

Aussie Pet Mobile® Franchisees will use the computer for general administration of the business, including maintenance of client records and communication with other franchisees and us. You will use the QuickBooks or Quicken software, which is the proprietary property of Intuit, for your business accounting. Intuit's principal business address and phone number is 2535 Garcia Avenue, Mountain View, California 94043, (650) 944-6000. Intuit does not have any contractual obligation to provide ongoing maintenance, repairs, upgrades or updates. We estimate any upgrade to the QuickBooks or Quicken software would be approximately \$100. You must also use Word, Outlook and Excel software which are the proprietary property of Microsoft. Microsoft's principal business address and telephone number is One Microsoft Way, Redmond, WA 98052-6399, (425) 882-8080. Microsoft does not have any contractual obligation to provide ongoing maintenance, repairs, upgrades or updates. We estimate any upgrade to the Word, Outlook and/or Excel software would be approximately \$100. You may purchase QuickBooks or Quicken, Excel and Word from any supplier. You must also use Adobe Acrobat Reader software, which is the proprietary property of Adobe Systems Incorporated. Adobe's principal business address and phone number is 345 Park Avenue, San Jose, California, 95110, (408) 536-6000. Adobe does not have any contractual obligation to provide ongoing maintenance, repairs, upgrades or updates. The Adobe Acrobat Reader software is free of charge.

Silver, Gold and Platinum Program participants must purchase and use the Aussie Customer Management System ("ACMS"). ACMS is our proprietary system for customer management, reporting, marketing and dispatching. The cost of the system is \$1,500 and is payable on signing the franchise agreement. Although we have no contractual obligation to provide ongoing maintenance, repairs, upgrades or updates, we intend to do so at no cost to you.

We provide you with the Aussie Online System ("AOS") as part of your franchise fee. The intranet system is our proprietary property. Although we have no contractual obligation to provide ongoing maintenance, repairs, upgrades or updates, we intend to do so at no cost to you. The system provides franchisees with a mail system, news, library of Aussie Pet Mobile materials, including manuals and advertisements, reporting and other functions.

Advertising

We have established an advertising and marketing fund (the "Marketing Fund") to promote future Aussie Pet Mobile® Franchise Businesses and our Marks. You will contribute to the Marketing Fund as described in Item 6. You understand that some Aussie Pet Mobile® Unit Franchisees may have different Marketing Fund and/or other obligations than you. During the fiscal year ended 12/31/0405, 55% of the Marketing Fund expenditures were for media placement and 45% were for administrative expenses (call center). The Marketing Fund may place advertising in any media and we anticipate the coverage currently will be local and regional in scope although we reserve the right to do national advertising in the future. We or our Affiliates (if any) may prepare advertising and we may employ outside advertising agencies. If all monies in the Marketing Fund are not spent in the current fiscal year, funds are carried over for use in the next fiscal year.

All matters relating to the Marketing Fund operations, marketing or other matter (consistent with its purposes and the provisions of this Agreement) will be determined in our Business Judgment. The Marketing Fund may be used for (among other things) creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the Internet; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Aussie Pet Mobile® Franchise Businesses and the Marks; agency and consulting services; research; any expenses approved by us and associated with FAC (defined below) or

other advisory groups. All advertising and other items produced using the Marketing Fund may include a brief statement regarding the availability of information regarding the purchase of Aussie Pet Mobile® franchises. "Franchise Advisory Council" or "FAC" is the advisory group selected (or which may be selected), which will provide Input according to the Franchise Agreement and as we may request.

If granted approval by the FAC, we and/or any Franchisor-Related Person/Entities can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and receive reasonable compensation and/or reimbursement from the Marketing Fund for doing so. Without FAC approval, we can arrange for goods, services, materials, etc. (including administrative services to be provided by independent persons/companies and the Marketing Fund will pay all related costs, fees, etc.. While we are not required to do so, if we submit any matters for approval to the FAC and approval is granted by a majority of the members, approval will be binding on you.

We will account for the Marketing Fund separately and may use it to pay all administrative and other costs of the Marketing Fund related to its activities and purposes and/or as authorized by the relevant franchise agreements. The Marketing Fund is responsible for all taxes of any kind incurred by the Marketing Fund, its activities, contributions to the Marketing Fund and/or any other Fund aspect. We will prepare financial statements for the Marketing Fund annually, which will be furnished to you upon written request. The statements may be audited and any related costs will be paid by the Marketing Fund. All interest earned on monies contributed to, or held in, the Marketing Fund will be remitted to the Marketing Fund and will be subject to the restrictions of the relevant Franchise Agreement(s). In making expenditures, the Marketing Fund will first spend any contributions made by any supplier; second, any earnings on assets held by the Marketing Fund; third, any contributions made by us; and finally any contributions made by Franchisees.

Financial management of the Marketing Fund will be our sole responsibility. We can in our Business Judgment, do any of the following:

1) compensate ourselves and/or any Franchisor Related Person/Entity for salaries, administrative costs, overhead and other expenses incurred in Marketing Fund related programs/activities, including but not limited to production, research, insurance, and collection expenses, as well as any legal expense related to the activities and purposes of the Marketing Fund (consistent with the provisions of the Franchise Agreement);

2) charge the Marketing Fund for attorney's fees and other costs related in any way to claims against us and/or any of the Franchisor-Related Persons/Entities regarding the Marketing Fund. However, we are required to reimburse the Marketing Fund for any attorneys' fees and/or costs paid by the Marketing Fund related to any action in which we are finally found to have acted unlawfully or to be guilty of wrongdoing with respect to the Marketing Fund;

3) spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year, and the Marketing Fund may borrow from us or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus;

4) collect for remission to the Marketing Fund any advertising or promotional amounts offered by any supplier based upon franchisee purchases. Any of these contributions, whether or not related to purchases by you, will not count toward your required Marketing Fund contributions;

5) pay the advertising, marketing, public relations and related costs involved in any co-branding, dual franchising or other multi-sponsor programs;

6) revise marketing and other programs, and/or make separate expenditures from the Marketing Fund, to take account of cultural or other differences;

7) defer, waive and/or compromise claims for current/future contributions to, and/or claims against or with respect to, the Marketing Fund and fund the same with the Marketing Fund;

8) take legal or other action against any franchisee in default of their obligations to the Marketing Fund;

9) merge the Marketing Fund with any marketing fund otherwise established for Aussie Pet Mobile Franchise Businesses, so long as the restrictions of the relevant Franchise Agreement(s) continue to apply to contributions made by Franchisees under the agreements;

10) maintain Marketing Fund assets in one or more accounts designated as "trust accounts" for purposes of protecting the assets from claims of third-party creditors, (but that will not create any "trust," "fiduciary relationship" or similar special arrangement);

11) incorporate the Marketing Fund or operate it through an entity separate from us, subject to all rights and duties of ours relating to the Marketing Fund;

12) take such other actions in connection with the Marketing Fund as we consider to be appropriate and as are consistent with the provisions of the Franchise Agreement.

We have no obligation to ensure that expenditures by the Marketing Fund are or will be proportionate or equivalent to contributions to the Marketing Fund by Aussie Pet Mobile Franchise Businesses operating in any geographic area, or that any Aussie Pet Mobile Franchise Businesses will benefit directly, indirectly or in proportion to its contribution to the Marketing Fund. All Aussie Pet Mobile Franchise Businesses owned by us will make contributions to the Marketing Fund as if they were subject to the then-current form of Franchise Agreement.

Neither we nor any of the Franchisor-Related Persons/Entities, including the FAC will be liable for any act or omission in connection with the Marketing Fund which is consistent with the Franchise Agreement. You and we expressly agree that none of the relationships with you in connection with the Marketing Fund are in the nature of a "trust," "fiduciary" or similar special arrangement.

If you are in default of any of your obligations to us, the Franchisor-Related Persons/Entities and/or the Marketing Fund, or your Franchise Agreement is otherwise subject to termination, you will have no rights with respect to the Marketing Fund. We may deny access to any and all programs and/or materials created by, and benefits of, the Marketing Fund to Franchisees who are in default in any obligations to the Marketing Fund.

You should note that we have made a series of unsecured loans to the Marketing Fund amounting to approximately \$249,000~~204,000~~. Under the promissory note evidencing these loans, we have the right to demand payment of all or any portion of the total amount loaned. Currently, we do not intend to demand repayment if this would significantly adversely affect the Fund's operations, but we retain the right to do so. The loans do not accrue interest unless required by law, a court, generally

accounting principles or the advice of our legal counsel or accountants and then only at the minimum rate necessary to comply.

Your Participation in the Marketing Fund.

You agree to participate in all Marketing Fund programs. You have the right to set your own prices, except that we can specify maximum prices for goods or services to the greatest degree permitted by law. You must fully honor all coupons, price reduction and other promotions/programs as we direct. The Marketing Fund may furnish you with marketing, advertising and promotional materials; however, we can require that you pay the cost of producing, shipping and handling for these materials.

We can establish one or more associations and/or sub-associations ("Franchise Marketing Groups," "FMG") of Aussie Pet Mobile® franchisees to conduct various marketing related activities on a cooperative basis. You must join and actively participate in the FMG and must contribute to the FMG the amounts required by FMG. FMG may adopt its own regulations, which you must follow but these regulations are subject to consent by us. We may offset against amounts we owe to you the amount of your unpaid FMG contributions.

We may form and periodically meet with, a council(s) of Aussie Pet Mobile® franchisees ("Franchisee Advisory Council") to provide us input. We will give due consideration to all input from the council(s) but we retain the ultimate decision-making authority and responsibility for all of these matters. If we submit any matters for approval by the Franchisee Advisory Council and that matter is approved by a majority vote of the Franchisee Advisory Council, that approval will be fully binding on you. The Marketing Fund will only use its funds for the purposes authorized by the relevant Franchise Agreement(s).

Local Marketing

You must advertise and promote each of your Aussie Pet Mobile Franchise Businesses. Appropriate local advertising expenditures may include, direct mail coupons, yellow pages, fliers, door hangers, postcards, cable television ads, radio commercials email flashes and newspaper advertising.

Under the **Gold and Platinum Programs**, you must spend at least \$6,000 on a grand opening marketing program during the first 3 months of operation of your first Franchise Business. We recommend that you purchase Yellow Pages advertising for your Franchise Businesses.

Under the **Silver Program**, you must spend at least \$4,000 on a grand opening marketing program during the first 3 months of operation of your first Franchise Business. We recommend that you purchase Yellow Pages advertising for your Franchise Businesses.

If you are opening a single Franchise Business, you will spend at least \$2,000 on a grand opening marketing program during the first 3 months of operation of your Franchise Business.

Your advertising must be in good taste and conform to ethical and legal standards. You must submit to us, for our approval samples of all advertising and promotional materials for any media. You will not use any advertising or promotional materials or programs disapproved by us. We can require that a brief statement regarding the availability of Aussie Pet Mobile® franchises be included in advertising used by you and/or that brochures regarding purchase of Aussie Pet Mobile® franchises be displayed in each of your Aussie Pet Mobile® Franchise Businesses.

Your right to use the Internet and/or World Wide Web in the marketing and operation of your Aussie Pet Mobile® Franchise Businesses is limited to your limited participation in the Aussie Pet Mobile Website, and we require that you use e-mail addresses for your Aussie Pet Mobile® Franchise Businesses that we provide under our domain name. You cannot establish any independent website, domain name, e-mail address or other presence for use with your Aussie Pet Mobile® Franchise Businesses. You must comply with the Manuals and any other specifications we give to you regarding your use of the Internet, World Wide Web or other electronic media in connection with your Aussie Pet Mobile® Franchise Businesses.

Methods Used By Us to Select the Location of Your Business

Before you purchase the Franchise, you and we jointly agree on the Protected Areas in which you will operate your Aussie Pet Mobile® Franchise Businesses. We award Protected Areas based on population and zip codes. A typical Unit Protected Area will include approximately 40,000 to 50,000 population. The population of a Protected Area may vary depending on the characteristics of a particular Protected Area in our Business Judgment. The typical population for the Protected Areas under our **Silver Program** would be approximately 80,000 to 100,000. The typical population for the Protected Areas under our **Gold Program** would be approximately 120,000 to 150,000. The typical population for the Protected Areas under our **Platinum Program** would be approximately 240,000 to 300,000.

Typical Length of Time to Open Your Business

The typical length of time between the signing of the Franchise Agreement and opening of your first Franchise Business is 60 days. You must open your first Franchise Business within 4 weeks after successfully completing training and, in any event, within 12 weeks after the date of the Franchise Agreement. (Franchise Agreement, Section 6.9) Factors affecting this length of time include completion of training, delivery of your Sprinter Van to us for installation of the Designated Equipment Package and customization of your Sprinter Van.

Under the Franchise Agreement, subsequent Franchise Businesses will typically be placed into operation within 15 days of delivery of the Customized Vehicle. Under the **Silver, Gold and Platinum Programs**, all Franchise Businesses must be operating within the time period required by the Development Schedule.

If you are a participant under the **Silver, Gold or Platinum Program**, you may deliver any of the Sprinter Vans to us for installation of the Designated Equipment Package at any time, but no later than the delivery schedule described in Section 5.5 of the Franchise Agreement. No matter when you elect to deliver any Sprinter Van to us for customization, you must place each Customized Vehicle into operation within 15 Business Days from taking delivery of the Customized Vehicle from us.

Under the **Bronze Program** or if you are purchasing an additional Franchise Business you must place the Customized Vehicle into operation within 15 business days of delivery.

Initial Training

Under the **Bronze Program**, you must attend and complete our 80 hour initial training program to our satisfaction before beginning operation of your Aussie Pet Mobile® Franchise Business. The training fee is \$1,000 which must be paid before attending training, and you are responsible for all of your travel, living, incidental and other expenses and compensation while attending any training program. The initial training program will take place with a qualified trainer at a site we designate.

Under the **Silver, Gold and Platinum Programs**, the Franchise Fee covers a 3-day training program for you, at our corporate office in Dana Point, California. In addition to your training each of your employees must attend and complete an 80 hour initial training program at a site we designate. The training fee for each employee is \$1,000 per attendee. You and your employees must attend and complete our training program to our satisfaction before beginning operation of each of your Aussie Pet Mobile® Franchise Businesses. You are responsible for all travel, living, incidental and other expenses and compensation of you and your authorized personnel attending any training program.

If you are purchasing an additional Franchise Business, your employee must attend and complete our 80-hour training program with a qualified trainer at a site designated by us, to our satisfaction before beginning operation of the additional Franchise Businesses. The training fee for the employee training is \$1,000 per employee and you are responsible for all travel, living, incidental and other expenses and compensation of your authorized personnel attending any training program. Once you have a qualified Level 1 trainer on staff (as described in the Manual), your Level 1 trainer will be qualified to train your employees instead of us. You are encouraged to obtain and maintain a Level 1 Trainer on your staff to carry out employee training. You will not be required to pay us training fees for training carried out by your Level 1 trainer.

The initial training program for **Bronze Program** participants and employees of **Silver, Gold and Platinum Program** participants will include field training with an operating Aussie Pet Mobile® Franchise. The program is modularly designed so that trainers may rearrange the modules of the course to convene to the "real-life" work schedule in progress during the training sessions. The training fee is \$1,000 and you are responsible for transportation, food and lodging. Compensation and other costs incurred by your employees. If you decide to re-enroll or enroll additional employees in the training program, and you do not have a qualified Level 1 trainer on staff you must pay a training fee (currently \$1,000) and transportation, compensation, food and lodging costs.

Ongoing and Optional Training

We will provide ongoing training to you and your employees at your cost after any written request or, if we feel the additional training is necessary. We may charge a reasonable fee for ongoing training, and you will be responsible for all travel, living, incidental and other expenses and compensation of you and your authorized personnel attending any training program. We may effect ongoing training through electronic media or otherwise as we consider appropriate in our reasonable discretion. This training will take place at either a site we designate and/or our corporate office in Dana Point, California. There will be no charge for ongoing clipping and grooming training programs held at the National Training Center.

The ongoing training programs may include seminars and conferences of special interest including clipping and grooming techniques, changes to any systems and procedures, new pet grooming products and services and marketing techniques.

We will hold conferences periodically for you to stay up-to-date on competitive challenges and opportunities, new programs and techniques, to learn about best practices as developed by us and other Aussie Pet Mobile® Franchisees and to establish beneficial relationships with approved suppliers. Your attendance at these conferences is mandatory. We do not charge any attendance fee for you, but we may charge for materials, meals, entertainment, special programs and otherwise and you must bear all other costs of attendance.

Classes will be taught by members of our corporate staff, existing Aussie Pet Mobile Franchisees and/or their employees with a minimum of 2 months experience as an Aussie Pet Mobile Franchisee or employee. Trainers include:

~~Ian Moses~~ — See Item 2 for his biography.

Rex Gammon is the manager of our vehicle customization facility.

Vivienne McIntosh — See Item 2 for her biography.

Brad Smith — See Item 2 for his biography.

Jessica Madrid is our Director of Training and has been a professional groomer for more than 6 years. She studied at veterinary school for 3 years.

Annie Couture is our Operations Administrative Assistant and has been with us since 2002.

Darren Shelton is the Manager of our company-owned operation in South Orange County, California. He has a Bachelor of Science in Business from the University of Kansas and an extensive background in upper management with heavy customer service and employee training experience. He is also an accomplished writer.

Ken Wright is a Leadership Coach/CFO for Amanda Gore International in Dallas, Texas. Previously he worked for Westpac Investments and Insurance and Westpac Bank, both in Australia.

Aussie Pet Mobile® Initial Training Program

For Employees of Silver, Gold and Platinum Program Franchisees and Bronze Program Participants

SUBJECT	TIME BEGUN ⁽¹⁾	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR
Understanding Dogs The Approach Reward Time Practical - First Dog Wash, Dry, Groom Customized Vehicle Understanding 15-Step Washing/Drying/Grooming Large and Small Dogs	Days 1-2	Hands-on in-van training	0 hours	16 hours	Aussie Pet Mobile Franchisees and/or their employees
Dog Check 15-Step Washing/Drying/Grooming Large and Small Dogs Grooming Theory Specific Breeds and Tools Applied 15-Step Washing/Drying and Grooming (focus on brushing the coat, cleaning the eyes, cleaning the ears, clipping the nails and blow drying.) 15-Step Washing/Drying and Grooming a Variety of Breeds Customized Vehicle Hygiene	Days 3-4	Hands-on in-van training	0 hours	16 hours	Aussie Pet Mobile Franchisees and/or their employees

SUBJECT	TIME BEGUN ⁽¹⁾	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR
Refresher Customer Service 15-Step Washing/Drying/Grooming a Variety of Breeds Continue 15-Step Wash and Grooming Appointments Feline Check Feline 15-Step Washing/Grooming Using a Feline Bathing Apparatus	Days 5-6	Hands-on in-van training	0 hours	16 hours	Aussie Pet Mobile Franchisees and/or their employees
Continue 15-Step Wash and Grooming Appointments with Focus on Basic "Puppy" Clips Continue 15-Step Wash and Grooming Appointments with Focus on Basic Hygiene Clips Continue 15-Step Wash and Grooming Appointments Questions	Days 7-8	Hands-on in-van training	0 hours	16 hours	Aussie Pet Mobile Franchisees and/or their employees
Continue 15-Step Washing/Drying and Grooming a Variety of Breeds Final Exam General Review and Questions Review of Franchise rules/procedures and Operations Manual Marketing and Advertising	Days 9-10	Hands-on in-van training	8 hours	8 hours	Aussie Pet Mobile Franchisees and/or their employees

1. Due to the work schedule of the trainer, training may be conducted over ten 8-hour days or eight 10-hour days.

Aussie Pet Mobile® Silver, Gold and Platinum Franchisee Training Program

SUBJECT	TIME BEGUN	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR
Plan for Success - First 2 Years Employees Marketing Financial General	Day 1	Lecture and Handouts	4 Hours	0 Hours	Ken Wright Messes
Business Coaching	Day 1	Lecture and Handouts	1 hour	0 hours	Ken Wright
Operations	Day 1	Lecture and Handouts	4 hours	0 hours	Brad Smith
Recruiting of Groomers	Day 2	Lecture and Handouts	3 hours	0 hours	Jessica Madrid
Advertising and PR	Day 42	Lectures and Handouts	1 Hour	0 Hours	Vivienne McIntosh

SUBJECT	TIME BEGUN	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR
Aussie Online System (AOS) Aussie Customer Management System (ACMS)	Day 12	Lecture and Handouts	2 Hours	0 Hours	Brad Smith Annie-Ceuture
Recruiting of Groomers	Day 2	Lecture and Handouts	3 Hours	0 Hours	Jessica Madrid
Operations	Day 2	Lecture and Handouts	5 Hours	0 Hours	Brad Smith
Customized Vehicle Training -Water Operations -Prepane -Generator System -Trouble Shooting -Parts and Warranty Manuals -Review and Test	Day 3	Hands-on training with the Van Lecture and Handouts	42.5 Hours	0 Hours	Rex Gammon
Visit South Orange County Company-Owned Operation	Day 3	Lectures and Handouts	42.5 Hours	0	Darren Shelton
Operations Review and Forum Visit National Training Center	Day 3 Day 3	Lectures and Handouts Lecture	3 hours 2 hours	0 hours 0	Brad Smith Jessica Madrid

12. TERRITORY

As long as you (and/or any affiliate of yours) are not in default of a material obligation to us (or any of our related persons/companies), we will not award an Aussie Pet Mobile® Franchise to be located within the Protected Areas or operate ourselves an Aussie Pet Mobile® Franchise in the Protected Areas.

You will not operate an Aussie Pet Mobile® Franchise Business or any Similar Business at any location Territory, or service any customers, outside the Protected Areas, without our prior written approval.

The typical minimum Protected Area granted for each Franchise Business contains a population of approximately 40,000 to 50,000, however these figures may vary depending on the characteristics related to a particular Protected Area in our Business Judgment. In determining Protected Area divisions, we take into account the following statistics: (a) California State Department of Finance population statistics by county and city; (b) CACI, zip code population statistics; and (c) SANDAG (San Diego Association of Governments) Population, Housing and Economic Estimates by SRA and MSA, 1997. All Protected Territories are comprised of one or more zip codes.

We (and/or any of the Franchisor-Related Persons/Entities) expressly reserve all other rights including the rights to:

1. sell or distribute anywhere any products or services to customers located anywhere through any alternative or other channel of distribution, other than mobile facilities providing pet grooming services under the Marks and System. We have this right whether or not we are using the Marks or System or are acting inside or outside the Protected Areas designated on your Protected Area or Development Schedule,
2. distribution of branded Products and Services through any outlet located anywhere (including, by way of illustration, sales through general retail stores, pet stores and/or by electronic means),
3. own and/or operate ourselves or authorize others to own and/or operate (a) any business located outside the Protected Areas designated on your Protected Area or Development Schedule, whether or not using the Marks and/or System, (b) any business anywhere, whether using the Marks and/or System or not, which is not substantially similar to the business franchised to you under the Agreement and/or (c) any business anywhere which does not use the Marks,
4. acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere, including arrangements in which we (and/or any of the Franchisor-Related Entities) are acquired, and/or company-owned, franchised or other businesses (including your Aussie Pet Mobile® Franchise Businesses) are converted to another format, maintained under the Aussie Pet Mobile® System or otherwise. Each Aussie Pet Mobile® Franchise Business awarded to you will fully participate in any conversion subject to any person/entity merging with, or acquiring us, reimbursing you for reasonable costs directly related to the conversion; and
5. offer/provide Products and Services through the Internet, World Wide Web and/or other similar venues no matter where the customer is located.

The Franchise Agreement does not provide for options, rights-of-first-refusal or similar rights. Under the Franchise Agreement, we grant you the right to operate a specified number of Aussie Pet

Mobile® Franchise Businesses the Protected Areas. We may grant you an additional Franchise Business within a Protected Area *already designated* on your Protected Area or Development Schedule if you: (a) are a Franchisee in Good Standing, (b) sign our then-current form of Franchise Agreement and release, and (c) pay all amounts due for the Designated Equipment according to our then-current franchise agreement.

We may, in our Business Judgment, grant you an additional Franchise Business within a Protected Area *not already designated* on your Development Schedule if you: (a) are a Franchisee in Good Standing, (b) pay our then-current franchise fee for your program, (c) sign our then-current form of Franchise Agreement and release, and (d) pay all amounts due for the Designated Equipment according to our then-current franchise agreement.

Aussie Pet Mobile® System Standards

We may evaluate or inspect each of your Aussie Pet Mobile® Franchise Businesses (including, field service visits, customer comment cards and secret shopper reports) for compliance with Aussie Pet Mobile® System Standards, using the same methodology and scoring system as we use for all Aussie Pet Mobile® Franchise Businesses owned and/or operated by us and/or Affiliates. Each of your Aussie Pet Mobile® Franchise Businesses will receive a System Standards Score in each major category and compared with the average scores in each category as achieved by Aussie Pet Mobile® Franchise Businesses in the United States (including those owned and/or operated by us and/or our Affiliates), or other geographic area as we believe appropriate for evaluation purposes.

Aussie Pet Mobile® Financial Standards

We may compare your Gross Volume with the then-current "Financial Standard". [For example, if the first comparison was on June 30, the next comparison would be on December 31, etc.] The Financial Standard will be determined as follows:

<u>Period Open or Required to be Open</u>	<u>Financial Standards (Every Six-Months Adjusted)</u>
Less than One Year	50% of PUA
One Year or More But Less Than Two Years	65% of PUA
Two Years or More	75% of PUA

"PUA" means Per Unit Average and is the average Gross Volume for all Aussie Pet Mobile® Franchise Businesses in the United States for the most recent 6 month period before the measuring period. We will, to the extent possible and practical, make every effort to compare your Gross Volume with PUA of other Franchise Businesses in the System that have been operating for comparable time periods with your Franchise Business/es.

Correction Process

If (a) your System Standards Score in any major category is lower than the average System Standards Score or (b) Gross Volume for the applicable measurement period does not equal the then-current Financial Standard, we may (but are not required to) implement the following correction process.

If we notify you of your failure to meet the then-current System Standards Score in any major category and/or the Financial Standard you will have 6 months from our delivery of written notice to you to meet all applicable Financial and System Standards.

We will cooperate with and assist you in your efforts to meet your performance objectives. This assistance may include, consultations, meetings at our headquarters, and/or retraining activities or programs at designated locations. You are responsible for any costs associated with these activities, including travel, meals, lodging and any other related expenses.

If at the end of the 6 month correction period each of your Aussie Pet Mobile Franchise Businesses do not meet the average Aussie Pet Mobile System Standards score for any category and/or the then applicable Financial Standards, then we may elect to terminate the Franchise Agreement. You will have 90 days after the end of the 6 month correction period to complete a sale of your Franchise to a third party if:

- 1) You provide us written notice of your desire to sell your franchise within 10 days of the expiration of the 6 month correction period along with a General Release signed by you and each of your owners and Affiliates; and
- 2) Any transfer meets all requirements of your Multi-Unit Franchise Agreement.

If you do not provide us this, or complete an authorized sale within the 90 day period, then we may elect to terminate the Franchise Agreement immediately upon delivery of written notice to you.

Under the **Platinum Program** we will not market or sell in the Protected Areas reserved for you. If you fail either (a) to pay a Designated Equipment Package Fee according to the schedule described in Item 5 above and Section 5.4 of the Franchise Agreement, or (b) deliver a Sprinter Van for customization according to the schedule described in Item 5 above and Section 5.5 of the Franchise Agreement, then (i) you immediately forfeit the right to open additional franchise businesses in accordance with the Development Schedule, (ii) you forfeit any and all Franchise Fees paid for any/or all of Units 4, 5 or 6 which remain undeveloped after you have failed either to pay a Designated Equipment Package Fee or to timely deliver a Sprinter Van for customization, and (iii) we are immediately released from the obligation to keep those undeveloped Protected Areas available for you and may market and sell franchises into those undeveloped Protected Areas and (iv) if you are otherwise in Good Standing and execute a General Release we will permit you to retain your present number of Franchise Businesses

For example, if you have previously developed Units 1 through 4 according to schedule and then fail either to timely pay the Designated Equipment Package Fee or to timely deliver a Sprinter Van for customization for Unit 5 at least 60 days before the date set on your Development Schedule for delivery and opening of the 5th Franchise Business, then (i) you will forfeit the Franchise Fees paid for Units 5 and 6, (ii) we will prohibit you from any further development of any additional Franchised Businesses, (iii) we may immediately sell and market in the Protected Areas previously reserved for Units 5 and 6 and (iv) if you are otherwise in Good Standing and sign a General Release of all claims, we will permit you to retain your present four Franchise Businesses.

13. TRADEMARKS

We have granted you the non-exclusive right to use the Marks. The mark "AUSSIE PET MOBILE" was registered on the Principal Register of the United States Patent and Trademark Office on July 3, 2001 (Registration No. 2466457). The mark "AUSSIE PET MOBILE" and design was registered on September 11, 2001 on the Principal Register of the United States Patent and Trademark Office (Registration No. 2488561). The Aussie Pet Mobile trailer design logo was registered on the Principal Register of the United States Patent and Trademark Office on January 15, 2002 (Registration No. 2530794). The word mark "KEEP 'EM CLEAN 'N CUTE" was registered on the Principal Register of the United States Patent and Trademark Office on October 7, 2003 (Registration No. 2771138).

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks. There are no agreements currently in effect which significantly limit our rights to use or license the use of these trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to you. There are no infringing uses actually known to us that could materially affect your use of these trademarks, service marks, trade names, logotypes or other commercial symbols in this state.

You must notify us immediately of any apparent or actual infringement of, or challenge to your use of the Marks, or any claim by any person of any rights in the Marks. You will not communicate with anyone other than us or our counsel regarding any infringement, challenge or claim. We have reasonable discretion to take whatever action we deem appropriate and the sole right to control any litigation or other proceeding arising out of any infringement, challenge or claim to any Mark, including the right to direct any settlement of the claims. You must sign any documents, give any assistance, and do any acts that our attorneys believe are necessary or advisable in order to protect and maintain the interests we have in any litigation or administrative proceeding related to the Marks.

The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you, or if the proceeding is resolved unfavorably to you.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue the use of any of the Marks or for you to use one or more additional or substitute trademarks or service marks, you will immediately comply (at your and our joint expense) with our directions to modify or otherwise discontinue the use of the Marks, and/or use one or more additional or substitute trademarks or service marks. We will not have any liability or obligation to you for modification, discontinuance or otherwise.

You should understand that there is always a possibility there might be one or more businesses, similar to the businesses covered by the franchises offered in this Offering Circular, operating in or near the area(s) where you may do business, using a name and/or trademarks similar to ours and with superior rights to the name and/or trademarks. We strongly suggest that you research this possibility, using telephone directories, local filings and other means, before you pay any money, sign any binding documents or make any binding commitments.

We have reserved sole rights to use the Marks on the Internet and other forms of electronic media.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Currently, there are no patents (pending or otherwise) that are material to the Franchise. We intend to file (or have filed) patent applications covering the hydro bath used in the operation of the Aussie Pet Mobile® Franchise Businesses, however we can make no assurances that these patent applications, or any others we might file, will be approved. We claim copyright protection in our Manuals and related materials, electronic and computerized media and advertising and promotional materials, including our toll-free number (1-800-PET MOBILE), although these materials have not been registered with the United States Registrar of Copyrights. These materials are considered proprietary and confidential and are considered our property and you may use them only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any copyrights or you in connection with any copyrights.

You must acknowledge that your knowledge of the operation of an Aussie Pet Mobile® Franchise Business will be derived from information we disclose to you under the Franchise Agreement and that information, including the contents of the Manuals, is proprietary and confidential. You must agree that you will maintain the absolute confidentiality of all the information during and after the term of the Franchise Agreement and that you will not use any information in any other business or in any manner we do not specifically authorize in writing.

We have the rights to and complete ownership of all phone services, numbers, listings, Internet connections, client and employee lists.

15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We will allow you to operate your Aussie Pet Mobile® Franchise Businesses through employees who meet all of our then-current training and other requirements. Absentee ownership exposes you to a greater risk of failure than if you are personally involved, on a full time basis, in the daily management of your Aussie Pet Mobile® Franchise Businesses. You must keep us advised of the identities of each of your employees and other supervisors of each of your additional Aussie Pet Mobile® Franchise Businesses, and we will have the right to deal with the personnel on matters pertaining to day-to-day operations of, and reporting requirements for, each of your Aussie Pet Mobile® Franchise Businesses. Each of your employees must sign an Employment Agreement in a form approved by us and we reserve the right to require each employee to sign confidentiality, non-competition and other agreements acceptable to us. You or anyone you designate must hire all employees of your Aussie Pet Mobile® Franchise Businesses and are solely responsible for their supervision, possible termination, terms of employment and compensation and proper training. **If you are a business entity, we may require that each of your owners personally guarantee the performance of your obligations under the Franchise Agreement. (See the Seventh Schedule to the Franchise Agreement.)**

16. RESTRICTIONS ON WHAT YOUR FRANCHISE BUSINESSES MAY SELL

You must operate your Aussie Pet Mobile® Franchise Businesses in accordance with the Aussie Pet Mobile® System Standards (including required products and services). You may not use your Aussie Pet Mobile® Franchise Businesses for any other purposes other than the operation of an Aussie Pet Mobile® Franchise Businesses in full compliance with the Franchise Agreement and Manuals, without our prior written approval. You must purchase, use and offer each of and only the types, brands and or quality of Products and Services we designate. You will not (without our prior written consent) operate your Aussie Pet Mobile® Franchise Businesses at any location, or service customers, outside the Protected Area.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise and related agreements. You should read these provisions in the agreement attached to this offering circular.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Term of the franchise	3C.	10 years from the date of the Agreement. If you acquire an existing Aussie Pet Mobile® Franchise Business, the term of the Agreement is no longer than the then remaining term of the Aussie Pet Mobile® Franchise Agreement which relates to the Franchise Business you acquired.
b. Renewal or extension of the term	20	Up to two 10 year renewals subject to compliance with certain requirements. We may allow more than 2 renewals in our Business Judgment.
c. Requirements for you to renew or extend	20.1	Compliance with the Franchise and all other agreements; comply with current operational, qualification and training requirements; notice of election to renew; satisfaction of monetary obligations; sign new agreement & release; payment of a Successor Franchise Fee; maintain possession of Designated Equipment.
d. Termination by you	None	None
e. Termination by us without cause	None	None
f. Termination by us with cause	21.1 - 21.5	We can terminate you if you commit any one of several listed violations.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
g. "Cause" defined-defaults which can be cured	4.3, 21.2, 21.5	<p>Failure to maintain insurance, failure to correct a dangerous condition, accurately report Gross Volume; failure to submit any report due; failure to submit any lease/sublease in accurate and complete form when due; failure to make any payments due us (including Designated Equipment Package Fees) or any affiliate and or supplier or creditor within 5 days written notice of nonpayment; failure to meet obligations to others; default under the lease or sublease for any of your Franchise Businesses; failure to comply with agreements, standards, procedures or Manuals; failure to meet System and Financial Standards; provide grooming or related services to clients in another Aussie Pet Mobile franchisee's Protected Area.</p> <p>If you fail to cure a default within the applicable cure period, we and each of our affiliates have the right to discontinue selling and/or providing any goods and/or services to you until you have cured all defaults and we and/or our affiliates may stop providing these items to you or require you to pay C.O.D. by certified check until the time you correct this problem.</p>

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined-defaults which cannot be cured	21.1, 21.3-21.4	Failure to operate any of your Businesses for more than 14 days or lose the right to any of the Sprinter Vans or any lease premises; failure to meet Development Schedule; failure to place Customized Vehicle into operation or open Franchise Business according to schedule; misrepresentations or omissions by you in application for Franchise or in any report; bankruptcy; conviction of felony; engage in misconduct which affects your Businesses; unauthorized use of Confidential Information, the Marks or Manuals; unauthorized transfer; violate any in-term or post-term restrictions of the Agreement; omission, fraud and misrepresentation; 5 or more material unresolved customer complaints in any 12-month period; failure to cooperate with any audit or inspection or fail to retain or provide any records; repeated defaults; default under other agreements with us or others which are related to the Franchise Businesses (subject to our compliance with the California Franchise Relations Act, Business and Professions Code, Chapter 5.5, Sections 20000 through 20043).

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
i. Your obligations on termination/non-renewal	22.1 - 22.6	Cease operations; cease use of Marks; de-identify business; pay amounts owed; return Manuals and materials; return of signage; transfer phone number(s) customer lists directory listings/URLs for each of your businesses to us or our designee; cancel all fictitious business name registrations. Certain obligations continue, including non-competition and confidentiality, your obligation to pay royalties, marketing contributions and other amounts for the remainder of the term if the Agreement is terminated early. We have the rights to and complete ownership of all phone services, numbers, listings, Internet connections, client and employee lists.
j. Assignment of contract by us	18	No restrictions on our right to transfer the Franchise Agreement; on transfer we have no more obligations.
k. "Transfer" by you-definition	19.1	Includes transfer of any interest in the Agreement or business or controlled corporation.
l. Our approval of transfer by you	19.1	Transfer subject to our consent.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for our approval of transfer	19.2 - 19.3, 22.6	<p>You must be in compliance with all agreements between you and us; transferee qualifies; transferee assumes your obligations; all amounts due are paid in full and all debts payable to third parties are paid or assumed by transferee; all required reports or other documents submitted; transferee completes training program; transferee obtains all required permits, licenses and insurance; you remain liable for all obligations to us for 6 months; lessors and other parties consent to transfer; transferee agrees to be bound by your franchise agreement; payment of transfer fee; reimbursement of payment to sales consultant, broker/sales agent; execution of release; execution of non-competition agreement; and compliance with laws and regulations. Additional requirements for transfer to a controlled corporation, including execution of general release.</p> <p>A transfer of ownership, possession or control of your Customized Vehicle, the Sprinter Van or the Designated Equipment or any of the assets of the Franchised Business can only be made with a transfer of the Franchise, however, if we choose not to exercise our option to purchase the Customized Vehicle, you may sell the de-identified Sprinter Van to any entity or third party as long as the purchaser does not use the Sprinter Van for the operation of a mobile pet grooming business.</p>
n. Our right of first refusal to acquire your business	19.5	We have right to match offer.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
o. Our option to purchase your business	22.6	We may purchase the Customized Vehicle(s), Hydrobath or the Designated Equipment installed within the Customized Vehicle at fair market value on expiration, termination or repurchase.
p. Your death or disability	19.1-19.2	Any transfer by the Franchisee (or any of your owners) of any interest in the event of your death or the death of an owner of the Franchisee, by will, declaration of or transfer in trust, under the laws of intestate succession, or otherwise will be governed by all of the provisions on transfer of the Franchise Agreement.
q. Non-competition covenants during the term	17.1	No involvement in any similar business. No transfer of ownership of Sprinter Van for any Similar Business located anywhere.
r. Non-competition covenants after the franchise is terminated or expires	17.1, 19.2 (15), 22.4, 23.7 (B)	No interest in similar business for 3 years. No geographic limitations. No transfer of ownership of Sprinter Van for any Similar Business located anywhere.
s. Modification of the agreement	6.1, 24.2, 24.6	Agreement may be modified in writing by all parties. Manuals & System are subject to change by us and you must promptly comply. We may modify any invalid or unenforceable provision to the extent required to be valid and enforceable and the modified provisions will bind you.
t. Integration/merger clause	25	Only the terms of the franchise agreement are binding (assuming they comply with State law). Any other promises are not enforceable.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
u. Dispute resolution by arbitration or mediation	23.1	Except for a few types of claims, all disputes are resolved through face-to-face meeting, mediation, and/or binding arbitration at a neutral location in the county where our then-current headquarters is located; limited rights of appeal and pre-trial discovery; waiver of jury or court trial; limitation of types and amount of damages and periods to bring claims; mandatory notice of claims by you.
v. Choice of forum	23.2	Face-to-face meeting, mediation, arbitration at a neutral location in the county where our then-current headquarters is located. Litigation in the U.S. District Court encompassing our headquarters..
w. Choice of law	24.8	Laws of the State where the major portion of your Protected Area is located apply, but Federal Arbitration Act preempts.

PROVISION	SECTION IN TRAINER SERVICES ADDENDUM TO THE FRANCHISE AGREEMENT	SUMMARY
a. Term of the franchise	None	None
b. Renewal or extension of the term	None	None
c. Requirements for you to renew or extend	None	None
d. Termination by you	3	You can terminate your position as Trainer at any time, on 30 days prior written notice to us.
e. Termination by us without cause	3	We can terminate your rights and our obligations on 30 day's prior written notice.
f. Termination by us with cause	3	We can terminate your rights and our obligations on 30 day's prior written notice.
g. "Cause" defined-defaults which can be cured	None	None

PROVISION	SECTION IN TRAINER SERVICES ADDENDUM TO THE FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined-defaults which cannot be cured	None	None
i. Your obligations on termination/non-renewal	3	On any termination by us you will execute a general release.
j. Assignment of contract by us	4	The Addendum and any and/or all of our rights and/or obligations under it, are fully transferable by us.
k. "Transfer" by you-definition	None	None
l. Our approval of transfer by you	None	You may not assign any of your rights or transfer any of your obligations under the Addendum.
m. Conditions for our approval of transfer	None	None
n. Our right of first refusal to acquire your business	None	None
o. Our option to purchase your business	None	None
p. Your death or disability	None	None
q. Non-competition covenants during the term	7	You must comply with each of the non-competition covenants of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	7	You must comply with each of the non-competition covenants of the Franchise Agreement.
s. Modification of the agreement	None	None
t. Integration/merger clause	None	None
u. Dispute resolution by arbitration or mediation	8	Except for a few types of claims, all disputes are resolved through face-to-face meeting, mediation, and/or binding arbitration at a neutral location in the county where our then-current headquarters is located; limited rights of appeal and pre-trial discovery; waiver of jury or court trial; no class actions; limitation of types and amount of damages and periods to bring claims; mandatory notice of claims by you.
v. Choice of forum	None	All provisions of Articles 23 and 24 of the Franchise Agreement are incorporated in the Addendum.

PROVISION	SECTION IN TRAINER SERVICES ADDENDUM TO THE FRANCHISE AGREEMENT	SUMMARY
w. Choice of law	None	All provisions of Articles 23 and 24 of the Franchise Agreement are incorporated in the Addendum

Additional language required by the State of California is contained in the California Addendum in Exhibit F of this Offering Circular.

Some states require us to make certain statements regarding the possible effect of various laws on provisions in the documents you sign. We make these statements here and/or in state addenda to this Offering Circular (Exhibit F) only as a result of these requirements and order to obtain registration and not because we agree with all the statements made.

Various states, including but not limited to the following, have statutes which may supersede the Franchise Agreement in your relationship with the franchisor including areas of termination and renewal of your franchise: ARKANSAS [Code Sections 4-72-201-4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-200043], CONNECTICUT [42-133e et seq.], DELAWARE [Code, Title 6, Chapter 25, Sections 2551-2556], HAWAII [Rev. Stat. 482E-6], ILLINOIS [815 ILCS 705/19 and 705/20], INDIANA [Code Sections 23-2-2.7 (1) - (7)], IOWA [Sections 523H.1-523H.17], MICHIGAN [19.854 (27)], MISSISSIPPI [Code Sections 75-24-51-75-24-63], MISSOURI [Stat. Sections 407.400-407.410] NEBRASKA [Re. Stat. Sections 87-401 - 87-410], NEW JERSEY [Rev Stat. Sections 56:10-1-56:10-12], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code Sections 13.1-517 through 13.1-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03], DISTRICT OF COLUMBIA [Code Sections 29-1201-29-1208], PUERTO RICO [Annotated Laws Sections 278 - 278d], VIRGIN ISLANDS [Annotated Code Sections 130 - 139]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with the franchisor, including the areas of termination and renewal of your franchise.

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

18. ARRANGEMENTS WITH PUBLIC FIGURES

We do not use any public figure to promote our franchise.

19. EARNINGS CLAIMS

The information provided in Exhibit J is the only information we authorize regarding performance of any Aussie Pet Mobile® Franchise Business. We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of an Aussie Pet Mobile® Franchise Business. Actual results may vary from business to business and we cannot estimate the results of any particular franchise.

We make no representations, express or implied, regarding potential earnings of your business. We have not suggested, guaranteed or warranted that you will succeed in the operation of a Franchise or

provided any sales or income projections of any kind to you. We are unable to reliably predict the operational results of a unit owned by us, and we cannot reliably predict what results you might achieve. How well you might do depends almost entirely on factors outside our control, including your general business ability, your resources, how closely you follow our system, your location, competition, and how good a businessperson you are. The business realities are that no one, including us, can make a reliable estimate of what sort of results you may achieve. We cannot guarantee your success, and we do not authorize any sales, cost or income projections, estimates or otherwise of any kind to you, nor should you rely on any projections or estimates of any type from anyone.

Exhibit J presents figures that reflect the average number of pets groomed, the average number of repeats and rebookings and the average price per groom for the 12-month Measurement Period from ~~May 1, 2004~~ January 1, 2005 through ~~April 30~~ December 31, 2005 as reported by the franchisees. We have not independently confirmed the information provided by the franchisees and corporate-operated units.

The figures presented in Exhibit J do not include any costs to acquire or operate an Aussie Pet Mobile® Franchise Business, and therefore, the information presented is not sufficient to provide any guidance as to profitability (if any) or cash flows. You should obtain estimates for costs to acquire or operate an Aussie Pet Mobile® Franchise Business and review them with a professional advisor before buying a franchise.

Exhibit J is our only authorized "earnings claim" or other statement regarding performance results relating to Aussie Pet Mobile franchises. Exhibit J should be read in its entirety, including the discussion of factual basis and material assumptions and all disclaimers, since all of it is important to your decision. As a new Franchisee, your individual financial results will probably differ from the figures set forth in Exhibit J, particularly during any start up phase and possibly afterwards, as well. Our presentation of the information in Exhibit J is not a representation or guaranty that you will achieve any particular level of results. Perhaps most importantly, note that past performance for any business is no guaranty of future results.

If you believe that any promises, representations or agreements are or have been made to you that are not expressly stated in the Franchise Agreement, the Offering Circular or this document, you must provide us a written statement describing the same next to your signature below. If any such promises, representations or agreements have been provided to you, you should understand that they are unreliable and unauthorized by us. You shouldn't rely upon them, and we are not bound by them. Please notify us in writing before you buy a franchise if any such promises, representations or agreements have been provided to you by anyone.

Before signing any documents or making any investment, you must make your own independent investigation regarding the possible award of an Aussie Pet Mobile® Franchise, including independent market and industry reviews and comparisons and talking to current and former Aussie Pet Mobile® franchisees. You must consult with your own independent advisors, such as attorneys and accountants, to assist in determining the suitability of this investment for you.

Additional language required by the State of California is contained in the California Addendum in Exhibit 5 of this Offering Circular.

20. LIST OF OUTLETS

You should note that the numbers in the following charts refer to the number of actual Franchise Businesses not individual Franchisees.

Attached as Exhibit H-1 is a list of names, addresses and telephone numbers of all of our franchisees. Attached as Exhibit H-2 is a list of franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or has not communicated with us within ten weeks of the date of this Offering.

PROJECTED OPENINGS⁽¹⁾

STATE	FRANCHISE AGREEMENTS SIGNED BUT FRANCHISE BUSINESSES NOT OPENED	PROJECTED FRANCHISED NEW BUSINESSES IN FISCAL YEAR 2005/2006	PROJECTED COMPANY-OWNED BUSINESSES OPENING IN FISCAL YEAR 2005/2006
ARIZONA	0	6	
CALIFORNIA	0	0	10
COLORADO	0	4	
CONNECTICUT	0	12	
FLORIDA	0	12	
GEORGIA	0	6	
ILLINOIS	0	12	
INDIANA	0	4	
IOWA	0	4	
MARYLAND	0	10	
MICHIGAN	0	6	
MINNESOTA	0	4	
NEVADA	0	2	
NEW HAMPSHIRE	0	2	
NEW JERSEY	0	4	
NORTH CAROLINA	0	10	
OHIO	0	6	
OREGON	0	2	
PENNSYLVANIA	0	6	
TEXAS	0	10	
VIRGINIA	0	6	
WASHINGTON	0	4	
TOTALS:	0	132	10

(1) As of December 31, 2004/2005

STATUS OF COMPANY-OWNED FRANCHISES FOR THE YEARS 2005 / 2004 / 2003-2002⁽¹⁾

STATE	FRANCHISES CLOSED DURING YEAR	FRANCHISES OPENED DURING YEAR	FRANCHISES OPERATING AT YEAR END
California ⁽²⁾	1 ⁽²⁾ / 0 / 0 / 1	0 / 5 / 0 / 0	4 / 5 / 0 / 0
Totals:	1 / 0 / 0 / 1	0 / 5 / 0 / 0	4 / 5 / 0 / 0

(1) As of December 31st for each year.

(2) We transferred this unit to a franchisee and the business remained open. These units are located in South Orange County, California and were reacquired from franchisees.

FRANCHISE STATUS SUMMARY
FOR THE YEARS 2005 / 2004 / 2003 / 2002⁽¹⁾

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM/ OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING AT YEAR END
Arizona	1/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0	10/6/4
California	2/0/5	1/2/8	0/0/0	2/8/0	0/2/0	5/12/13/7	45/46/52
Colorado	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	6/6/3
Connecticut	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
Florida	0/0/0	0/1/2	0/0/0	0/1/0	0/0/0	0/2/2	9/5/9
Georgia	0/0/0	0/0/1	0/0/0	0/2/0	0/0/0	0/2/1	4/4/5
Illinois	0/0/0	0/0/0	0/0/0	1/0/0	0/0/0	1/0/0	7/3/2
Indiana	0/0/0	0/0/2	0/0/0	0/0/0	0/0/0	0/0/2	1/1/1
Iowa	0/0/0	0/0/1	0/0/0	2/0/0	0/0/0	2/0/1	0/2/0
Kansas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
Maine	0/0/0	0/0/0	0/0/0	2/0/0	0/0/0	2/0/0	0/2/2
Maryland	0/0/0	0/1/0	0/0/0	0/0/0	0/0/0	0/1/0	7/4/3
Michigan	0/0/0	0/1/0	0/0/0	0/0/0	0/0/0	0/1/0	2/0/2
Minnesota	0/0/0	0/0/1	0/0/0	2/1/0	0/0/0	2/1/1	0/2/3
Missouri	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	6/6/0
Nevada	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/2/1
New Hampshire	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/2/0
New Jersey	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/3/1
North Carolina	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	7/4/2
Ohio	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/1/0
Pennsylvania	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	0/0/0
Rhode Island	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
Texas	0/0/0	1/4/2	0/0/0	1/0/0	0/1/0	2/5/2	6/5/12

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM/ OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING AT YEAR END
Virginia	0/0/0	0/1/0	0/0/0	0/0/0	0/0/0	0/1/0	6/3/0
Washington	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	0/1/0	5/2/3
Wisconsin	0/0/0	0/0/0	0/0/0	1/0/0	0/0/0	0/0/0	1/1/1
Totals:	3/0/5	2/10/20	0/0/0	11/12 ⁽²⁾ /0	0/4/0	16/26/25	136/111/106

(1) As of December 31st for each year. You should note that we did not begin franchising until October 1999.

(2) ~~Four of these franchises were resold to new franchisees and continue to operate.~~

(3) ~~One~~ Two of these franchises was/were resold to a new franchisee and continues to operate. 5-4 of the franchised units in California are being operated as company-owned units.

Master Franchises

**MASTER FRANCHISE STATUS SUMMARY
FOR THE YEARS 2004 / 2003 / 2002⁽¹⁾**

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM --OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING AT-YEAR-END
Arizona	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
California	0/0/0	0/0/0	0/0/0	0/0/1	0/0/0	0/0/1	0/0/0
Florida	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Georgia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Pennsylvania	0/0/0	0/0/0	0/0/0	0/0/1	0/0/0	0/0/1	0/0/0
Totals:	0/0/0	0/0/0	0/0/0	0/0/2	0/0/0	0/0/2	0/0/0

(1) As of December 31st for each year.

PROJECTED OPENINGS⁽¹⁾ — MASTER FRANCHISES

We have discontinued selling Master Franchises project no new Master Franchises during the fiscal year 2005.

21. FINANCIAL STATEMENTS

Exhibit A contains the audited financial statements of Aussie Pet Mobile, Inc. for the periods ended December 31, 2002, 2003, 2004 and 2005.

22. CONTRACTS

The following agreements are attached as exhibits to this Offering Circular:

- Exhibit B Franchise Agreement with Addenda
- Exhibit C Statement of Prospective Franchisee
- Exhibit D Confidentiality Agreement and Acknowledgment of Opportunity to Examine Manuals
- Exhibit I Consent to Transfer

23. RECEIPT

Two copies of an acknowledgment of your receipt of this Offering Circular appear as Exhibit K. Please sign and date one copy and return it to us. Retain the other copy for your records. You should also complete and return the Statement of Prospective Franchisee (Exhibit C) to us before you sign any franchise agreement or pay any sums.