

FRANCHISE DISCLOSURE DOCUMENT

Petland Inc. An Ohio Corporation 250 Riverside Street, P. O. Box 1606 Chillicothe, Ohio 45601-5606 (740) 775-2464 & (800) 221-5935 franchise@petland.com Web site: www.petland.com

BPetland

As a franchisee, you will operate a Petland® retail pet store offering to the general public a variety of pets, pet supplies, and pet-related items.

The total investment necessary to begin operation of a new Petland® franchise is between \$280,000 and \$1,034,000. This total investment, for new franchises, includes amounts totaling between \$85,000 and \$103,000 that must be paid to us. To develop more than one Petland® store, you must enter into an Area Development Agreement. Development fees for area development agreements are \$40,000 for the first store plus \$20,000 for each additional store you commit to open under your development schedule (these amounts will be credited against the payment of your initial franchise fees). By way of example, for a two-store area development agreement, the total investment is between \$61,500 to 65,000, of which \$60,000 that must be paid to us.

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 document.

You may wish to receive this disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Steve Huggins at 250 Riverside Street, Chillicothe, Ohio 45601-5606, (740) 775-2464 and <u>franchise@petland.com</u>.

The terms of your contract will govern your franchise relationship. Do not rely on this 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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., 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.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>Exhibit G</u> for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. THE FRANCHISE AND AREA DEVELOPMENT AGREEMENTS PERMITS YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION OR LITIGATION ONLY IN OHIO. OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN OHIO. THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AND AREA DEVELOPMENT AGREEMENTS STATE THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.



EFFECTIVE DATE OF THIS DISCLOSURE

Non-Registration States: May 31, 2017

California:

Illinois:

Indiana:

Michigan:

Minnesota:

North Dakota:

New York:

South Dakota:

Virginia:

Wisconsin:

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