

Provision	Section in franchise or other agreement	Summary
s. Modification of agreement	Sections 4 & 21	No modifications of Franchise Agreement during term generally, but Operations Manual subject to change. Modifications permitted upon the extension of your rights to separate All American Pet Resorts® Business.
t. Integration/merger clause	Section 21	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document or franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20	Except for certain claims, all disputes must be arbitrated in Michigan, under the CPR Rules for Non-Administered Arbitration (subject to state law).
v. Choice of forum	Section 21	Arbitration or litigation must be in Michigan (subject to state law).
w. Choice of law	Section 21	Michigan law applies, except as provided in a State Specific Addendum.

ITEM 18 PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. We do use local personalities to promote All American Pet Resorts® but not to promote the purchase of a franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

Section I of this Item 19 reflects the average revenue generated by the 10 All American Pet Resorts® businesses (each, a “**Business**” and collectively, the “**Businesses**”), that were open and in operation for the full year of each year for the time period beginning January 1, 2020 through December 31, 2024 (the “**Measurement Period**”) (with the exception of temporary closures in 2020 caused by the COVID-19 pandemic). One of the nine Businesses is operated by our affiliate

but it is not materially different from franchised businesses. The information included in Section I was gathered from information provided to us by each franchisee and affiliate from their respective annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Section II of this Item 19 reflects the resort revenue history for 2020 through 2024 by 10 Businesses that were open and in operation for the full year of each year for the Measurement Period (with the exception of temporary closures in 2020 caused by the COVID-19 pandemic). The information included in Section II below was gathered from information provided to us by each franchisee and affiliate from their respective financial records including monthly revenue reports and annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Section III of this Item 19 reflects the distribution of the different types of services rendered through 2020 at 5 of the Businesses, in 2021 at 8 of the Businesses, in 2022 for the 9 Businesses, and in 2023 - 2024 for 10 Businesses that were open and in operation for the full year of each year in the Measurement Period (with the exception of temporary closures in 2020 caused by the COVID-19 pandemic) and use operations software that allows tracking of separate service types. The information included in Section III below was gathered from information provided to us by the franchisees from their respective annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Section IV of this Item 19 reflects an estimated earnings history before interest, taxes, depreciation, and amortization (“EBITDA”) for 2020, 2021, 2022, 2023, and 2024 for each of the 10 Businesses that were open and in operation for at least one full year during the Measurement Period, adjusted to reflect our current standard Royalty Fee and Brand Fund Fee rates for new franchisees joining the All American Pet Resorts® System after the date of this FDD. The information included in Section IV below was gathered from information provided to us by each franchisee and affiliate from their respective annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Section V of this Item 19 reflects an estimated earnings before interest, taxes, depreciation, and amortization (“EBITDA”) for 2024 for each of the 10 Businesses that were open and in operation for one full year during the Measurement Period, adjusted to reflect our current standard Royalty Fee and Brand Fund Fee rates for new franchisees joining the All American Pet Resorts® System after the date of this FDD. The information included in Section V below was gathered from information provided to us by each franchisee and affiliate from their respective annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Section VI of this Item 19 reflects average earnings before interest, taxes, depreciation, and amortization (“EBITDA”) for 2020 to 2024 for each of the 10 Businesses that were open and in operation for at least one full year during the Measurement Period, adjusted to reflect our current standard Royalty Fee and Brand Fund Fee rates for new franchisees joining the All American Pet Resorts® System after the date of this FDD. The information included in Section VI below was gathered from information provided to us by each franchisee and affiliate from their respective

annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Section VII of this Item 19 reflects average earnings before interest, taxes, depreciation, and amortization (“EBITDA”) for 2020 to 2024 by percent of sales for each of the 9 Businesses that were open and in operation for at least one full year during the Measurement Period, adjusted to reflect our current standard Royalty Fee and Brand Fund Fee rates for new franchisees joining the All American Pet Resorts® System after the date of this FDD. The information included in Section VII below was gathered from information provided to us by each franchisee and affiliate from their respective annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Sections VIII, IX, X, and XI of this Item 19 reflect actual earnings before interest, taxes, depreciation, and amortization (“EBITDA”) for 2023, 2022, 2021, and 2020 respectively for each of the 9 Businesses that were open and in operation for at least one full year during the Measurement Period, adjusted to reflect our current standard Royalty Fee and Brand Fund Fee rates for new franchisees joining the All American Pet Resorts® System after the date of this FDD. The information included in Sections VIII, IX, X, and XI below was gathered from information provided to us by each franchisee and affiliate from their respective annual financial reports, which were provided to us by the franchisees and affiliate or their designated accounting representative.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. The characteristics of the Franchised Businesses and affiliate included in this Item 19 may differ materially from the outlet that will be offered to you.

I. Average Resort Revenue per Year

	2020	2021	2022	2023	2024
Average*	\$818,676	\$1,371,375	\$1,585,976	\$1,730,288	\$1,659,361
Median	\$595,538	\$ 1,016,063	\$1,332,509	\$1,449,613	\$1,435,182
Highest	\$1,389,209	\$ 2,297,367	\$2,917,251	\$2,854,183	\$3,005,360
Lowest	\$438,169	\$ 816,059	\$912,276	\$1,010,394	\$581,364

Notes:

1. *One of the outlets included in the calculations is a non-franchised, affiliate operated location.

II. Resort Revenue History

Outlet	Date Opened	No. of Suites ¹	2020	2021	2022	2023	2024
1**	Feb. 2005	162	\$1,389,209	\$2,297,367	\$2,480,854	\$2,784,996	\$3,005,360
2	June 2008	293	\$1,343,659	\$2,203,672	\$2,917,251	\$2,854,183	\$2,823,732
3	Sept. 2008	67	\$533,151	\$816,059	\$912,276	\$1,010,394	\$1,100,675
4	Jan. 2010	132	\$438,169	\$845,875	\$1,006,542	\$1,135,228	\$1,240,804
5	Nov. 2012	80	\$589,560	\$970,872	\$1,050,164	\$1,219,304	\$1,231,012
6	Jan. 2013	77	\$445,710	\$955,819	\$1,332,509	\$1,353,871	\$1,500,198
7	Mar. 2013	113	\$1,194,790	\$1,751,036	\$1,762,300	\$2,102,554	\$2,118,230
8	Dec. 2013	100	\$595,538	\$1,016,063	\$1,242,351	\$1,449,613	\$1,370,167
9	Oct. 2017	112	\$838,299	\$1,485,613	\$1,569,541	\$1,662,446	\$1,622,070
10	Jul. 2023	75				\$121.835	\$581,364

Notes:

1. Sales reported by Franchised Business owners and affiliate.
2. **Outlet No. 1 is a non-franchised, affiliate operated location.

III. Service Revenue Distribution

	2020	2021	2022	2023	2024
Boarding	68.1%	68.2%	73.7%	72.9%	72.4%
Daycare	18.2%	17.4%	15.7%	13.5%	17.1%
Other	13.7%	14.4%	10.6%	13.6%	10.5%

Notes:

1. This distribution percentage is based on 5 locations for 2020, 8 locations for 2021, 9 locations for 2022 – 2023, and 10 locations for 2024 that utilize a specific operations software. Not all units are included.
2. Daycare revenue includes revenue associated with daycare packages.
3. The average boarding per stay is approximately 4 nights.

IV. Resort EBITDA History

Outlet	2020 EBITDA	2021 EBITDA	2022 EBITDA	2023 EBITDA	2024 EBITDA
1	\$52,560	\$561,092	\$574,825	\$759,987	\$498,415
2	(\$152,269)	\$453,018	\$850,842	\$465,147	\$414,857
3	\$30,503	\$105,131	\$185,469	\$85,933	\$217,778
4	(\$90,304)	\$(91,973)	\$(17,712)	\$118,329	\$96,058
5	\$85,771	\$188,056	\$194,222	\$212,909	\$133,349
6	(\$24,757)	\$264,078	\$415,365	\$288,372	\$390,234
7	\$22,525	\$332,837	\$548,776	\$524,848	\$420,913
8	(\$118,127)	\$89,203	\$114,219	\$138,133	\$194,180
9	(\$76,183)	\$(98,589)	\$243,109	\$161,484	\$162,718
10	Resort opened July 2023				\$(24,394)

Notes:

1. Total Gross Sales represent revenue that royalties are paid on and as defined in Item 6 "Other Fees" Note (1).
2. Cost of Goods Sold includes grooming supplies, kennel supplies & expenses, general supplies, and price adjustments.
3. Payroll Expenses include direct/indirect wages, employee benefits, payroll taxes, payroll expenses. This does not include any expenses related to owner compensation/distribution.
4. Rent expense includes the cost of the rent payment only.
5. Fixed Expenses include expenses associated with advertising, office expenses, professional fees & uniforms.
6. Property Expenses include security, utilities, building maintenance, building repairs, telephone, internet, water & sewer expenses related to the property.
7. Variable Expenses include expenses associated with bank & credit card fees, insurance, personal property taxes, real estate taxes, licenses, permits, penalties, fines & workers compensation.
8. Royalty Fees collected from these locations are not uniform. The Royalty Fee figures reflected in the chart above have been adjusted to reflect a standard 7% royalty rate.
9. Brand Fund Fees collected from these locations are not uniform. The Brand Fund Fee figures reflected in the chart above have been adjusted to reflect a standard 2% brand fund rate.

V. 2024 Resort EBITDA

Outlet	1	2	3	4	5	6	7	8	9	10
Total Gross Sales ¹	\$3,005,360	\$2,823,732	\$1,100,675	\$1,240,804	\$1,231,012	\$1,500,198	\$2,118,230	\$1,370,167	\$1,622,050	\$581,364
Cost of Goods Sold ²	\$52,346	\$224,005	\$33,297	\$39,749	\$75,844	\$46,506	\$53,528	\$91,952	\$88,485	\$17,897
Payroll Expenses ³	\$1,033,125	\$1,181,788	\$513,524	\$663,847	\$451,247	\$515,869	\$764,940	\$644,399	\$823,088	\$314,725
Rent Expense ⁴	\$810,000	\$-	\$78,000	\$75,400	\$166,260	\$105,938	\$360,000	\$139,000	\$72,000	\$60,000
Fixed Expenses ⁵	\$124,768	\$208,536	\$48,709	\$124,901	\$73,772	\$84,465	\$73,050	\$42,348	\$100,679	\$88,813
Property Expense ⁶	\$146,376	\$157,417	\$33,237	\$51,336	\$47,284	\$76,692	\$117,325	\$62,157	\$121,153	\$23,022
Variable Expenses ⁷	\$69,848	\$382,993	\$77,069	\$77,841	\$172,465	\$145,476	\$137,834	\$72,816	\$107,961	\$48,978
Royalty Fees ⁸	\$210,375	\$197,661	\$77,047	\$86,856	\$86,171	\$105,014	\$148,276	\$95,912	\$113,545	\$40,695
Brand Fund Fees ⁹	\$60,107	\$56,475	\$22,014	\$24,816	\$24,620	\$30,004	\$42,365	\$27,403	\$32,441	\$11,627
Total Expenses	\$2,506,945	\$2,408,875	\$882,897	\$1,144,746	\$1,097,663	\$1,109,964	\$1,697,318	\$1,175,987	\$1,459,352	\$605,758
Total % of Expenses	83.4%	85.3%	80.2%	92.3%	89.2%	74.0%	80.1%	85.8%	90.0%	104.2%
EBITDA (\$)	\$498,415	\$414,857	\$217,778	\$96,058	\$133,349	\$390,234	\$420,913	\$194,180	\$162,718	\$(24,394)
EBITDA (%)	16.6%	14.7%	19.8%	7.7%	10.8%	26.0%	19.9%	14.2%	10.0%	-4.2%

Notes:

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VI. Average EBITDA by Resort for the Period 2020 through 2024

Outlet	1	2	3	4	5	6	7	8	9	10
Total Gross Sales ¹	\$2,391,557	\$2,428,499	\$874,511	\$933,324	\$1,012,182	\$1,117,621	\$1,785,782	\$1,134,746	\$1,435,590	
Cost of Goods Sold ²	\$60,176	\$199,807	\$26,836	\$44,855	\$44,159	\$44,014	\$44,037	\$100,363	\$82,241	Resort Opened July 2023
Payroll Expenses ³	\$923,858	\$896,076	\$455,442	\$524,499	\$371,537	\$361,664	\$614,082	\$501,326	\$747,062	
Rent Expense ⁴	\$392,000	\$2,221	\$64,392	\$65,540	\$136,152	\$99,403	\$324,000	\$157,800	\$88,600	
Fixed Expenses ⁵	\$97,606	\$201,009	\$31,863	\$100,613	\$64,909	\$97,470	\$75,166	\$66,106	\$107,098	
Property Expense ⁶	\$97,831	\$127,685	\$44,039	\$63,926	\$52,418	\$66,577	\$88,141	\$59,574	\$101,755	
Variable Expenses ⁷	\$115,471	\$376,817	\$48,270	\$47,012	\$89,050	\$81,249	\$109,656	\$63,929	\$101,126	
Royalty Fee ⁸	\$167,409	\$169,995	\$61,216	\$65,333	\$70,853	\$78,234	\$125,005	\$79,432	\$100,492	
Brand Fund Fee ⁹	\$47,831	\$48,570	\$17,490	\$18,667	\$20,244	\$22,352	\$35,716	\$22,695	\$28,712	
Total Expenses	\$1,902,181	\$2,022,181	\$749,548	\$930,444	\$849,321	\$850,963	\$1,415,802	\$1,051,225	\$1,357,086	
Total Expenses	79.5%	83.3%	85.7%	99.7%	83.9%	76.1%	79.3%	92.6%	94.5%	
EBITDA (\$)	\$489,376	\$406,319	\$124,963	\$2,880	\$162,861	\$266,658	\$369,980	\$83,522	\$78,508	
EBITDA (%)	20.5%	16.7%	14.3%	0.3%	16.1%	23.9%	20.7%	7.4%	5.5%	

Notes:

1. Total Gross Sales represent revenue that royalties are paid on and as defined in Item 6 "Other Fees" Note (1).
2. Cost of Goods Sold includes grooming supplies, kennel supplies & expenses, general supplies, and price adjustments.
3. Payroll Expenses include direct/indirect wages, employee benefits, payroll taxes, payroll expenses. This does not include any expenses related to owner compensation/distribution.
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9. Brand Fund Fees collected from these locations are not uniform. The Brand Fund Fee figures reflected in the chart above have been adjusted to reflect a standard 2% brand fund rate.

VII. Average EBITDA by Resort for the Period 2020 through 2024 as a Percent of Sales

Outlet	1	2	3	4	5	6	7	8	9	10
Total Gross Sales ¹	\$2,391,557	\$2,428,499	\$874,511	\$933,324	\$1,012,182	\$1,117,621	\$1,785,782	\$1,134,746	\$1,435,590	
Cost of Goods Sold ²	2.5%	8.2%	3.1%	4.8%	4.4%	3.9%	2.5%	8.8%	5.7%	Resort Opened July 2023
Payroll Expenses ³	38.6%	36.9%	52.1%	56.2%	36.7%	32.4%	34.4%	44.2%	52.0%	
Rent Expense ⁴	16.4%	0.1%	7.4%	7.0%	13.5%	8.9%	18.1%	13.9%	6.2%	
Fixed Expenses ⁵	4.1%	8.3%	3.6%	10.8%	6.4%	8.7%	4.2%	5.8%	7.5%	
Property Expense ⁶	4.1%	5.3%	5.0%	6.9%	5.2%	6.0%	4.9%	5.2%	7.1%	
Variable Expenses ⁷	4.8%	15.5%	5.5%	5.0%	8.8%	7.3%	6.1%	5.6%	7.0%	
Royalty Fee ⁸	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Brand Fund Fee ⁹	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Total Expenses	79.5%	83.3%	85.7%	99.7%	83.9%	76.1%	79.3%	92.6%	94.5%	
EBITDA (%)	20.5%	16.7%	14.3%	0.3%	16.1%	23.9%	20.7%	7.4%	5.5%	

Notes:

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VIII. 2023 Actual EBITDA by Resort

Outlet	1	2	3	4	5	6	7	8	9	10
Total Gross Sales ¹	\$2,784,996	\$2,854,183	\$1,010,394	\$1,135,228	\$1,219,304	\$1,353,871	\$2,102,554	\$1,449,613	\$1,662,446	\$121,835
Cost of Goods Sold ²	\$73,358	\$203,316	\$27,228	\$52,279	\$40,358	\$60,745	\$47,531	\$123,223	\$94,850	\$22,139
Payroll Expenses ³	\$1,010,692	\$1,051,478	\$578,744	\$568,171	\$455,644	\$478,366	\$683,763	\$685,089	\$834,022	\$97,045
Rent Expense ⁴	\$300,000	\$	\$61,632	\$64,200	\$166,500	\$102,086	\$330,000	\$185,000	\$72,000	\$60,000
Fixed Expenses ⁵	\$159,214	\$291,585	\$36,225	\$96,199	\$86,590	\$140,898	\$65,161	\$58,324	\$115,808	\$38,849
Property Expense ⁶	\$98,297	\$122,389	\$72,504	\$71,956	\$57,246	\$76,477	\$111,422	\$60,112	\$116,663	\$17,466
Variable Expenses ⁷	\$132,798	\$463,392	\$57,192	\$61,923	\$90,320	\$85,079	\$150,599	\$69,267	\$117,999	\$24,556
Royalty Fee ⁸	\$194,950	\$199,793	\$70,728	\$79,466	\$85,351	\$94,771	\$147,179	\$101,473	\$116,371	\$8,528
Brand Fund Fee ⁹	\$55,700	\$57,084	\$20,208	\$22,705	\$24,386	\$27,077	\$42,051	\$28,992	\$33,249	\$2,437
Total Expenses	\$2,025,009	\$2,389,036	\$924,460	\$1,016,899	\$1,006,395	\$1,065,499	\$1,577,706	\$1,311,480	\$1,500,962	\$271,020
Total Expenses (%)	72.7%	83.7%	91.5%	89.6%	82.5%	78.7%	75.0%	90.5%	90.3%	222.4%
EBITDA (\$)	\$759,987	\$465,147	\$85,933	\$118,329	\$212,909	\$288,372	\$524,848	\$138,133	\$161,484	\$ (149,185)

EBITDA (%)	27.3%	16.3%	8.5%	10.4%	17.5%	21.3%	25.0%	9.5%	9.7%	-122.4%
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