end of the Summary section in Item 17(j):*

   However, no assignment will be made by PVS except to an assignee who, in PVS's good faith judgment, is willing and able to assume PVS's obligations under the Franchise Agreement.

4. *The following is added to the end of the Summary sections of Item 17(v), titled "Choice of Forum", and Item 17(w), title "Choice of Law":*

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

Item 17, Additional Disclosures.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement inconsistent with that law.

You must sign a general release when you renew or transfer a franchise. This provision may not be enforceable under New York law.

Item 22, Additional Disclosures.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Receipts, Additional Disclosure.

Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, 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.

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Franchise Agreement as follows:

1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Section 5.2.7 and Section 26.3.5 are each amended to add the following:

   The foregoing release of claims does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Termination by Franchisee. Section 20 is amended by adding the following:

   You may also terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

4. Assignment by PVS. Section 26.8 is amended by adding the following:

   PVS will not assign its rights under the Franchise Agreement except to an assignee who in PVS's good faith judgment is willing and able to assume PVS's obligations under the Franchise Agreement.

5. Governing Law. Section 32.9 is amended by adding the following:

   Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. This Addendum will have effect only if the Franchise Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

NORTH DAKOTA ADDENDUM TO FDD AND FRANCHISE AGREEMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Agreement is amended as follows:

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

   A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

   B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

   C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

   D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

   E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

   F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

   G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

   H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

   I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

   J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor,

franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. This Addendum will have effect only if the Agreement and/or the relationship between PVS and FRANCHISEE satisfy all of the jurisdictional requirements of the North Dakota Franchise Investment Law, without considering this Addendum. Except as expressly modified by this Addendum, the Agreement remain unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Franchise Agreement as follows:

1. Governing Law. Section 32.9 is amended by adding the following:

   Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. Section 32.11 is amended by adding the following:

   Notwithstanding the foregoing, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. This Addendum will have effect only if the Franchise Agreement and/or the relationship between FRANCHISEE and PVS satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

INFORMATION REQUIRED
BY THE COMMONWEALTH OF VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act (the "Act"), the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Effective July 1, 2026, under subsection D of Section 13.1-559 of the Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Effective July 1, 2026, under subdivision A 4 of Section 13.1-563 of the Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of Section 13.1-563 of the Act provides that if a franchisee sells at a mutually agreed upon price toa third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

Item 5, Additional Disclosure.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosure.

According to Section 13.1-564 of the 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 Act or the laws of Virginia, that provision may not be enforceable.

According to Section 13.1-564 of the Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Item 22, Additional Disclosures.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the Virginia Retail Franchising Act, the Franchise Agreement for use in the Commonwealth of Virginia is amended as follows:

1. The following clauses apply if the Franchise Agreement is entered into on or after July 1, 2026:

a. Governing Law. Section 32.9 is amended by adding the following:

Notwithstanding the foregoing, under Subsection D of Section 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

b. Restrictions on Competition. Section 29.1 is amended by adding the following:

Under subdivision A 4 of Section 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of Section 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

In recognition of these provisions, Section 29.1 is deleted except to the extent the section is consistent with subsection B of Section 13.1-563 of the Act.

For the avoidance of doubt, if you enter into the Franchise Agreement before July 1, 2026, Section 1.a and Section 1.b do not apply.

2. Fees. Section 13.1 is amended by adding the following:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

3. This Addendum will have effect only if the Franchise Agreement and/or the relationship between FRANCHISEE and PVS satisfy all of the jurisdictional requirements of the Virginia Retail Franchising Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

PETSMART VETERINARY SERVICES, LLC

By:_____

Title:_____

FRANCHISEE [print company name]:

_____

By:_____

Print Name:_____

Title:_____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation**. 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.

4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitation and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorney's Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants**. 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolitication Agreements**. 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.

16. **Questionnaires and Acknowledgements**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communication with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Fee Deferral**. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

20. Item 17.e is amended by modifying the first paragraph to read as follows: "In the event a court or other legal authority prohibits PVS from continuing the PETSMART VETERINARY SERVICES franchise program, PVS will give you written notice of PVS's obligation to comply with the order of the court or other legal authority. You will then have the option to (i) terminate the Franchise Agreement and wind down the operation of the Hospital and vacate the Hospital on a schedule to be agreed upon, without any liability to you; or (ii) convert the Hospital to a different name and continue to operate the Hospital as an IVO under PetSmart's standard Independent Veterinary Operator Agreement."

21. Item 17(o) is hereby modified to be consistent with RCW 19.100.180, including that we shall purchase the assets referenced in the statute at their fair market value at the time of the expiration of the franchise based on our refusal to renew, or based on the termination of the franchise upon an expiration or termination with good cause. We are permitted to offset such amounts with any amounts you owe us.

22. **Additional Disclosure re Washington Law**. All conditions and restrictions imposed on Washington franchisees by the Franchise Agreement and System Standards, including conditions and restrictions regarding facilities, equipment purchases, and required or prohibited services, must be consistent with Washington's prohibition on the corporate practice of medicine, as interpreted in cases such as *State ex rel. Standard Optical Co. v. Superior Court for Chelan County*, 17 Wash. 2d 323 (Wash. 1943); *State v. Boren*, 36 Wash. 2d 522 (Wash. 1950); *Morelli v. Ehsan*, 110 Wash. 2d 555 (Wash. 1988);

Fallahzadeh v. Ghorbanian, 119 Wash. App. 596 (Wash. Ct. App. 2004); and *Nicholson v. Orthodontic Centers of Washington, Inc.*, 144 Wash. App. 1048 (Wash. Ct. App. 2008) (unpublished). Any conditions and restrictions of the Franchise Agreement and System Standards that are inconsistent with this case law cannot be imposed on franchisees in Washington.

PETSMART VETERINARY SERVICES, LLC	**FRANCHISEE** [print company name]:
	_____
By:_____	By:_____
Title:_____	Title:_____

EXHIBIT E

FRANCHISEES AS OF FEBRUARY 1, 2026

EXHIBIT E

FRANCHISESS AS OF FEBRUARY 1, 2026

FRANCHISEES WITH HOSPITAL OPEN AS OF FEBRUARY 1, 2026

Adress	City	State	Zip Code	Franchisee	Contact
3585 N. Shiloh Drive	Fayetteville	AR	72703	Apex Care Enterprise, LLC	Emanuel Torres torres.emanuel.k@gmail.com
986 N. Mission Parkway	Casa Grande	AZ	85194	DVMJJD, LLC	Jarrod Dorsey jrkid96@gmail.com
6960 Amador Plaza Road	Dublin	CA	94568	Wag in the Sky, Inc.	Kyung Tack Lim ktlim8309@gmail.com
7600 Edinger Avenues	Huntington Beach	CA	92647	Veza Vets HB LLC	Joseph Velasco ibmob95@yahoo.com
3420 Marron	Oceanside	CA	92056	California Pet Pacts Inc.	Ravneet Sandhu ravneetsandhudvm79@gmail.com
5601 Ramon Road East	Palm Springs	CA	92264	Palm Springs Companion Care Partners, LLC	Michelle Bousquet bousquet600@hotmail.com
1225 Industrial Road	San Carlos	CA	94070	RTVI, APC	Dr. Keith Harper harper@haywardvethospital.com
3610 Rosecrans St	San Diego	CA	92110	Benedek Veterinary Corp.	Neola Benedek neolabenedek@gmail.com
33963 Doheny Park Road	San Juan Capistrano	CA	92675	San Juan Capistrano Companion Care, LLC	Ryan LaBang rlabang@gmail.com
6348 Foothill Boulevard	Tujunga	CA	91042	Tujunga Companion Care, LLC	Nehemiah Washington-Ball nemo99742@gmail.com
12624 Amargosa Road	Victorville	CA	92392	Providential Services	Joseph Velasco ibmob95@yahoo.com
525 Connecticut Avenue	Norwalk	CT	6854	Onyx Pet Care, LLC	Vicki Myers vickimyersdvm99@hotmail.com
288 West Avenue	Stamford	CT	6902	Onyx Pet Care, LLC	Vicki Myers vickimyersdvm99@hotmail.com
1051 W. Brandon Blvd.	Brandon	FL	33511	UR PetVet LLC	Carla Olivo carla.olivo@yahoo.com
3301 Southwest 22nd Street	Coral Gables	FL	33145	MiaPawsInternational, LLC	Shanna Barnes shannabarnesdvm@gmail.com
510 Linton Boulevard, Suite 101	Delray Beach	FL	33444	Vet Vibes Pet Hospital LLC	Zuri Dawkins zuridawkins@gmail.com

Adress	City	State	Zip Code	Franchisee	Contact
1700 N. Federal Highway	Ft. Lauderdale	FL	33305	Kazachok Veterinary Group, LLC	Anfisa Kazachok anfisa.ck@gmail.com
16514 Southwest 88th Street	Kendall	FL	33196	People Ensuring They Survive, LLC	Jessica Lowe drjessicalowe@gmail.com
601 Centerview Blvd.	Kissimmee	FL	34741	FVC JE LLC	Jordana Rosen jordana@evs.pet
3220 Capital Cir. NE	Tallahassee	FL	32308	Veritas Veterinary Enterprises Inc.	Cesar Mena docvetmena@gmail.com
6001 Wesley Grove Blvd.	Wesley Chapel	FL	33544	Cornerstone Pet Hospital LLC	Ibram Youssef ibramyoussef88@gmail.com
128 Perimeter Ctr W.	Atlanta	GA	30346	OB Veterinary Group, LLC	Jonathan Owens jonowensdvm@outlook.com
2540 Cumberland Boulevard	Smyrna	GA	30080	1911 Vet Care LLC	Vernard Hodges vernardhodges1@gmail.com
1929 Scenic Hwy N	Snellville	GA	30078	Vetastic of Snellville, LLC	Vernard Hodges vernardhodges1@gmail.com
2730 Watson Boulevard	Warner Robins	GA	31093	Vetastic LLC	Vernard Hodges vernardhodges1@gmail.com
291 Skokie Boulevard	Northbrook	IL	60062	EVS 291 Northbrook, LLC	Jordana Rosen jordana@evs.pet
1743 MLK Jr. Boulevard	Houma	LA	70360	Chosen 2 Serve, LLC	George and Krista Miller ganthonymiller@me.com
6005 Oxon Hill Road	Oxon Hill	MD	20745	Oxon Hill Veterinary Hospital, LLC	Rammohan Surineni oxonhillvethospital@gmail.com
2544 Crossing Cir.	Traverse City	MI	49684	Freedom Mobile Veterinary Care, LLC	Alexandra Mittner mimobilevet@gmail.com
11088 US Highway 15-501, Suite 600	Aberdeen	NC	28315	Quality Care Veterinary Services, PLLC	Katherine Manning Brady drkmanning@gmail.com
2250 Timber Drive	Garner	NC	27529	RegalVet PLLC	Jason Regalado jason.regalado@gmail.com
2800 E. Millbrook Rd.	Raleigh	NC	27604	IG Veterinary Services PLLC	Irina Hartman irina@vetletics.com
17035 Evans Plaza	Omaha	NE	68134	Willcruz Veterinary Industries LLC	Nicholas Cruz nicholasjcruz@outlook.com
5915 S. Eastern Ave.	Las Vegas	NV	89119	Dr. Cuddles Animal Hospital, PLLC	Thomas Huddleston thuddl1@gmail.com

Adress	City	State	Zip Code	Franchisee	Contact
5160 S Ft Apache Rd	Las Vegas	NV	89148	Cuddleston Animal Hospital, PLLC	Thomas Huddleston thuddl1@gmail.com
1261 S. Decatur Blvd.	Las Vegas	NV	89102	Dr. Knowell Animal Hospital Prof. LLC	Noelle Jabal drnoellebennett03@gmail.com
2160 Jericho Turnpike	Commack	NY	11725	Standish-Parkin Veterinary Services, PLLC	Brian Standish-Parkin bstandishparkin@gmail.com
641 Baltimore Pike	Springfield	PA	19064	NALA BABBA LLC	Leslie Brown leslie.b24@verizon.net
1013 W University Ave Bldg B	Georgetown	TX	78628	Vet 2 The Starz, LLC	Renee Jones vet2thestarz@gmail.com
8380 Westheimer Rd	Houston	TX	77063	CFAH Westheimer LLC	Diarra Blue dr.blue@cyfairanimalhospital.com
201 University Oaks Boulevard	Round Rock	TX	78665	YDM Global LLC	Yejide Myers yejidemyers@gmail.com
9970 Sowder Village Square	Manassas	VA	20109	Animal House LLC	Marvin Baynes mabjrdvm@aol.com
226641 Rib Mountain Drive	Wausau	WI	54401	Northpointe Veterinary Service of Wausau LLC	James LeVasseur jlevasseur@uwalumni.com

FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT BUT HOSPITAL NOT OPEN AS OF FEBRUARY 1, 2026

Adress	City	State	Zip Code	Franchisee	Contact
620 W. 17th Street*	Costa Mesa	CA	92627	Raven Mad About Pets LLC	Raven Marshall r.marshalldvm@gmail.com
1591 Bradley Park Drive #A	Columbus	GA	31904	Vetastic of Columbus LLC	Vernard Hodges Vernardhodges1@gmail.com
1700 Norman Dr., Suite 200	Valdosta	GA	31601	Vetastic, LLC	Vernard Hodges Vernardhodges1@gmail.com
3050 Middle County Rd.*	Nesconset	NY	11767	Melanie Ramsden	Melanie Ramsden laniramsdendvm@gmail.com

*Hospital opened after the end of our fiscal year February 1, 2026.

EXHIBIT F

FRANCHISEES WHO EXITED AN OUTLET IN FISCAL YEAR ENDING FEBRUARY 1, 2026

EXHIBIT F

FRANCHISEES WHO EXITED AN OUTLET IN FISCAL YEAR ENDING FEBRUARY 1, 2026

HOSPITALS CLOSED AND AGREEMENT TERMINATED

Address	Franchisee	Franchisee Email Address	Reason for Exit
2705 E. Bidwell St. Folsom, CA 95630	JJ Veterinary Services, Inc.	JaCiara Johnson jaciarajohnsondvm@gmail.com	Ceased Operations – Mutual Termination
6370 N. Point Parkway Alpharetta, GA 30022	Vetastic of Alpharetta LLC	Vernard Hodges Vernardhodges1@gmail.com	Ceased Operations – Mutual Termination
1321 W. Craig Road Las Vegas, NV 89032	Advocates Las Vegas, LLC	Bobby Huey bhuerydvm@gmail.com	Ceased Operations – Mutual Termination
20861 FL-7 Boca Raton, FL 33428	TVC Boca Raton LLC	Diarra Blue dr.blue@cyfairanimalhospital.com	Ceased Operations – Mutual Termination
9585 W. Colonia Drive Ocoee, FL 34761	The Vet Business LLC	Davon Carolina dcarolinadvm@gmail.com	Ceased Operations – Mutual Termination
734 E. Big Beaver Road Troy, MI 48083	Vetfluence, LLC	Vernard Hodges Vernardhodges1@gmail.com	Ceased Operations – Mutual Termination

MUTUAL TERMINATION – HOSPITAL NEVER OPENED

Address	Franchisee	Franchisee Email Address	Reason for Exit
5025 Hwy 280, Suite 105 Birmingham, AL 35242	Kingdom Crown LLC	Andrew Thornton andersongator@gmail.com	Never Opened – Mutual Termination
2718 Legends Parkway Prattville, AL 36066	Crowning Glory LLC	Andrew Thornton andersongator@gmail.com	Never Opened – Mutual Termination
2150 Paxton Dr SW Lilburn, GA 30047	Vetastic, LLC	Vernard Hodges Vernardhodges1@gmail.com	Never Opened – Mutual Termination
7812 NE Zac Lentz Victoria, TX 77904	Veterinary Group, LLC	Edward Dempsey dempcholdings@gmail.com	Never Opened – Mutual Termination

EXHIBIT G

FINANCIAL STATEMENTS



PetSmart Veterinary Services, LLC

Financial Statements
as of February 1, 2026 and February 2, 2025,
and for the years ended February 1, 2026, February 2, 2025,
and January 28, 2024

(With Independent Auditors' Report Thereon)

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CBIZ CPAs P.C.

4722 North 24th Street
Suite 300
Phoenix, AZ 85016

P: 602.264.6835

Independent Auditors' Report

To the Member of
PetSmart Veterinary Services, LLC

Opinion

We have audited the financial statements of **PetSmart Veterinary Services, LLC** (the "Company"), which comprise the balance sheets as of February 1, 2026 and February 2, 2025, and the related statements of operations, member's deficit, and cash flows for the years ended February 1, 2026, February 2, 2025, and January 28, 2024, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of February 1, 2026 and February 2, 2025, and the results of its operations and its cash flows for the years ended February 1, 2026, February 2, 2025, and January 28, 2024 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit(s). 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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

CBIZ CPAs P.C.

Phoenix, Arizona
May 15, 2026

PetSmart Veterinary Services, LLC
Balance Sheets
(In thousands)

	February 1, 2026	February 2, 2025
ASSETS		
Cash	$ 4,153	$ 3,311
Receivables, net	513	525
Prepaid expenses and other current assets	487	315
Total current assets	5,153	4,151
Operating lease right-of-use assets, net	6,440	5,963
Straight-line rents receivable, less current portion	912	1,231
Total assets	$ 12,505	$ 11,345
LIABILITIES AND MEMBER'S DEFICIT		
Accounts payable	$ 104	$ 133
Current maturities of operating lease obligations	761	655
Due to Parent and affiliates	19,104	9,139
Other current liabilities	1,084	534
Total current liabilities	21,053	10,461
Operating lease obligations, less current portion	6,640	6,327
Deferred start-up fees, less current portion	107	—
Total liabilities	27,800	16,788
Member's deficit:		
Member contributions	14,687	14,687
Accumulated deficit	(29,982)	(20,130)
Total member's deficit	(15,295)	(5,443)
Total liabilities and member's deficit	$ 12,505	$ 11,345

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

PetSmart Veterinary Services, LLC
Statements of Operations
(In thousands)

	(52 weeks) Year Ended February 1, 2026	(53 weeks) Year Ended February 2, 2025	(52 weeks) Year Ended January 28, 2024
Franchise royalties and other fees	$ 1,290	$ 2,290	$ 826
Rental revenue	579	2,205	1,066
Total revenue	1,869	4,495	1,892
Administrative service fees	3,600	2,650	4,800
Occupancy costs	1,646	1,558	924
Advertising expenses	4,077	5,247	3,922
General and administrative expenses	2,398	2,139	1,171
Total operating expenses	11,721	11,594	10,817
Net loss	$ (9,852)	$ (7,099)	$ (8,925)

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

PetSmart Veterinary Services, LLC
Statements of Member's Deficit
(In thousands)

	Member Contributions	Accumulated Deficit	Total
Balance as of January 29, 2023	$ 5,000	$ (4,106)	$ 894
Member contributions	9,687	—	9,687
Net loss	—	(8,925)	(8,925)
Balance as of January 28, 2024	14,687	(13,031)	1,656
Net loss	—	(7,099)	(7,099)
Balance as of February 2, 2025	14,687	(20,130)	(5,443)
Net loss	—	(9,852)	(9,852)
Balance as of February 1, 2026	$ 14,687	$ (29,982)	$ (15,295)

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

PetSmart Veterinary Services, LLC
Statements of Cash Flows
(In thousands)

	(52 weeks) Year Ended February 1, 2026	(53 weeks) Year Ended February 2, 2025	(52 weeks) Year Ended January 28, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (9,852)	$ (7,099)	$ (8,925)
Adjustments to reconcile net loss to net cash used in operating activities:			
Gain on License Agreement terminations	(150)	(412)	(318)
Loss on Franchisee Agreement terminations	150	606	244
Provision for losses on accounts receivable	88	348	—
Changes in assets and liabilities:			
Assets	(79)	(1,686)	(1,264)
Accounts payable	(29)	(10)	31
Other liabilities	749	319	1,568
Net cash used in operating activities	(9,123)	(7,934)	(8,664)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash provided by investing activities	—	—	—
CASH FLOWS FROM FINANCING ACTIVITIES:			
Financing provided by Parent and affiliates	9,992	8,499	8,460
Repayments to Parent and affiliates	(27)	(274)	(4,300)
Contributions from Parent	—	—	2,500
Net cash provided by financing activities	9,965	8,225	6,660
Increase (decrease) in cash	842	291	(2,004)
Cash at beginning of period	3,311	3,020	5,024
Cash at end of period	$ 4,153	$ 3,311	$ 3,020
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Assets acquired using operating lease obligations	$ 1,907	$ 2,206	$ 4,571
Non-cash contributions from Parent	—	—	7,187

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

PetSmart Veterinary Services, LLC
Notes to the Financial Statements

Note 1 — Description of the Business and Significant Accounting Policies

Business

PetSmart Veterinary Services, LLC ("PVS") is a single-member limited liability company and its sole member is PetSmart LLC ("PetSmart" or "Parent"). PVS is referred to as "we," "our," or "us" unless the context requires or discloses otherwise.

PVS offers franchises for veterinary practices under the name PetSmart Veterinary Services. The franchised veterinary practices are located in PetSmart retail stores and offer veterinary care and related products and services to the public, including preventive care, urgent care, general pet health management, and treatment for pets.

PetSmart is the leading omni-channel pet retailer in North America, offering a broad assortment of pet care essentials, exclusive brands, and items for the lifetime needs of pets, along with expert pet services. As of February 1, 2026, PetSmart operated 1,694 stores across the United States, Canada, and Puerto Rico, with full-service veterinary hospitals owned and operated by third parties, including PVS third-party franchisees ("Franchisees"), in 720 locations.

PetSmart, as the tenant of all of its stores as of February 1, 2026, licenses defined space of certain stores to PVS pursuant to a License Agreement (the "License Agreement"), and PVS sublicenses that space to third-party Franchisees pursuant to a Franchise and Premise License Agreement (including those amended, the "Franchisee Agreement").

Franchisees operate and manage hospitals (each a "PVS Hospital") within PetSmart stores under the trademarks, service marks, logos and commercial symbols of PVS that PVS licenses from an affiliate of PetSmart. Franchisees are entitled to earnings from their managed PVS Hospital(s). In return, Franchisees pay PVS certain royalty, marketing and technology fees, as well as license fees and related occupancy costs such as property taxes, utilities, common area maintenance, and insurance, in addition to other fees and cost reimbursements as defined in the terms of each Franchisee Agreement.

As of February 1, 2026, PVS had 43 License Agreements related to locations with open PVS Hospitals operated by Franchisees under Franchisee Agreements.

Basis of Presentation

Our accompanying financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth in the Financial Accounting Standards Board's ("FASB's") Accounting Standards Codification.

Fiscal Year

Our fiscal years consist of 52 or 53 weeks and end on the Sunday nearest to January 31st. Fiscal year 2025, which ended on February 1, 2026, was a 52-week year. Fiscal year 2024, which ended on February 2, 2025, was a 53-week year. Fiscal year 2023, which ended on January 28, 2024, was a 52-week year. Unless otherwise specified, all references to years in these financial statements are to fiscal years.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the reporting period. Management bases their estimates on historical experience and on various other assumptions that they believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Under different assumptions or conditions, actual results could differ from these estimates.

Financial Instruments

Our short-term financial instruments primarily consist of cash, receivables, prepaid expenses, accounts payable, and accrued expenses. These balances, as presented in the financial statements as of February 1, 2026 and February 2, 2025, approximate fair value because of their short-term nature.

Leases

All of our License Agreements with PetSmart are classified as operating leases. Our License Agreements may involve significant assumptions and judgments to identify the underlying space or equipment subject to the lease and the discount rate used to calculate the present value of remaining fixed lease payments over the lease term. The License Agreements do not provide an implicit rate. Therefore, PVS uses its incremental borrowing rate, determined on a collateralized basis, in determining the present value of future lease payments based on information available at the commencement date.

For accounting purposes, we do not recognize a License Agreement as a lease until the fixed lease payments are established, which generally occurs on the date in which the PVS Hospital opens for business. Once established, we record an operating lease right-of-use ("ROU") asset in operating lease right-of-use assets, net on the Balance Sheets equivalent to the initial measurement of the lease liability. We measure the operating lease obligation based on the present value of the future lease payments over the lease term at the commencement date. The initial measurement of the ROU asset and lease obligation includes fixed payments included in our License Agreements. We generally do not include renewal options in the determination of the lease term unless the renewals are deemed to be reasonably certain at commencement. We elected the practical expedient to account for each separate lease component and non-lease component associated with our leases as a single lease component for real estate leases. Payments are recognized as a reduction of the operating lease obligation on the Balance Sheets.

Operating lease expense is recorded on a straight-line basis over the lease term within occupancy costs on the Statements of Operations. Adjustments to lease payments due to inflation subsequent to the commencement date are recognized on the Statements of Operations in the period in which the obligation for those payments was incurred. In the event a License Agreement is terminated subsequent to the commencement date, the ROU asset and lease obligation is written off and a gain or loss is recognized upon termination based on the difference between the remaining lease liability and the carrying amount of the ROU asset. The resulting gain or loss is recognized and included in general and administrative expenses on the Statements of Operations. During the years ended February 1, 2026, February 2, 2025, and January 28, 2024, general and administrative expenses included a net gain of $0.2 million, $0.4 million, $0.3 million, respectively, related to the terminations of License Agreements.

We review operating lease ROU assets for impairment based on undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If this review indicates that the carrying amount of operating lease ROU assets is not recoverable, we recognize an impairment loss, which is determined by calculating the fair value of the assets using estimated discounted cash flows. There were no impairment charges of operating lease ROU assets during the years ended February 1, 2026, February 2, 2025, or January 28, 2024.

Refer to Note 3 for further discussion regarding leases.

Revenue Recognition

Under the Franchisee Agreements, PVS recognizes revenue from two general types of recurring fees: occupancy-related and non-occupancy-related.

Occupancy-Related Fees

Occupancy-related fees are included in rental revenue on the Statements of Operations and consist of the following: a monthly license fee collected from Franchisees for the sublicensed space and equipment within PetSmart stores (the "Franchisee License Fee"), and a monthly fee intended to cover occupancy-related costs, such as utilities, property insurance, liability insurance, common area maintenance, electricity, water and sewage, and real property taxes, plus any administrative fees in connection with the use and occupancy of the PVS Hospital (collectively, "Hospital Occupancy Costs").

Franchisee License Fees and Hospital Occupancy Costs are fixed based on the square footage of the related PVS Hospital and are due from Franchisees beginning 365 days after the Commencement Date (the "Ramp-Up Period"). The Commencement Date is defined as the earlier of: (a) a specific number of days, generally 60, following the date on which PVS has delivered possession of the PVS Hospital to the Franchisee, or (b) the date the PVS Hospital opens for business. PVS recognizes rental revenue from Franchisee License Fees and Hospital Occupancy Costs on a straight-line basis over the term of the Franchisee Agreement.

During the year ended February 1, 2026, substantially all existing Franchisees and Franchisees of new locations entered into Franchisee Agreements incorporating a new fee arrangement (the "New Fee Arrangement"). As a result, all but two

locations were operating under the New Fee Arrangement as of February 1, 2026. The New Fee Arrangement reduced royalty rates and combined the Franchisee License Fee and Hospital Occupancy Costs into a single license fee. Accordingly, for the year ended February 1, 2026, revenue for locations operating under the New Fee Arrangement was recognized based on this revised contractual fee structure, while the remaining two locations that had not entered into the New Fee Arrangement continued to be accounted for under the contractual terms applicable for the years ended February 2, 2025 and January 28, 2024.

In the event a Franchisee Agreement is terminated subsequent to the commencement date, the receivable for occupancy-related fees due from Franchisees is written off and a loss is recorded for the straight-line rental revenue that was earned prior to termination. As a result, a net loss is recognized and included in general and administrative expenses on the Statements of Operations. During the years ended February 1, 2026, February 2, 2025, and January 28, 2024, general and administrative expenses included a net loss of $0.2 million, $0.6 million, and $0.2 million, respectively, related to the terminations of Franchisee Agreements.

Non-Occupancy-Related Fees

Non-occupancy-related fees are included in franchise royalties and other fees on the Statements of Operations. Non-occupancy-related fees consist of start-up fees, royalties, technology fees, brand fund contributions, and rebates.

Upon execution of the Franchisee Agreement, PVS may collect a non-refundable start-up fee, which is initially recorded as a contract liability and presented within other current liabilities and deferred start-up fees, less current portion on the Balance Sheets. As of February 1, 2026, deferred start-up fees, less current portion were $0.1 million and the current portion was not material. There was no contract liability for the years ended February 2, 2025 and January 28, 2024. Start-up fees are recognized as revenue on a straight-line basis over the term of each Franchisee Agreement.

Following the Ramp-Up Period, PVS collects monthly royalty fees from Franchisees in exchange for the right to use the PVS brand name, which constitutes intellectual property. Royalty fees are variable and based on a tiered percentage of PVS Hospital revenue. Consistent with the sales-based royalty exception provided under the revenue accounting standard, royalty revenue is recognized when the underlying PVS Hospital sales occur.

PetSmart equips each PVS Hospital with a majority of the required information system hardware and infrastructure to run a standard PVS Hospital. The technology equipment is owned by PetSmart, licensed to PVS under the License Agreement, and sublicensed to the Franchisee under the Franchisee Agreement. Franchisees are required to pay a monthly fixed technology fee for information technology services, infrastructure, and related equipment. The monthly fees are established within the Franchisee Agreement but can be revised at any time with reasonable notice. Actual technology-related costs incurred by PVS related to the Franchisee may be higher than the fixed rate charged to the Franchisee. Technology fees are recognized as revenue as information technology services, infrastructure, and access to related equipment are provided to the Franchisee.

Franchisees are generally required to contribute up to 1.5% of PVS Hospital revenue for use by PVS to market the PVS brand (“Brand Fund Contribution”). Brand Fund Contributions are recognized as revenue concurrent with the timing of the related marketing spend. Any Brand Fund Contributions collected but not spent by PVS at the end of the fiscal year are available for use in subsequent periods. If Brand Fund Contributions collected during the year are not fully spent, PVS recognizes a contract liability for the remaining balance in other current liabilities on the Balance Sheets. During the years ended February 1, 2026, February 2, 2025, and January 28, 2024, PVS incurred brand marketing costs of $0.4 million, $0.3 million, and $0.2 million, respectively. PVS did not record a contract liability in any of those years as Brand Fund Contributions were spent in full.

As outlined in the Franchisee Agreements, PVS entered into agreements with certain preferred vendors for laboratory services and in-clinic diagnostic instruments. These relationships establish global pricing and discounts between the Franchisees and certain preferred vendors. PVS earns rebate revenue from certain preferred vendors based upon purchases made by the Franchisee on qualified products. Rebates are accrued based upon monthly purchase data provided by certain preferred vendors and included in receivables, net on the Balance Sheets.

Refer to Note 4 for further discussion regarding revenue recognition.

Advertising Expenses

Advertising costs are expensed as incurred on the Statements of Operations and primarily include franchise and brand development costs, such as digital marketing and Franchisee recruitment.

General and Administrative Expenses

General and administrative expenses include the following types of expenses:

- Professional accounting, legal and consulting fees,
- PVS Hospital pre-opening costs;
- Gains and losses related to terminations of License Agreements and Franchisee Agreements; and
- Other administrative costs.

Income Taxes

For United States income tax purposes, PVS is not classified as a taxpaying entity. Any income or loss arising from the activities of PVS is reported within PetSmart for tax reporting purposes. As such, there is no provision for income tax expense presented on PVS's Statements of Operations. Additionally, there are no accruals for income taxes payable, deferred tax assets, or deferred tax liabilities presented on PVS's Balance Sheets.

Receivables and Allowance for Losses

The majority of our receivables are fees due to PVS from Franchisees. Receivables are stated net of an allowance for estimated losses on the Balance Sheets. Franchisees' ability to repay may be dependent upon both the performance of the veterinary services industry as a whole and the individual Franchisee. An adverse change in the veterinary services industry or the individual Franchisee's performance could affect PVS's estimate of the allowance for losses. General and administrative expenses include a provision for losses on accounts receivables on the Statements of Operations.

The following table provides details related to our allowance for estimated losses (in thousands):

	Allowance for losses
Balance at January 28, 2024	$ —
Bad debt expense recognized during the year	348
Write-off of uncollectible amounts	(111)
Balance at February 2, 2025	$ 237
Bad debt expense recognized during the year	88
Write-off of uncollectible amounts	(221)
Balance at February 1, 2026	$ 104

Note 2 — Recently Issued Accounting Pronouncements

In July 2025, the FASB issued Accounting Standards Update 2025-05*, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"). The amendments in ASU 2025-05 provide a practical expedient for all entities and an optional accounting policy election for entities other than public business entities to reduce the complexity and cost in estimating expected credit losses on current accounts receivable and/or current contract assets arising from transactions under Topic 606, *Revenue from Contracts with Customers.* ASU 2025-05 is effective for annual periods beginning after December 15, 2025. Early adoption is permitted. We do not expect the standard to have a material impact on our financial statements.

There were no Accounting Standards Updates adopted during the year ended February 1, 2026, and there were no recently issued accounting pronouncements that have not yet been adopted that we believe will have a material impact on our financial statements.

Note 3 — Leases

As of February 1, 2026, we leased all of our space and equipment under operating leases. Lease terms expire on various dates through 2041, including renewal options that PVS is reasonably certain to exercise. Under our License Agreements with PetSmart, we are obligated to pay a proportionate share of rent and other costs payable or incurred by PetSmart under its store head lease or other agreements related to the operation of the store ("PVS License Fee"). Pursuant to each License Agreement, the PVS License Fee is calculated based on the square footage of the related PVS Hospital and includes both fixed costs, such as rent, as well as variable costs, such as property taxes, utilities, common area maintenance, and insurance. Payment of PVS License Fees commence when PVS begins collecting Hospital Occupancy Costs. PVS License Fees are included in occupancy costs on the Statements of Operations.

The following table provides details of lease costs recorded on the Statements of Operations during the years ended February 1, 2026, February 2, 2025, and January 28, 2024:

	(52 weeks) Year Ended February 1, 2026	(53 weeks) Year Ended February 2, 2025	(52 weeks) Year Ended January 28, 2024
Operating lease cost	$ 1,164	$ 1,312	$ 889
Variable lease cost	482	246	35
Total occupancy costs	$ 1,646	$ 1,558	$ 924

The following table provides details on the weighted-average remaining lease term and discount rate as of February 1, 2026 and February 2, 2025:

	As of February 1, 2026	As of February 2, 2025
Weighted-average remaining lease term:	7.6 years	8.2 years
Weighted-average discount rate:	7.4%	7.3%

As of February 1, 2026, the future fixed minimum lease payments for the succeeding five fiscal years and thereafter were as follows (in thousands):

	As of February 1, 2026
2026	$ 1,215
2027	1,460
2028	1,439
2029	1,376
2030	1,206
Thereafter	3,159
Total minimum lease payments	9,855
Less: amounts representing interest	(2,454)
Present value of minimum lease payments	7,401
Less: current portion	(761)
Long-term obligations	$ 6,640

The lease commitments schedule above includes locations for which PVS had the right to control the use of leased space within PetSmart stores as of February 1, 2026.

Note 4 — Revenue Recognition

Occupancy-Related Fees

During the year ended February 1, 2026, PVS recognized $0.6 million of Franchisee License Fee revenue, predominantly under Franchisee Agreements incorporating the New Fee Arrangement. During the years ended February 2, 2025 and January 28, 2024, PVS recognized Franchisee License Fee revenue of $1.6 million and $0.8 million, respectively. During the years ended February 2, 2025 and January 28, 2024, PVS recognized revenue related to Hospital Occupancy Costs of $0.6 million and $0.3 million, respectively.

As of February 1, 2026, future minimum Franchisee License Fee payments expected to be collected from Franchisees, predominantly under Franchisee Agreements incorporating the New Fee Arrangement, for each of the next five fiscal years and thereafter were as follows (in thousands):

	As of February 1, 2026
2026	$ 791
2027	893
2028	878
2029	846
2030	706
Thereafter	1,342
Total	$ 5,456

The schedule above includes locations with open PVS Hospitals for which a Franchisee had the right to control the use of the space sublicensed from PVS as of February 1, 2026. This included 43 Franchisee Agreements for which the executed terms expire on various dates through 2036 related to locations with open PVS Hospitals as of February 1, 2026.

Non-Occupancy-Related Fees

During the years ended February 1, 2026, February 2, 2025, and January 28, 2024, PVS recognized revenue from non-occupancy-related fees as follows (in thousands):

	(52 weeks) Year Ended February 1, 2026	(53 weeks) Year Ended February 2, 2025	(52 weeks) Year Ended January 28, 2024
Royalty and start-up fees	$ 508	$ 1,414	$ 491
Technology fees	329	343	145
Brand fund contributions	415	341	104
Rebates	38	192	86
Franchise royalties and other fees	$ 1,290	$ 2,290	$ 826

Estimated revenues from contract liabilities related to start-up fees expected to be recognized in future periods for performance obligations that were unsatisfied, or partially unsatisfied, as of February 1, 2026, are as follows for each of the next five fiscal years and thereafter (in thousands):

	As of February 1, 2026
2026	$ 20
2027	20
2028	20
2029	19
2030	16
Thereafter	32
Total	$ 127

Note 5 — Related Parties

PetSmart LLC

As discussed in Note 3, our License Agreements require us to pay PetSmart, our parent, a PVS License Fee that includes a proportionate share of rent and variable lease costs related to the operation of the PetSmart store. PVS License Fees are due to PetSmart after the Ramp-Up Period of each PVS Hospital. During the years ended February 1, 2026, February 2, 2025, and January 28, 2024, we incurred $1.6 million, $0.9 million, and $0.1 million of PVS License Fees owed to PetSmart, respectively.

We also have an administrative services agreement with PetSmart pursuant to which PetSmart provides certain business and administrative management services. We pay PetSmart a service fee equal to the estimated direct and indirect costs to be incurred by PetSmart in providing these services, which may be modified from time to time by mutual agreement ("Service Fee"). The Service Fee may change every fiscal year. We incurred $3.6 million of Service Fees during the year ended February 1, 2026. The Service Fees paid to PetSmart during that fiscal year were not material. We incurred $2.7 million of Services Fees during the year ended February 2, 2025, $0.3 million of which had been paid to PetSmart during the same fiscal year. We incurred $4.8 million of Services Fees during the year ended January 28, 2024, $4.3 million of which had been paid to PetSmart during the same fiscal year.

Due to Parent and affiliates consisted of the following as of February 1, 2026 and February 2, 2025 (in thousands):

	February 1, 2026	February 2, 2025
PVS License Fees	$ 1,553	$ 905
Service Fees	3,600	2,650
Other arrangements net of repayments [1]	13,951	5,584
Due to Parent and affiliates	$ 19,104	$ 9,139

(1) Includes amounts paid by PetSmart on behalf of PVS primarily for legal and marketing services.

Additionally, pursuant to the Franchisee Agreements, a related party of PetSmart provides cloud-based practice information management solutions directly to Franchisees. For the years ended February 1, 2026 and February 2, 2025, there have not been any material direct transactions between PVS and this related party.

PetSmart Puerto Rico, LLC

As discussed in Note 1, PetSmart operates stores in North America, including through its wholly-owned subsidiary, PetSmart Puerto Rico, LLC ("PetSmart Puerto Rico"). As of February 1, 2026, PetSmart Puerto Rico operated 12 retail stores in Puerto Rico, including three locations in which franchised veterinary practices operated under the trademarks, service marks, logos and commercial symbols of PetSmart Veterinary Services that PetSmart Puerto Rico licensed from an affiliate of PetSmart.

PVS and PetSmart Puerto Rico have the same parent, and thus operate as related parties. For the years ended February 1, 2026 and February 2, 2025, there have not been any direct transactions between PVS and PetSmart Puerto Rico.

Note 6 — Commitments and Contingencies

In the normal course of our business, we are subject to actual and threatened legal actions and proceedings and regulatory inquiries and investigations, including those related to alleged violations of labor and employment laws, intellectual property rights, consumer protection laws, antitrust laws, franchise laws, premises liability, contract disputes, and other laws and regulations.

While we currently do not expect that the ultimate outcome of the proceedings and claims pending or threatened against us will have a material adverse effect on our financial statements, the outcome of any litigation is inherently uncertain, and if decided adversely to us, or if we determine that settlement of particular litigation is appropriate, we may be subject to liability that could have a material adverse effect on our financial position, results of operations, or cash flows for a particular period.

Note 7 — Subsequent Events

PVS has evaluated subsequent events from the balance sheet date through May 15, 2026, the date at which the financial statements were available to be issued, and determined that there were no items to disclose.

EXHIBIT H

SAMPLE RELEASE

SAMPLE OF RELEASE TO BE SIGNED WHEN YOU RENEW OR TRANSFER THE FRANCHISE

Note: Where required by state law, this Release will be modified so that it does not apply to your rights under the state law. Please see Exhibit D to the disclosure document.

GENERAL RELEASE

THIS GENERAL RELEASE is signed by the franchisee named at the end of the document (**"Franchisee"**) and by Franchisee's owners (the **"Owners"**) as an express condition of renewing or transferring a PETSMART VETERINARY SERVICES franchise between Franchisee and PetSmart Veterinary Services, LLC (**"PVS"**).

1. Release. Franchisee and each of the Owners, on behalf of themselves and all past, present and future parents, subsidiaries, shareholders, members, partners, managers, directors, officers, employees, successors, assigns, agents and legal representatives, and their respective heirs, executors, administrators or personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the **"Franchisee Parties"**), hereby release and forever discharge PVS, its affiliates, and their respective past and present officers, directors, shareholders, members, parents, subsidiaries, affiliates, agents, employees, attorneys, insurers, representatives, predecessors, successors, and assigns, and each of them, from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, of whatever nature, known or unknown, suspected or unsuspected, vested or contingent (collectively, **"Claims"**) that the Franchisee Parties ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this General Release.

2. Risk of changed facts. Franchisee and the Owners understand that the facts in respect of which the release in Paragraph 1 is given may turn out to be different from the facts that Franchisee and the Owners now know or believe to be true. Franchisee and the Owners, on behalf of themselves and all other Franchisee Parties, hereby accept the risk of the facts turning out to be different and agree that the release will nevertheless be effective and not subject to termination or rescission by virtue of any such difference in facts.

3. No prior assignment. Franchisee and the Owners, for themselves and on behalf of all other Franchisee Parties, represent and warrant that the Franchisee Parties have not assigned or transferred, or purported to assign or transfer, any Claim released under Paragraph 1 to any person or business entity that is not a Franchisee Party.

4. Covenant not to sue. Franchisee and the Owners, for themselves and on behalf of all other Franchisee Parties, promise not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum against any person or entity released under Paragraph 1 with respect to any Claim released under Paragraph 1.

5. Complete defense. Franchisee and each of the Owners: (i) acknowledges that this General Release will be a complete defense to any Claim released under Paragraph 1; and (ii) consents to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Authorization. Franchisee and the Owners represent and warrant that: (a) the person signing this General Release on behalf of Franchisee is authorized to do so; and (b) Franchisee and the Owners have the authority to enter into this General Release on behalf of the other Franchisee Parties.

7. Governing Law. This Release is governed by and will be interpreted under Arizona law, without reference to Arizona conflict of law rules.

8. California Acknowledgment. If, notwithstanding Paragraph 6, Section 1542 of the Civil Code of the State of California is deemed to apply to this Release, Franchisee and the Owners expressly waive all rights under Section 1542, which reads as follows:

> "A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

9. Washington Franchise Investment Protection Act. This Release does not apply to claims arising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or any rules or orders adopted thereunder, in accordance with RCW 19.100.220(2).

PETSMART VETERINARY SERVICES, LLC

By:_____

Print Name:_____

Title:_____

FRANCHISEE:

_____
(Print name of corporation, partnership, limited liability company or other legal entity)

By:_____

Print Name:_____

Title:_____

OWNERS:

_____

_____

_____

EXHIBIT I

PROMISSORY NOTE AND GUARANTY

PROMISSORY NOTE

$[●] [●], 202_

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [*Insert Legal Entity Name*] ("Maker") hereby promises to pay to the order of **PETSMART LLC** ("PetSmart"), at 19601 N. 27th Ave., Phoenix, AZ 85027, or at such other place as PetSmart may designate, [●] Dollars ($[●]) in lawful money of the United States of America, together with interest thereon from the date of this Note until paid, at the rate of 7.99% per annum during the first thirty (30) months of the loan, and at a rate of 12.99% per annum thereafter through the fifth year anniversary of this Note (the "Maturity Date"). Additionally, an origination fee equal to $[●] [*equal to the lesser of 5% or $5,000*] shall be added to the principal balance of the Note (the "Origination Fee").

Maker shall pay PetSmart monthly installment payments of One Hundred and No/100 Dollars $100.00 beginning on the first day of the month following the date of this Note through the first day of the sixth month following entry into this Note. Beginning with the first day of the seventh month following the date of this Note, Maker shall pay PetSmart monthly installment payments of [●] $[●] through the first day of the 12th month following entry into this Note. Beginning with the first day of the 13th month following the date of this Note, Maker shall pay PetSmart monthly installment payments of [●] $[●] through the first day of the 30th month following the date of this Note. Beginning with the first day of the 31st month following the date of this Note, Maker shall pay PetSmart monthly installment payments of [●] $[●] through the Maturity Date, subject only to early repayment as set forth herein. A payment schedule is attached hereto as **Exhibit A**. If the first day of the month when payment becomes due under this Note is a weekend or Federal holiday, payment shall be due on the first business day of the month. All payments shall be applied first to any fees or expenses due to PetSmart, then to accrued interest, and finally to principal.

Maker hereby consents to and agrees that all payments due and payable hereunder will be issued by direct debit ACH initiated by PetSmart directly from Marker's designated account (the "Account"). Maker will further furnish the bank holding the Account with authorizations as necessary to permit PetSmart or its designee to make direct debit withdrawals from the Account and will maintain sufficient funds in the Account to cover amounts payable hereunder. In the alternative, PetSmart may require Maker to issue those payments directly without a direct debit ACH.

If, due to insufficient funds or any other reason outside of PetSmart's control, PetSmart is not able to direct debit payments due and owing hereunder on or before the 15th day of the month when such payment becomes due, Maker shall pay to PetSmart, in addition to interest, a late fee equal to five percent (5%) of the delinquent amount and shall make arrangements to ensure PetSmart promptly receives such past due payment and interest.

Maker may prepay the Note without penalty at any time in whole, but not in part, including principal and unpaid interest through the date of repayment. Maker consents to and agrees that such prepayment will be issued, as determined by PetSmart, by either: (a) direct debit ACH initiated by PetSmart directly from Marker's Account; or (b) directly to PetSmart by Maker by electronic funds transfer.

Maker understands and agrees that funds provided by PetSmart hereunder are for commercial purposes only and shall be used to finance any franchise fees, equipment, inventory, payroll and other working capital needs for Maker's franchise veterinary practice only.

Nothing contained in this Note shall be deemed to establish or require the payment of interest at a rate in excess of the maximum rate permitted at any time by applicable law. In the event that the rate of interest required to be paid under this Note at any time exceeds the maximum rate permitted by applicable law, the rate of interest required to be paid hereunder shall be automatically reduced to the maximum rate permitted by law.

Time is of the essence of this Note and each provision herein. At the election of PetSmart, the entire principal sum of this Note remaining unpaid, together with all accrued interest and all other sums owing hereunder, shall become immediately due and collectable, without notice or demand (subject only to any cure periods required by law), on the happening of any one or more of the following events, each of which shall constitute an event of default:

(a) The failure of Maker to pay in full any sum when due under this Note;

(b) Any default by Maker under Maker's Franchise and Premises License Agreement with PetSmart Veterinary Services, LLC;

(c) Any representation or warranty made to induce PetSmart to extend credit to Maker, or made in connection with any other agreement between Maker and PetSmart or PetSmart's subsidiaries, is discovered to be false in any material respect when made;

(d) Any execution, attachment or levy against or upon any assets or property of Maker or any guarantor of Maker's obligations to PetSmart (a "Guarantor") which is not stayed or discharged within thirty (30) days;

(e) Any Guarantor repudiates or attempts to terminate or limit the Guarantor's obligations to PetSmart;

(f) The calling of a meeting of creditors, appointment of a committee of creditors or liquidating agents, or an offering of a composition or extension to creditors by, for or of Maker or any Guarantor;

(g) The appointment of a receiver, trustee or liquidator of or for any substantial part of the property of Maker or any Guarantor;

(h) An assignment for the benefit of creditors by Maker or any Guarantor;

(i) The filing of a petition in bankruptcy or the commencement of any proceeding under any bankruptcy or insolvency laws, or any other laws relating to relief of debtors, readjustment of indebtedness, reorganization, composition, arrangement, or extension by or against Maker or any Guarantor;

(j) Failure of Maker or any Guarantor to pay its liabilities as they come due in the ordinary course of business;

(k) The cessation of the active conduct of Maker's veterinary practice or the failure to consistently operate Maker's veterinary practice at least one weekend day per week;

(l) Any sale, assignment, lease, transfer or other disposition of Maker's veterinary practice or a substantial part of Maker's assets; or

(m) Any other event or condition, including but not limited to a change in Maker's or any Guarantor's financial condition, which causes PetSmart to deem itself insecure, believing in good faith that the prospect of performance by Maker is impaired.

- All payments shall be transmitted so as to be received by PetSmart on or before the date due. No delay or omission on the part of PetSmart in the exercise of any right or remedy, whether before or after any event of default, shall operate as a waiver thereof or impair PetSmart's right to fully and strictly enforce such right or remedy and every other provision of this Note.

Maker hereby waives presentment, demand, notice of nonpayment, notice of intent to accelerate, notice of acceleration, diligence in collection, and all other notices and acts to which Maker might otherwise be entitled under any applicable law.

Maker agrees to pay all costs of collection, reasonable attorney fees and disbursements incurred by PetSmart in connection with any default by Maker on this Note, whether or not legal proceedings are instituted. If any legal proceeding is instituted by PetSmart to collect any sum payable hereunder, or if PetSmart appears in any bankruptcy or similar proceeding with respect to Maker, Maker shall pay PetSmart's costs, disbursements and reasonable attorney fees in such proceeding and in any appeal therefrom.

This Note shall be binding upon Maker and upon its successors and assigns and shall enure to the benefit of PetSmart and its successors and assigns.

This Note shall be fully assignable by PetSmart without Maker's consent. Maker agrees not to assert against any assignee any claim or defense Maker may have against PetSmart except defenses of a type assertable against a holder in due course of a negotiable instrument.

This Note shall be interpreted and enforced in all respects in accordance with the substantive laws of the state of Arizona. Maker hereby consents to jurisdiction and venue in any state or federal court located in Maricopa County, Arizona for any dispute arising out of or in connection with this Note, and Maker consents to service in such proceeding by mail at its address set forth below. MAKER AND PETSMART EACH WAIVES THE RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

[*Insert Legal Entity Name*]

By: _____

Name: _____

Its: _____

Maker's Address:

EXHIBIT A

Loan Amortization Schedule

(attached)

GUARANTY

[Date]

For valuable consideration, receipt and sufficiency of which are acknowledged, [*individual*] individually ("Guarantor") fully and unconditionally guarantees and promises to pay when due, or immediately upon demand thereafter, any and all obligations of [*borrower legal entity*] ("Debtor"), to **PetSmart LLC,** a Delaware limited liability company ("PetSmart"), including but not limited to obligations under or in connection with the Promissory Note of even date herewith in the original principal sum of [●] Dollars ($[●]), as it may be amended, extended, restated or replaced at any time (the "Note").

The obligations guaranteed hereby include all obligations of every nature, whether now existing or arising in the future, whether secured or unsecured, fixed or contingent, matured or unmatured, joint, several or joint and several, primary or secondary, and including but not limited to principal, interest and costs of collection.

This is a continuing Guaranty and shall be irrevocable so long as there shall be any obligation of Debtor owing to PetSmart under the Note.

Guarantor waives notice of acceptance hereof; notice of transactions between Debtor and PetSmart; and notice of all defaults by or disputes with Debtor. Guarantor consents to and waives notice of all changes of terms; the extension of time to pay; the release of the whole or any part of Debtor's indebtedness; the settlement, compromise or adjustment of defaults and disputes; the acceptance or release of security; and the release of any other guarantor of Debtor's indebtedness. Guarantor also consents to and waives notice of any arrangements or settlements made in or out of court in the event of insolvency, receivership, liquidation, readjustment, bankruptcy, reorganization, arrangement or assignment for the benefit of creditors of Debtor.

The obligation of Guarantor is a primary and unconditional obligation. This obligation shall be enforceable before or after proceeding against Debtor and shall be effective regardless of the solvency or insolvency of Debtor at any time; the extension, modification or discharge of the indebtedness of Debtor by operation of law; or the subsequent bankruptcy of Debtor.

Guarantor agrees that any indebtedness owing to Guarantor at any time by Debtor will be junior and subordinate to Debtor's indebtedness to PetSmart. Guarantor hereby assigns to PetSmart any claim which Guarantor may have to any payment, disbursement or dividend in the event of any bankruptcy or similar proceeding commenced by or against Debtor and agrees that PetSmart may continue to demand and collect payment of all such sums until all indebtedness of Debtor to PetSmart shall have been fully paid.

All liabilities of Debtor and Guarantor to PetSmart shall mature immediately upon the filing of a voluntary petition in bankruptcy by Debtor, or the filing of an involuntary petition in bankruptcy against Debtor, or the making of a general assignment for the benefit of creditors by Debtor.

If a claim is made upon PetSmart at any time for repayment or recovery of any sum or other value received by PetSmart from any source in payment of or on account of any of the obligations guaranteed hereunder, whether such claim is made in a bankruptcy proceeding or otherwise, and PetSmart repays or otherwise becomes liable for all or any part of such claim by reason of a judgment, decree or order of any court or administrative body having competent jurisdiction, or any settlement or compromise of any such claim, then Guarantor, and any other guarantor of Debtor's obligations, shall remain jointly and severally liable to PetSmart for the amount so repaid or for which PetSmart is liable to the same extent as if such sums had never been received by PetSmart, notwithstanding any termination or return of this Guaranty. Guarantor agrees to hold PetSmart harmless from and indemnify PetSmart fully for all losses and expenses,

including attorney fees (whether pre-trial, trial or appellate and including fees incurred in bankruptcy proceedings) incurred in connection with any claim for repayment or recovery of any sum received in payment or satisfaction of Debtor's indebtedness.

Guarantor shall pay all attorney fees and other costs incurred by PetSmart in enforcing this Guaranty, whether or not any legal proceeding is initiated. In any proceeding in which PetSmart seeks to enforce this Guaranty (including bankruptcy proceedings), the prevailing party shall be entitled to recover its costs, disbursements and reasonable attorney fees at the pre-trial, trial and appellate levels.

This Guaranty shall be binding upon Guarantor, his heirs, personal representatives, successors and assigns, and shall inure to the benefit of PetSmart, its successors and assigns.

This written Guaranty is intended to be a complete and final expression of Guarantor's agreement with respect to liability for the obligations of Debtor under or in connection with the Note. Guarantor acknowledges that no representations or promises whatsoever have been made to Guarantor by PetSmart or any of its affiliates, agents or attorneys with respect to this Guaranty. This Guaranty shall be fully effective whether or not any other person provides a guaranty for Debtor's obligations. No modification of this Guaranty shall be effective for any purpose unless it is in writing and executed by PetSmart. No course of dealing, course of performance, trade usage or parol evidence of any nature shall be used to supplement or modify any of the provisions of this Guaranty.

This Guaranty shall be governed, interpreted and enforced in all respects by the laws of the State of Arizona. Guarantor consents to jurisdiction and venue in any state or federal court located in Maricopa County, Arizona for any dispute arising out of or in connection with this Guaranty. GUARANTOR WAIVES THE RIGHT TO A JURY TRIAL IN ANY PROCEEDING BASED UPON OR RELATING TO THIS GUARANTY.

GUARANTOR:

_____

[**Name**]

Address: _____

_____

State Effective Dates

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

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

STATE	EFFECTIVE DATE
California	*Pending*
Hawaii	*Pending*
Illinois	*Pending*
Indiana	*Pending*
Maryland	*Pending*
Michigan	*Pending*
Minnesota	*Pending*
New York	*Pending*
North Dakota	*Pending*
Rhode Island	*Pending*
South Dakota	*Pending*
Virginia	*Pending*
Washington	*Pending*
Wisconsin	*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 seller-assisted marketing plans.

Receipt

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

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

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

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

Issuance date: May 21, 2026

The franchise sellers for this offering are Rob Pace, Michael Kuehn, Dr. Jennifer Bruns, Dr. Glenn Robinson, Kelly Hopkins, John Pahlke, Ryan Kesler, Brandon Prideaux, and Alyson Vasconcellos at the above address and telephone number and _____ [*List any other franchise sellers involved in the sale*].

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

I have received a Franchise Disclosure Document dated May 21, 2026 that included the following Exhibits (the effective dates of this disclosure document in states with franchise registration laws are listed in the State Effective Dates page).

A. Franchise and Premises License Agreement
B. Table of Contents of Brand Standards Manual
C. State Franchise Administrators and Agents for Service of Process
D. Additional State-Required Information and State-Required Contract Addenda
E. Franchisees as of February 1, 2026
F. Franchisees Who Exited an Outlet in Fiscal Year Ending February 1, 2026
G. Financial Statements
H. Sample Release
I. Promissory Note, Guaranty and Financing Addendum

Date Received	Signature of Prospective Franchisee
	Name (please print)

This copy to be retained by Prospective Franchisee

Receipt

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

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

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

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

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

Date Received	Signature of Prospective Franchisee
	Name (please print)

This copy to be retained by Franchisor