

## 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@petlandinc.com Web site: www.petland.com

## **B**Petland

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 \$300,500 and \$1,065,500. This total investment, for new franchises, includes amounts ranging from \$117,500 to \$352,500 that must be paid to us. The initial total development does not include Real Estate purchase or lease expenses or costs (except for a lease deposit). 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 franchise@petlandinc.com.

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

2020 Petland FDD



*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 <u>www.ftc.gov</u> 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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## 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<br>sales, costs, profits or losses. You should also try to<br>obtain this information from others, like current and<br>former franchisees. You can find their names and<br>contact information in Item 20 or Exhibit D. |
| 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<br>financial ability to provide<br>support to my business? | Item 21 or Exhibit A 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<br>Petland 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 Petland franchisee?  | Item 20 or Exhibits D and E 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<br>look for. Review all 23 Items and all Exhibits in<br>this disclosure document to better understand this<br>franchise opportunity. See the table of contents.  |

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