

## APPENDIX A: INVESTMENT RISKS

## REAL ESTATE RISK

The Mindful Mutt is still in the process of securing a location to lease, which will be necessary to conduct operations. To the extent The Mindful Mutt is unable to find and secure a location that is adequate, investors may lose some or all of their investment.

## YOU MIGHT LOSE YOUR MONEY

When you buy a certificate of deposit from a bank, the Federal government (through the FDIC) guarantees you will get your money back. Buying a Note is not like that at all. The ability of The Mindful Mutt to make the payments you expect, and ultimately to give you your money back, depends on a number of factors, including many beyond our control.

## LIMITED OPERATING HISTORY

The Mindful Mutt is a newly established entity and has no history for prospective investors to consider.

## LACK OF ACCOUNTING CONTROLS

Larger companies typically have in place strict accounting controls. Smaller companies typically lack these controls, exposing themselves to additional risk.

## INABILITY TO SELL YOUR INVESTMENT

The law prohibits you from selling your securities (except in certain very limited circumstances) for 12 months after you acquire them. Even after that one-year period, a host of Federal and State securities laws may limit or restrict your ability to sell your securities. Even if you are permitted to sell, you will likely have difficulty finding a buyer because there will be no established market. Given these factors, you should be prepared to hold your investment for its full term.

## NO REGISTRATION UNDER SECURITIES LAWS

The Notes will not be registered with the SEC or the securities regulator of any State. Hence, neither The Mindful Mutt nor the Notes will be subject to the same degree of regulation and scrutiny as if they were registered.

## YOU HAVE A LIMITED UPSIDE

Notes include a maximum amount you can receive. You cannot receive more than that even if The Mindful Mutt is significantly more successful than your initial expectations.

## YOU DO HAVE A DOWNSIDE

Conversely, if The Mindful Mutt fails to generate enough revenue, you could lose some or all of your money.

## COMPETITION

The market in which we operate is highly competitive and could become increasingly competitive with new entrants in the market. The Mindful Mutt competes with many other businesses, both large and small, on the basis of quality, price, location, and customer experience. Changes in customer preference away from The Mindful Mutt's core business or the inability to compete successfully against the with other competitors could negatively affect The

Mindful Mutt's financial performance.

#### LIMITED SERVICES

The Mindful Mutt operates with a very limited scope, offering only particular services to potential clients, making them vulnerable to changes in customer preferences.

#### LACK OF ONGOING INFORMATION

The Mindful Mutt will be required to provide some information to investors for at least 12 months following the offering. However, this information is far more limited than the information that would be required of a publicly-reporting company; and The Mindful Mutt is allowed to stop providing annual information in certain circumstances.

#### UNINSURED LOSSES

Although The Mindful Mutt will carry some insurance, The Mindful Mutt may not carry enough insurance to protect against all risks to the business. Additionally, there are some kinds of risks that are very difficult or impossible to insure against, at least at a reasonable cost. Therefore, The Mindful Mutt could incur an uninsured loss that could damage its business.

#### CHANGES IN LAWS

Changes in laws or regulations, including but not limited to zoning laws, environmental laws, tax laws, consumer protection laws, securities laws, antitrust laws, and health care laws, could negatively affect The Mindful Mutt's financial performance or ability to continue to operate. Specifically, any additional regulation on the industry could significantly negatively affect the business.

#### FUTURE INVESTORS MIGHT HAVE SUPERIOR RIGHTS

If The Mindful Mutt needs more capital in the future and takes on additional debt or other sources of financing, the new investors might have rights superior to yours. For example, they might have the right to be paid before you are, to receive larger distributions, to have a greater voice in management, or otherwise.

#### PAYMENTS AND RETURN ARE UNPREDICTABLE

Because your payments are based on the revenue of The Mindful Mutt, and the revenue of The Mindful Mutt can go up or down (or even disappear altogether) unpredictably, it is impossible to predict how much you will receive and when. And because the payments are unpredictable, so is your ultimate return.

#### THE NOTES ARE UNSECURED AND UNINSURED

The Notes are not secured by any collateral, nor are they guaranteed or insured by the FDIC or any other entity.

#### SUBORDINATION

The Notes shall be subordinated to all indebtedness of The Mindful Mutt to banks, commercial finance lenders, leasing and equipment financing institutions, and/or other institutions regularly engaged in the business of lending money.

#### LACK OF GUARANTY

The Notes are not personally guaranteed by any of the founders or any other person.

#### LIMITATION OF INDIVIDUAL RIGHTS IN EVENT OF DEFAULT

In the event of a default under the Notes, you will not be able to enforce your rights individually (for example, by bringing a lawsuit). Instead, a representative will be appointed according to the procedures set forth in the Note Indenture. It's possible that you will not like the representative, or that the representative will do things you believe are wrong or misguided. If an event of default has occurred and a representative has been appointed, all of the representative's reasonable expenses must be paid before any further payments are made with respect to the Notes.

#### COVID-19 IMPACT

The ongoing COVID-19 pandemic may impact the Company's ability to generate revenue and/or continue operations. If operations are ceased due to COVID-19 controls, the Company can not guarantee that it will resume operations in the future.