

August 6, 2013

Pawsitive Petcare Inc  
Darren and Shari Calver  
224 Brown Ave  
Evanston, IL 60202

RE: Business Service (3rd Party Coverage) <10 Employees  
Bond Number 7900404262

Thank you for allowing Allied Insurance, a member of Nationwide Insurance, to provide you with the enclosed fidelity bond.

**Bond Payment**

- A billing invoice will be sent to you under separate cover.
- Upon receipt of the invoice, send a check payable to "Allied Insurance" to the address listed on the invoice.
- The premium for this bond is \$159.00 .

**Bond No Longer Needed?**

- If this bond is no longer needed, please return the original document to the address listed below for cancellation.

If you have any questions, please contact us at 866-387-0457.

Sincerely,

Allied Insurance, a member of Nationwide Insurance  
Bond Department  
1100 Locust Street, Dept. 2006  
Des Moines, IA 50391-2006  
FAX: 866-508-4102

Agency: Nationwide Sales Solutions Inc  
Address: 1200 LOCUST ST, ATTN SMALL BUSINESS SALES  
DES MOINES, IA 50391-9995

Bond No. 7900404262

In consideration of an agreed premium, Nationwide Mutual Insurance Company, Des Moines, Iowa, a corporation organized under the laws of the State of OH and duly authorized to transact business as surety therein (hereinafter called "Surety") hereby agrees to indemnify Pawsitive Petcare Inc of Evanston IL (hereinafter called "Obligee"), against loss of money or other property, real or personal, belonging to any and all subscribers (hereinafter called "Subscriber") to its services, or in which the Subscriber has a pecuniary interest, or for which the Subscriber is legally liable, which the Subscriber shall sustain as the result of any fraudulent or dishonest acts, as hereinafter defined, of an Employee or Employees of the Obligee acting alone or in collusion with others, and for which the Obligee is liable, to an amount not exceeding the aggregate

Five Thousand Dollars DOLLARS (\$ 5,000.00 )

THE FOREGOING AGREEMENT IS SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

TERM OF BOND:

SECTION 1. The term of this bond begins with the 6th day of August, 2013, standard time at the address of the Obligee above given, and ends at 12:00 o'clock night, standard time on the effective date of the cancellation of this bond in its entirety.

CANCELLATION OF PRIOR INSURANCE: By acceptance of the Policy you give us notice canceling prior policy or bond Nos. \_\_\_\_\_ the cancellation to be effective at the time this Policy becomes effective.

DISCOVERY PERIOD:

SECTION 2. Loss is covered under this bond only (a) if sustained through any act or acts committed by any Employee of Obligee while this bond is in force as to such Employee, and (b) if discovered prior to the expiration or sooner cancellation of this bond in its entirety as provided in Section 11, or from its cancellation or termination in its entirety in any other manner, whichever shall first happen.

DEFINITION OF EMPLOYEE:

SECTION 3. The word Employee or Employees, as used in this bond, shall be deemed to mean, respectively, one or more of the natural persons (except directors or trustees of the Obligee, if a corporation, who are not also officers or employees thereof in some other capacity) while in regular service of the Obligee in the ordinary course of the Obligee's business during the term of this bond and whom the Obligee compensates by salary, or wages and has the right to govern and direct in the performance such service, and who are engaged in such service within any of the States of the United States of America or within the District of Columbia, Puerto Rico, the Virgin Islands, or elsewhere for a limited period but not to mean brokers, factors commission merchants, consignees, contractors, or other agents or representatives of the same general character.

FRAUDULENT OR DISHONEST ACT:

SECTION 4. A fraudulent or dishonest act of an Employee of the Obligee shall mean an act which is punishable under the Criminal Code in the jurisdiction within which act occurred, for which said Employee is tried and convicted by a court of proper jurisdiction.

MERGER OR CONSOLIDATION:

SECTION 5. If any natural persons shall be taken into the regular service of the Obligee through merger or consolidation with some other concern, the Obligee shall give the Surety written notice thereof and shall pay an additional premium on any increase in the number of Employees covered under this bond as a result of such merger or consolidation computed pro rata from the date of such merger or consolidation to the end of the current premium period.

NON-ACCUMULATION OF LIABILITY:

SECTION 6. Regardless of the number of years this bond shall continue in force and the number of premiums which shall be payable or paid, the liability of the Surety under this bond shall not be cumulative in amounts from year to year or from period to period.

LIMIT OF LIABILITY UNDER THIS BOND AND PRIOR INSURANCE:

SECTION 7. With respect to loss or losses caused by an Employee or which are chargeable to such Employee as provided in Section 5 and which occur partly under this bond and partly under the other bonds or policies issued by the Surety to the Obligee or to any predecessor in interest of the Obligee and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss or losses thereunder are discovered, the total liability of the Surety under this bond and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under this bond on such loss or losses or the amount available to the Obligee under such other bonds or policies, as limited by the terms and conditions thereof for any such loss or losses, if the latter amount be the larger.

SALVAGE:

SECTION 8. If the Obligee shall sustain any loss or losses covered by this bond which exceed the amount of coverage provided by this bond, the Obligee shall be entitled to all recoveries, except for suretyship, insurance, reinsurance security and indemnity taken by or for the benefit of the Surety, by whomsoever made, on account of such loss or losses under this bond until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the Surety.

CANCELLATION AS TO ANY EMPLOYEE:

SECTION 9. This bond shall be deemed cancelled as to any Employee: (a) Immediately upon discovery by the Obligee, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee, or (b) at 12:00 o'clock night, standard time, upon the effective date specified in a written notice served upon the Insured or sent by mail. Such date, if the notice be served, shall not be less than ten days after such service, or if sent by mail, not less than fifteen days after the date of mailing. The mailing by Surety of notice, as aforesaid, to the Obligee at its principal office shall be sufficient proof of notice.

CANCELLATION AS TO BOND IN ITS ENTIRETY:

SECTION 10. This bond shall be deemed cancelled in its entirety at 12:00 o'clock night, standard time, upon the effective date specified in a written notice served by the Obligee upon the Surety or by the Surety upon the Obligee, or sent by mail. Such date if the notice be served by the Surety, shall be not less than ten days after such service, or if sent by the Surety by mail, not less than fifteen days after the date of mailing. The mailing by the Surety of notice, as aforesaid, to the Obligee at its principal office shall be sufficient proof of notice. The Surety shall refund to the Obligee the unearned premium computed pro rata if this bond be cancelled at the instance of the Surety, or at short rate if cancelled or reduced at the instance of the Obligee.

PRIOR FRAUD, DISHONESTY OR CANCELLATION:

SECTION 11. No Employee, to the best of the knowledge of the Obligee, or of any partner or officer thereof not in collusion with such Employee, has committed any fraudulent or dishonest act in the service of the obligee or otherwise. If prior to the issuance of this bond, any fidelity insurance in favor of the Obligee or any predecessor in interest of the Obligee and covering one or more of the Obligee's employees shall have been cancelled as to any of such employees by reason of (a) the discovery of any fraudulent or dishonest act on the part of such employees, or (b) the giving of written notice of cancellation by the insurer issuing said fidelity insurance, whether the Surety or not, and if such employees shall not have been reinstated under the coverage of such fidelity insurance, or superseding fidelity insurance, the Surety shall not be liable under this bond on account of such employees unless the Surety shall agree in writing to include such employees within the coverage of this bond.

LOSS-NOTICE-PROOF-LEGAL PROCEEDINGS


SECTION 12. At the earliest practical moment, and at all events not later than fifteen days after discovery of any fraudulent or dishonest act on the part of any Employee by the Obligee, or by any partner or officer thereof not in collusion with such Employee, the Obligee shall give the Surety written notice thereof and within four months after such discovery shall file with the Surety affirmative proof of loss, itemized and duly sworn to, and shall upon request of the Surety render every assistance, not pecuniary, to facilitate the investigation and adjustment of any loss. No suit to recover on account of loss under this bond shall be brought before the expiration of two months from the filing of proof as aforesaid on account of such loss, nor after the expiration of fifteen months from the discovery as aforesaid of the fraudulent or dishonest act causing such loss. If any limitation in this bond for giving notice, filing claim or bringing suit is prohibited or made void by any law controlling the construction of this bond, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

SIGNED, SEALED AND DATED August 6, 2013

Nationwide Mutual Insurance Company

The initial one year premium on this bond

Is \$159.00  
payable upon delivery

By   
Randy Reid, Attorney-in-Fact



**Nationwide**  
Surety & Fidelity

On Your Side®

**BUSINESS SERVICES BOND RIDER  
SOLE PROPRIETOR OR PARTNERSHIP**

The following provision is hereby added to the bond:

In the event that the Obligee's Subscriber shall sustain a loss by reason of the fraudulent or dishonest act or acts (as defined in Section 3 entitled Definition of Employee) committed by the Obligee or any partner of the Obligee, if a partnership, then and only then, the Obligee shall be considered an Employee and the Subscriber as additional Obligee, subject to all terms and conditions hereof.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limits or conditions of the bond except as hereinabove set forth.

This Rider becomes effective on the 6th day of August, 2013  
at twelve and one minute o'clock a.m., standard time.

Attached to and forming part of Bond No. 7900404262

dated August 6, 2013, issued by Nationwide Mutual Insurance Company  
Des Moines, Iowa.

Signed this 6th day of August, 2013.

By \_\_\_\_\_  
Randy Reid , Attorney-In-Fact

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS SERVICES BOND

A. SECTION 10. CANCELLATION AS TO BOND IN ITS ENTIRETY:

CANCELLATION

1. The Obligees shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2.
  - a. We may cancel this policy by mailing to you written notice stating the reason for cancellation.
  - b. If we cancel for nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - c. If we cancel for a reason other than nonpayment of premium, we will mail the notice at least:
    - 1) 30 days prior to the effective date of cancellation if the policy has been in effect for less than 60 days.
    - 2) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.
3. If this policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The policy was obtained through a material misrepresentation;
  - c. any insured has violated any of the terms and conditions of the policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
  - f. A determination by the Director of Insurance

that the continuation of the policy could place us in violation of the insurance laws of this State.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled we will send the Obligees any premium refund due. If we cancel, the refund will be pro rata. If the Obligees cancel, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

B. The following is added and supersedes any provision to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail written notice of nonrenewal no less than 60 days before the expiration date to:
  - a. You; and
  - b. The broker, if known to us, or the agent of record.
2. Even if we do not comply with these terms, this policy will terminate:
  - a. On the expiration date if:
    - (1) You fail to perform any of your obligations in connection with the payment of the premium for the policy, or any installment payment, whether payable directly to us or our agents or indirectly under any premium finance plan or extension of credit; or
    - (2) We have indicated our willingness to renew this policy to you or your representative; or
    - (3) You have notified us or our agent that you do not want to renew this policy.
  - b. On the effective date of any other insurance replacing this policy.

**C. Mailing of Notices**

We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

**D.** When forming part of this policy, That portion of Section 12 having to do with Legal Proceedings is replaced by the following:

**Legal Action Against Us:** You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss. But we will extend this 2 year period of time by the number of days between the date proof of loss is filed and the date the claim is denied in whole or in part.