

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New York State. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New York State than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices we or they set. These prices may be higher than prices you would obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your business.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

ITEM 3 LITIGATION

On December 13, 2022, a franchisee located in New Orleans, Capernaum Capital, LLC, filed a lawsuit in United States District Court for the Eastern District of Louisiana, Case No. 22-5271, against Minus Zero4 F, LLC (“Minus Zero”), Amorino Trading, LLC, Filippo Saccani, and Luigi Caroggio. The lawsuit did not name CPUSA LLC as a defendant. Minus Zero4 F, LLC and Amorino Trading LLC are affiliates of CPUSA LLC in that they are all owned by Amorino USA Corp. Saccani and Caroggio are former indirect owners and officers of Minus Zero4 F, LLC. In the lawsuit, the plaintiff alleged causes of action for Rescission of the Franchise Agreement; Declaratory Judgement (against Minus Zero); Fraudulent Misrepresentation (against Minus Zero, Saccani, and Caroggio), Fraudulent Misrepresentation (against Minus Zero, Saccani, and Caroggio); Negligent Misrepresentation (against Minus Zero, Saccani, and Caroggio); Violation of the New York Franchise Sales Act (against Minus Zero, Saccani, and Caroggio); Violations of the Louisiana Unfair Trade Practices and Consumer Protection Act (against Minus Zero), Breach of Contract (against Minus Zero and Amorino Trading) and Promissory Estoppel (against Minus Zero and Amorino Trading). The Complaint sought declaratory relief, and unspecified damages. On February 16, 2023, Minus Zero4 F, LLC and Amorino Trading LLC entered into a Settlement Agreement with the plaintiff and its owners, Adekunle Aderibigbe and Abimbola Aderibigbe, under which the plaintiff franchisee agreed to dismiss the lawsuit with prejudice, the plaintiff agreed to pay Amorino Trading the full sum of monies owed in the amount of \$16,906.06, the parties agreed to terminate the Franchise Agreement including the non-competition provisions of the Franchise Agreement, and the parties exchanged mutual general releases. The plaintiff made the settlement payment and the plaintiff dismissed the lawsuit with prejudice on February 24, 2023.

No other litigation is required to be disclosed in this Item.

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**ITEM 6
OTHER FEES**

| Type of Fee⁽¹⁾ | Amount | Due Date | Remarks |
|---|---|------------------------------|--|
| Advertising Fee ⁽⁷⁾ | Currently not assessed. Up to 3% of annual Gross Revenue of the Store during the previous calendar year. | Quarterly | We currently do not charge the Advertising Fee but we reserve the right to charge the Advertising Fee in the future. If assessed, at the beginning of each calendar year, we will establish the percentage of your Gross Revenue which you will be required to pay to us as a contribution to our expenses for advertising, marketing and public relations initiatives. |
| Store Opening Assistance/ Initial Training | Payment for travel, lodging, and dining | As incurred | Prior to opening your Store, we will provide you with ten (10) days of initial training in our Paris, France headquarters, and five (5) days of on-site training at the location of your Store.⁽⁸⁾ You are required to pay for your own travel, lodging, dining and similar costs during the initial training, and for such costs of the instructors when they are on-site at the location of your Store. |
| Additional Training Fee | Up to \$400 per day of training session | As incurred, if so required. | If you request additional training (or we determine based on your performance that you require additional training) in addition to the initial training described in Item 11, you shall pay for the additional training (other than additional training with respect to new products or services we require you to offer, which training shall be at our expense). You are required to pay for your own travel, lodging, dining and similar costs during any training. |
| Store Updates/ Refurbishing | Not to exceed \$20,000 in 5 years | As incurred | Refurbishing may include redecorating, repainting, replacement of carpets or floor surfaces, or replacement of furniture and fixtures. These amounts will be payable to third parties as incurred and the |

Transfers of merchandise to or from other Amorino facilities when those transfers are made only for the convenient operation of the concerned facilities; and (g) gift certificates or similar vouchers until they are redeemed at your store.

~~8. — If you sign an area development agreement: a) we only provide you with the Paris ten-day initial training for your first location; and b) we only provide you with the on-site five-day training at your first, second and third stores but not for any additional stores.~~

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ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Amorino is not required to provide you with any assistance.

(1) Amorino's pre-opening obligations to you:

(a) Selection of Site for the Store

When you sign the franchise agreement, we will mutually agree upon the site selection area in which you can propose the location for your store. (Franchise Agreement, Section 4.A).

Before you open your Store, we will expend time and effort and incur expenses as reasonably required to inspect a site you propose to lease or purchase for your Store. When you sign the franchise agreement, we will mutually agree upon a site selection area in which you can propose the location for your store. For each site you propose, we will review all the information you provide us in order to evaluate the location, including demographic characteristics, traffic patterns, parking, character of the neighborhood, information on other area businesses, and information on the lease terms or purchase price for the proposed site. We agree not to unreasonably delay our review and notice of approval or disapproval of the proposed site and lease terms. (Franchise Agreement, Sections 4.A and 4.B).

We consider various objective and subjective factors, as well as our business experience, in reviewing your proposed initial location and any potential new locations. Approval of the location is at our sole discretion.

Amorino will approve or refuse to approve a proposed site within thirty (30) days after the receipt of all information that Amorino may reasonably require in connection with its evaluation of your proposed location. (Franchise Agreement, Section 4.A)

You must identify a location to serve as your franchised location for the Store by the date set forth in the franchise agreement or we have the right to terminate the franchise agreement. (Franchise Agreement, Section 16(A)(8)).

(b) Lease Requirements

Amorino does not intend to own the premises and lease it to you; rather, Amorino requires you to lease the premises from a landlord unrelated to Amorino or to purchase the premises. Amorino will not be a party to the lease and will have no liability under the lease, unless and until the lease is assumed by Amorino. (Franchise Agreement, Section 4.B(2)) You must submit the lease to us for our approval before it is signed and it must contain the following provisions:

- The premises shall be used only as an Amorino franchise, and for no other purpose whatsoever.
- The landlord must consent to your use of the Proprietary Marks, signs, interior and

8.1.(2)) At its discretion, Amorino may decide to use the results of these reports to determine your eligibility for discounts on products you are required to purchase from its affiliates. (Franchise Agreement, Section 8.1.(2))

(4) Advertising Program

We may but are not obligated to conduct advertising for you. (Franchise Agreement, Sections 12.C, 12.D, 12.E). We currently do not collect or charge an advertising fee. We currently advertise on social media in the United States. We may elect to utilize various local, regional, and/or national media campaigns in the future which may include radio, television, magazine, newspaper, and internet advertising campaigns.

We do not currently produce advertising materials; however you must purchase from us or our approved supplier all promotional materials designated by us to promote the sale of new and featured products. (Franchise Agreement, Section 12.C) ~~We may elect to utilize various local, regional, and/or national media campaigns in the future which may include radio, television, magazine, newspaper, and internet advertising campaigns.~~ You are required to participate in any loyalty programs, prize promotions, gift card programs, and/or any other such promotional campaign that we designate. Such participation shall be at your own expense. (Franchise Agreement, Section 12.D).

You may develop your own advertising and marketing materials, at your own expense, subject to such requirements or recommendations that are set forth in our current operating manual and subject to our prior approval. We will review samples of the proposed advertising and marketing materials that you submit and will use good faith efforts to accept or reject such materials within fifteen (15) days from the date we receive them. (Franchise Agreement, Section 12.A) Advertising and marketing materials shall not be used until they are approved, and we have the right to disapprove of materials that were previously approved. (Franchise Agreement, Section 12.A)

(a) We will list your Store location, phone number and opening hours on our website. You are not permitted to establish your own website or to establish or use any electronic media which advertises your Store or references the Amorino name without our written consent. (Franchise Agreement, Section 9(E)).

(b) Store Opening Promotional Fee - You will be required to spend certain minimum amounts, prior to the opening of your Store, to advertise and promote the opening of your Store, as explained in Item 6. You must spend at least \$5,000 for a Traditional Store or Kiosk or \$3,000 for a Mobile outlet. (Franchise Agreement, Section 12.B) You must spend this amount, and provide us with written evidence that you have spent this money on appropriate expenses, before you open your Store. (Franchise Agreement, Section 12.B)

(c) Advertising – Although we do not currently charge an advertising fee, we have the right to charge an advertising fee in the future. If we charge an advertising fee, we will establish a percentage up to three percent (3%) of your annual Gross Revenue which you will be required to pay to us for our advertising, marketing and public relations initiatives in a manner approved

by us. The money will be used to support and pay for advertising, marketing and promotion efforts we designate, and associated creative and administrative expenses. Any company-owned stores will not be required to contribute money for these initiatives. All franchised stores may not be required to contribute on an equal basis to these initiatives. If we establish an advertising fund, then you may obtain an unaudited accounting of the advertising fund by making a written request to us, in which case we will not provide you with an audit or accounting of our advertising expenditures or the advertising fees we collect. A franchisee may not obtain an the unaudited accounting of the advertising fund- for the prior fiscal year six months after the end of the fiscal year. We will not be required to spend any amount from these monies on advertising or promotions in your area. We have the sole right to determine how to spend contributions to the fund, or any funds from any other advertising program, and the sole authority to determine the selection of the advertising materials and programs, provided, however, that we will make a good faith effort to expend such funds in the general best interests of the System on a national or regional basis. Additionally, it is understood that any national, regional, or local advertising effort may not equitably reach all markets. (Franchise Agreement, Section 12.C).

(d) If Amorino requires you to spend such amounts directly, then you shall provide proof of such expenditure according to Amorino's required procedures. (Franchise Agreement, Section 12.C)

(e) Cooperatives - We do not have the power to require any advertising cooperatives or advertising councils to be formed, changed, dissolved, or merged and there is no provision in the franchise agreement for advertising cooperatives or advertising councils.

(5) Computer Systems

You must purchase, install, and maintain an electronic point of sale cash register and computer system that we have approved to record sales and transaction data and to act as your credit card merchant. Currently, the Square POS system (the "POS System") is the only system we have approved. You will use the POS System as a cash register system and a daily sales reporting system. You must connect the POS System to the internet via a third-party network. We will have the right to independently access all information recorded by the POS System. We may require you update or replace the POS System, at such frequency as we determine. There is no contractual limitation on the frequency or cost of these obligations.

The approximate cost to purchase the POS System, Computer System, computer software and hardware is approximately \$1,200 to \$2,500. You are required to pay a fee for the use of the point of sale software and for the credit card merchant service performed by Square. The fee is currently 2.6% + \$0.04 (per transaction) of all payments made by your customers with credit cards and debit cards plus up to \$30 per month system fee. (Franchise Agreement, Section 13.B). There are no annual costs for any optional or required maintenance updating, upgrading or support contracts for the point of sale or computer systems.

You must install any other hardware or software for the operation of the Store that we may

Provided that you are in material compliance with this Agreement and any other agreements with Amorino or its Affiliates, we will not unreasonably condition or delay our consent to your request to relocate your Store in the event that your lease expires or terminates through no fault of your own or the premises is destroyed or damaged by fire, flood or other force majeure event, provided that none of the foregoing events results from your negligence or misconduct. You must comply with the same requirements to select, lease, construct, design and open a new location that you did in connection with the initial location: provided, however, that the Store must be open for business at the new location within 180 days of closing at the previous location. You are solely responsible for all relocation costs and expenses.

Under the franchise agreement, we do not grant to you any options or rights of first refusal or similar rights to acquire additional franchises or territories. In the future, however, we may decide to offer you, in our sole discretion, the option to acquire additional franchises outside your Protected Area or the option to open new Stores within your Protected Area. We will not, however, permit you to acquire any additional franchise in an area that infringes upon the territory or Protected Area of another franchisee.

Under the franchise agreement, we do not require you to achieve certain sales volume or market penetration to maintain the exclusivity of your Protected Area. We can revoke the exclusivity of your Protected Area upon the occurrence of any events that would give rise to our right to terminate the franchise agreement. There are no other circumstances that would permit us to modify your territorial rights under the franchise agreement. From time to time, we may require additional training related to new products or services that we require your Store to sell or provide. We will provide such additional training related to new required products or services free of charge.

Territory Under an Area Development Agreement

If you sign an Area Development Agreement, we will grant you the exclusive right to open multiple Stores within a specified geographic area according to an area development schedule.

Your territory will generally be defined by state, county or city boundaries, zip codes, or fixed geographical boundaries such as rivers, streets or highways. There is no specific minimum or maximum size of geographic area that we will grant you as the area development territory.

For the development schedule, we will specify the number of Stores that you must open by the agreed dates. You must remain in compliance with all signed Store franchise agreements to retain your territory rights. If you do not comply with the development schedule, or if any of your franchises is terminated for any reason, we will have the right to terminate the Area Development Agreement, and you will lose your exclusive rights under the Area Development Agreement to open additional Stores in your Area Development territory. Under the Area Development Agreement, you have no options, rights or first refusal, or similar rights to acquire additional geographic area to increase your territory size under the Area Development Agreement.

~~We may~~The area development territory is exclusive in that, during the term of the Area Development Agreement, we will not franchise or license others, and we ~~may~~will not directly or indirectly develop, own, lease, construct or operate, an Amorino Store, kiosk outlet, mobile outlet

or other retail outlet under the Proprietary Marks in the geographic area covered by your area development territory.

We may offer similar or dissimilar services or products in your area development territory through alternative channels of distribution.

The Franchisor will not receive compensation from the Franchisee for soliciting or accepting orders within the Franchisee's territory.

Our Rights to Use Other Channels of Distribution Within the Territory

We retain and reserve all other rights to the Proprietary Marks, including the right to own and operate and to grant others the right to own and operate Amorino stores outside the Protected Area, regardless of their proximity to the Protected Area.

We also reserve the right to distribute products identified by the Proprietary Marks ~~or sold at Stores~~ through alternative channels of distribution such as grocery stores, supermarkets, convenience stores, specialty stores, restaurants, and via mail order, catalog sales, and ~~or~~ the Internet, or to grant others such right, within your Protected Territory and your area development territory (if applicable) using our principal trademarks or using trademarks other than those that you will use, and you will not receive any compensation for our solicitation and acceptance of such orders and sales through such alternative channels of distribution inside your Protected Territory and your area development territory (if applicable). You will have no right to sell ~~any such~~, or solicit or accept orders for, any Proprietary Products or any Amorino Products or services outside your Protected Area ~~or~~ in any manner including alternative channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, other than directly from the location of your Store.

You may be permitted (if approved by Amorino in writing) or required to solicit sales of services or products offered by your Store via the Internet through the use of online search engine listings or other online advertisements, but only in connection with advertising for the services and products to be provided at or from your Store and not via mail order, remote delivery or any other alternative channel of distribution. We must approve all advertising and promotional plans and materials in advance.

Our Affiliate's Business

Our affiliate 60UP owned and operated a traditional Amorino store in New York, New York until it was sold to a franchisee in May 2021.

We have not to date established nor do we have any presently formulated plans or policy to establish other franchises or company-owned stores providing products similar to the Proprietary Products under a trade name or trademark other than the Proprietary Marks or to provide such other products through alternative channels of distribution, but we reserve the right to establish (or grant to others the right to establish) other or similar businesses at some future date or to provide such similar products through alternative channels of distribution.

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

One of your individual owners must directly supervise the Store on-site. If the franchisee is an individual, general partnership, limited liability company, or corporation, such supervisor should be the individual franchisee or the individual member, partner, or stockholder who owns a controlling interest in the franchisee. If the franchisee is a business entity, the on-premises supervisor must have more than a fifty percent equity interest in the franchisee's business.

Such supervisor must successfully complete our initial training program and must devote full time and efforts to the management and operation of the Store on a daily basis, except that an owner of a Mobile outlet is not required to devote full time to day to day supervision of the Mobile outlet.

If you operate multiple Amorino Stores, or if such supervisor is unable to devote his or her full time and efforts to the management and operation of the Store then, in addition to such supervisor, you must select an individual to serve as your manager. Any manager (or replacement manager) shall be subject to our prior approval and determination that he or she meets the qualifications for the position. We do not require the manager (or any replacement manager) to own any interest in the franchisee, but he or she must complete our initial training program to our satisfaction prior to assuming any management responsibilities at your Store. The manager must devote his or her full time and efforts to the operation and management of your Store, and may not engage in any other business or activity that would require substantial management responsibility or time commitment.

We require that you or, if you are a business entity, each of your owners, ~~and their spouses or registered domestic partners,~~ sign a personal guaranty in a form acceptable to us, to guaranty your performance under the franchise agreement and any other related agreements. Your spouse is not required to sign the personal guaranty unless your spouse is also an owner of your business entity.

We will require each individual who attends our initial training program (or any supplemental training program), including the supervisor and manager, to sign a confidentiality and non-compete agreement in a form acceptable to us.

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ITEM 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 agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Franchise Agreement

| Provision | Section in franchise agreement | Summary (Franchise Agreement) |
|---|--|--|
| a. Length of the franchise term | Data Sheet to franchise agreement and Section 2 of the franchise agreement | Traditional Store: On the 10 th anniversary of your Store opening to the public, but no later than 11 years after the effective date of your franchise agreement. Kiosk or Mobile Store: On the 5 th anniversary of your Store opening to the public, but no later than 6 years after the effect date of your franchise agreement. |
| b. Renewal or extension of the term | Sections 2.B and 2.0 of the franchise agreement | 2 consecutive 5-year renewal periods, if you meet certain requirements. |
| c. Requirements for franchisee to renew or extend | Sections 2.B & 2.0 of the franchise agreement | To renew for an additional 5-year renewal period, you must meet the following requirements: give written notice to us of your request to renew, have substantially complied with the terms and conditions throughout the term, are not in default on the renewal date and the date notice is given, provide evidence of your right to occupy the Store premises through the renewal date and we have the same rights to occupy the premises as during the initial term, pay the renewal fee, you complete any training we require, sign a general release, sign the then-current form of the franchise agreement or an amendment to reflect any new terms, have any guarantor of your obligations under the franchise agreement reaffirm their guarantee, and renovate your Store to the extent we require to bring the Store into conformity with our then-current standards. The then-current form of franchise agreement may have materially different terms and conditions from your original franchise agreement. |
| d. Termination by franchisee | Section 16.G | You may terminate the term of the Franchise Agreement if you are not currently in material breach of the Franchise Agreement or any other agreement between us and (ii) we materially breach the Franchise Agreement and fail to cure such breach within one hundred twenty (120) days (or such other reasonable time if additional time is required to cure such breach) after |

Area Development Agreement

| Provision | Section in Area Development Agreement | Summary (Area Development Agreement) |
|---|---|--|
| a. Length of the franchise term | Section 4.1 of the area development agreement | The term commences on the effective date of the Area Development Agreement and, unless sooner terminated or extended, continues for a period of five years. |
| b. Renewal or extension of the term | Section 4.2 and 4.3 of the area development agreement | Within 60 days before the end of the term, if we shall determine that further development of your territory is desirable, we will notify you in writing of our determination to develop additional stores in your territory and our proposed schedule for such development over a five-year term. We will provide you with a copy of our then-current form of development agreement, with the proposed schedule. The new area development agreement may contain materially different terms and conditions from the original area development agreement. Subject to certain conditions, you shall have the option to undertake the additional development which we have set forth in our notice. |
| c. Requirements for franchisee to renew or extend | Section 4.5 of the area development agreement | Renewal means the right to open additional locations in your designated area development territory. To obtain the right to additional development, you must meet the following requirements: (a) you must have fully performed all of your obligations under the area development agreement and all other agreements between you and us; (b) you must have demonstrated to us your financial capacity to perform the additional development obligations in the new area development agreement; (c) at expiration of the term, you must continue to operate in your territory, not less than the aggregate number of stores required by the minimum development obligation as set forth in the area development agreement; (d) you must sign our then-current form of area development agreement, which may contain materially different terms than our current area development agreement, and (e) you shall not have already received the right to enter into two additional five-year development terms. |
| d. Termination by franchisee | Section 9.5 of the area development agreement. | You may terminate the term of the area development agreement if you are not currently in material breach of the area development agreement or any other agreement between us and (ii) we materially breach the area development agreement and fail to cure such breach within one hundred twenty (120) days |

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Part I: 2023 and 2024 Revenue Figures. Includes Franchisee Stores Average Net Revenues and Growth in Average Net Revenues during the Measurement Period

| Calendar Year | No. of included stores | Average Net Revenues | % Growth in Average Net Revenues | No. and % of Stores Above/Below Average | Median | High Net Revenues | Low Net Revenue |
|---------------|------------------------|----------------------|----------------------------------|---|-----------|-------------------|-----------------|
| 2023 | 16 | \$1,080,663 | n/a | <u>9/16 Above: 9 (56.25%)</u> <u>Below: 7 (43.75%)</u> | \$654,324 | \$1,976,741 | \$426,553 |
| 2024 | 18 | \$1,091,622 | +1.02% | <u>Above: 6 (33.33%)</u> <u>Below: 12 (66.67%)</u> | \$951,872 | \$2,389,639 | \$540,712 |

For 2023, this summary includes all 16 Stores which were operating the entire year. For 2024, this summary includes all 18 Stores which were operating the entire year.

Part II: 2023 Cost Breakdown. Includes 2023 Average Net Revenues, COGS, Gross Margin, Payroll, Occupancy, Advertising, Other (fees, etc.), Interest, Depreciation and Amort., Net income, and EBITDA.

| 2023 P&L Category | Average \$ | % | No. of Stores Above/Below | Median | |
|-------------------|-------------|-------|---------------------------|-----------|-------|
| | | | | \$ | % |
| Net Revenues | \$1,080,683 | | 9/16 | \$654,324 | |
| COGS | \$345,170 | 31.9% | 10/16 | \$208,165 | 31.8% |
| Average Gross | \$735,463 | 68.1% | 9/16 | \$446,159 | 68.2% |

8. “Interest Expense” is defined as financing charges for any outside bank loans being paid by the franchisee to their lender of choice. The average presented above is determined by taking the sum of Included Franchisees’ Interest Expense and dividing by 236. The percentage was determined by dividing the average Interest Expense by Average Net Revenues.

General Notes to Item 19

- A. The analysis does not contain complete information regarding costs associated with starting and operating a store. The data presented in Part I for 2024 is for established stores open and operating a minimum of 12 months as of December 31, 2024. The data presented in Part I and Part II for 2023 is for established stores open and operating a minimum of 12 months as of December 31, 2023. We do not make any financial performance representations regarding stores operating as a non-traditional location.
- B. The figures included do not include certain costs associated with the establishment and operation of a store, including initial franchise fees, build-out and equipment costs, technology and other store costs able to be capitalized. The above figure also excludes training and living expenses. There may be other costs and other expenses not identified in this Item 19. You should conduct an independent investigation of the costs and expenses you will incur in operating your store. Franchisees listed in the disclosure document may be one source of that information.

~~C. Interest expense, interest income, depreciation, amortization and other income or expenses will vary substantially from business to business, depending on the amount and kind of financing you obtain to establish your store. You should consult with your tax advisor regarding depreciation and amortization schedules and the period over which the assets of your store may be amortized or depreciated, as well as the effect of any recent or proposed tax legislation.~~

~~D. Rent will vary significantly depending on the location, size and condition of the property you lease.~~

~~E. We recommend you make your own independent investigation to determine whether the franchise may be profitable to you. We suggest that you consult your financial advisor or personal accountant concerning financial projections and federal, state, and local income taxes and any other applicable taxes that you may incur operating an Amorino store.~~

Written substantiation for the financial performance representation will be made available to a prospective franchisee upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll sell as much.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to ~~the franchisor's management by contacting us~~ our chief executive officer Erwan De Guichen at 251 Little Falls Drive, Wilmington, Delaware 19808, ~~or~~ or by telephone at (011) (33) (1) 53-14-57-00, or by email at usa@amorino.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Unit Systemwide Outlet Summary
For Years 2022 to 2024**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|------|----------------------------------|--------------------------------|-----------------|
| Franchised* | 2022 | 13 | 16 | +3 |
| | 2023 | 16 | 19 18 | +3 2 |
| | 2024 | 19 18 | 22 | +3 4 |
| Company Owned | 2022 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 |
| Total | 2022 | 13 | 16 | +3 |
| | 2023 | 16 | 19 18 | +3 2 |
| | 2024 | 19 18 | 22 | +3 4 |

* The “franchised” figures in this Table include Stores franchised by us or our affiliate Minus Zero4.

**Item 20 Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor or its affiliates)
For Years 2022 to 2024**

| | Year | Number of Transfers |
|---------------|------|---------------------|
| Totals | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 0 |

**Item 20 Table No. 3
Status of Franchised Outlets*
For Years 2022 to 2024**

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor** | Ceased Operations - Other Reasons | Outlets at End of the Year |
|------------|------|--------------------------|----------------|--------------|--------------|----------------------------|-----------------------------------|----------------------------|
| California | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |

| | | | | | | | | |
|----------------|------|------------------|---------------|---|---|---|---|------------------|
| Florida | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Georgia | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Illinois | 2022 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| Louisiana | 2022 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maryland | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Massachusetts | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Michigan | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Nevada | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| North Carolina | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Texas | 2022 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 10 | 0 | 0 | 0 | 0 | 5 4 |
| | 2024 | 54 | 01 | 0 | 0 | 0 | 0 | 5 |
| Virginia | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Totals | 2022 | 13 | 4 | 0 | 0 | 0 | 1 | 16 |
| | 2023 | 16 | 32 | 0 | 0 | 0 | 0 | 19 18 |
| | 2024 | 19 18 | 34 | 0 | 0 | 0 | 0 | 22 |

* The “franchised outlets” in this Table are Stores franchised by us or our affiliate Minus Zero4.

**Stores “reacquired by franchisor” were acquired by our affiliates, FilloGigi1 or SMB96.

We do not currently have a franchisee advisory council or association. There are no trademark-specific franchisee organizations associated with the franchise being offered in this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Amorino. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Contact Information for Current Franchisees:

The following are the names of all current franchisees and their address and telephone number as of December 31, 2024. The franchisee locations which were not yet open as of December 31, 2024 are indicated with an asterik (“*”). The franchisees which are also area developers are indicated with “(AD)”.

California:

| Name | Address | Telephone |
|-----------------|---|----------------|
| Dennis Franklin | 338 Grant Avenue San Francisco, CA 94108 | (415) 740-4939 |

Florida:

| Name | Address | Telephone |
|------------------|--|----------------|
| German Rodriguez | 2223 N Westshore Blvd Suite K215, Tampa, FL 33607 | (817) 709-8941 |

Georgia:

| Name | Address | Telephone |
|------------------------------|--|----------------|
| German Rodriguez <u>(AD)</u> | Lenox Mall 3393 Peachtree Road Atlanta, GA 30305 | (817) 709-8941 |
| German Rodriguez <u>(AD)</u> | Southern Post Roswell, GA 30305 | (817) 709-8941 |

Illinois:

| Name | Address | Telephone |
|--------------------------------|--|----------------|
| Christopher Roldan <u>(AD)</u> | 5 Woodfield Mall Schaumburg, IL 60173 | (331) 806-7867 |

| | | |
|------------------------------------|--|----------------|
| Christopher Roldan ^(AD) | 38 S Michigan Ave Chicago, IL 60603 | (331) 806-7867 |
| Christopher Roldan ^(AD) | 5220 Fashion Outlets Way Rosemont, Illinois 60018 | (331) 806-7867 |
| Christopher Roldan ^(AD) | 818 W Fulton Market West Loop, IL 60607 | (331) 806-7867 |
| Christopher Roldan ^(AD) | 1961 Chain Bridge Rd Tysons, VA 22102 | (331) 806-7867 |

Indiana:

| Name | Address | Telephone |
|----------------------|--------------------------------|---------------|
| Salah and Moony Abci | Keystone Mall Indianapolis, IN | (317)516-9250 |

Massachusetts:

| Name | Address | Telephone |
|-------------------------------|---|----------------|
| Lea Sasportes ^(AD) | 249 Newbury Street, Unit 2, Boston, MA 02116 | (617) 953-9682 |
| Lea Sasportes ^(AD) | 50 JFK Street., Cambridge, MA 02138 | (617) 953-9682 |

Michigan:

| Name | Address | Telephone |
|---------------------------------|--|----------------|
| Mark Sawall/Sawall Health Foods | 2965 Oakland Dr., Kalamazoo, MI 49008 | (269) 330-2231 |

New York:

| Name | Address | Telephone |
|--------------------------|---|----------------|
| Luigi Caroggio | 414 Amsterdam Avenue, New York, New York 10024 | (929) 392-6899 |
| Gil Vani ^(AD) | 60 University Place, New York, NY 10003 | (212) 445-0101 |
| Gil Vani ^(AD) | 721 8 th Avenue, New York, NY 10036 | (212) 445-0101 |
| Gil Vani ^(AD) | 44 West 63 rd Street New York, NY 10023 | (212) 445-0101 |

North Carolina:

| Name | Address | Telephone |
|-------------------|---|----------------|
| Verinder K. Judge | 137 E. Davie Street, Raleigh, North Carolina 27601 | (919) 239-4411 |

200 St. Paul Place
Baltimore, Maryland 21202

Agent for Service of Process

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 373-7177

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-6328

NEW YORK

State administrator:
New York State Department of Law
Investment Protection Bureau
28 Liberty Street 21st Floor
New York, New York 10005
(212) 416-8222

Agent for Service of Process:
Secretary of State
99 Washington Avenue
Albany, NY

RHODE ISLAND

Division of Securities
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222-3048

SOUTH DAKOTA

South Dakota Department of Revenue and
Regulation
Division of Securities
445 E. Capitol
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA

State administrator:
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

WASHINGTON

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

WISCONSIN

Wisconsin Department of Financial
Institutions
Division of Securities
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-1064

monies on advertising or promotions in your area. Additionally, it is understood that any national, regional, or local advertising effort may not equitably reach all markets.

D. Promotional Programs.

(1) From time to time Amorino may run promotions such as coupons, prizes, contests, etc. You shall participate in all such promotional activities and you shall purchase such promotional items and coupons as directed by Amorino, and pay Amorino's printing costs for the promotional materials..

(2) If Amorino develops gift certificates and/or loyalty cards or similar programs, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them and be solely responsible for the service charges related to such processing. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Amorino, and you shall remit the proceeds of such sales to Amorino according to the procedures that Amorino prescribes periodically.

(3) You also shall display at the Store all promotional literature and information as Amorino may reasonably require from time to time.

(4) You also agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time to time. All reasonable and customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.

E. Participation in Marketing Programs. Amorino may from time to time, develop public relations advertising or purchase programs or cooperatives. You shall be obligated to participate in such programs and purchase any equipment or promotional material as may be necessary and as directed by Amorino.

13. POS SYSTEM; ACCOUNTING AND RECORDS; TAXES

A. POS System. You shall acquire and use only the point of sale cash registers and computer systems, equipment and software that Amorino prescribes for use by Amorino Stores (the "POS System"), with such extended warranties as we may require, and adhere to Amorino's requirements for use. Requirements may include, among other things, execute and renew software maintenance agreements, connection to remote servers, off-site electronic repositories, and high-speed Internet connections. Such Internet connection is to be used for software updates and downloading purposes, and to allow us to monitor your sales and revenue. You may not use the Internet connection to browse the Internet. As technology or software is developed in the future, Amorino may, in its sole discretion, require you to add to your POS System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade your POS System and software as Amorino prescribes. You shall acquire, install and maintain such anti-virus and anti-spyware software as Amorino requires, and shall adopt and implement such Internet user policies as Amorino may prescribe for purposes of avoiding, blocking, and eliminating viruses and other conditions that interfere with operation of the POS System.

(2) all words importing the singular only shall include the plural and vice versa;

(3) the words "include," "includes" or "including" shall be deemed followed by the words "without limitation;"

(4) references to "Sections" or "Exhibits" shall be to Sections and Exhibits of or to this Agreement;

(5) the headings of particular provisions of this Agreement are inserted for convenience only and will not be construed as a part of this Agreement or serve as a limitation or expansion of the scope of any term or provision of this Agreement; and

(6) all cash payments made pursuant to this Agreement shall be made in United States Dollars.

H. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. You and each Principal shall be jointly and severally liable for each person's obligations under this Agreement and under the guaranty executed by each Principal ~~and their spouse or registered domestic partner.~~ Failure or refusal by any Principal ~~or their spouse or registered domestic partner~~ to execute a guaranty in the form attached as Attachment B shall constitute a breach of this Agreement.

I. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

J. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if compliance by any party with the terms of this Agreement is delayed or rendered impossible as a result of a Force Majeure Event, the applicable deadline for compliance shall be extended for the duration of the Force Majeure Event and for a reasonable recovery period thereafter, which shall not exceed 12 months.

22. APPLICABLE LAW; ENFORCEMENT

A. Governing Law. This Agreement takes effect when accepted and signed by us. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq or other federal law, this Agreement shall be construed under the laws of the State of Delaware and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of Delaware, which laws shall prevail in the event of any conflict of law. If we decide to have the law of the new state apply, we will notify all franchisees of such decision within six months of our move, and the chosen law will apply to all franchisees; except any franchise registration or disclosure law or any franchise relationship law of the new state will only apply where the jurisdictional

conditions set forth in Section 4.5, Company will execute the copies and return one fully executed copy to Area Developer.

4.5 Conditions to Exercise of Right of Additional Development

Area Developer's right to additional development described in Section 4.3 shall be subject to Area Developer's fulfillment of the following conditions precedent:

- (a) Area Developer shall be in good standing under this Agreement and all other agreements between Company and Area Developer.
- (b) Area Developer shall have demonstrated to Company, Franchisee's financial capacity to perform the additional development obligations set forth in the new area development agreement. In determining if Area Developer is financially capable, Company will apply the same criteria to Area Developer as it applies to prospective Area Developers at that time.
- (c) At expiration of the Term, Area Developer shall continue to operate, in the Area Development Territory, not less than the aggregate number of Stores required by the Minimum Development Obligation set forth in Schedule "A".
- (d) Area Developer shall not have already received the right to enter into three additional five-year development terms.

V. PAYMENTS BY AREA DEVELOPER

5.1 Area Development Territory Fee.

Area Developer shall pay to Company ~~in cash or by certified check concurrently with the execution of this Agreement~~ the Area Development Territory Fee, in the amount set forth in Schedule "A" ("Area Development Territory Fee"). ~~The Area Development Territory Fee will be equal to the sum of a) the current initial franchise fee (for the first location) (namely \$30,000), plus b) one half the current initial franchise fee (namely \$15,000) times the number of additional locations provided in your area development schedule. For example, is fully earned and non-refundable, even if you sign an Area Development Agreement for five locations, you must pay an initial area development fee equal to \$90,000 (\$30,000 plus \$60,000). do not open the Additional Locations.~~

5.2 Credit Applied Against the Then-Current Franchise Fee for the Additional Location

If Schedule A specifies that a portion of the Area Development Fee is allocated to additional locations, then when you sign each unit franchise agreement for each additional location, the ~~\$15,000 which you paid for each additional location as part of the initial Area Development Territory Fee portion allocated to that location~~ will ~~be applied~~ serve as a credit or partial credit against ~~toward~~ the ~~then-current~~ Initial Franchise Fee for ~~that~~ the additional location; ~~and you must pay the difference between the then-current franchise fee and the \$15,000 credit for that location, at the time you sign the lease for that location.~~

VI. EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS

6.1 Execution of Then-Current Franchise Agreement

Prior to opening each outlet, Area Developer shall enter into the then-current form of Franchise Agreement for each outlet, and pay the Initial Franchise Fee or the remaining balance owed for the Initial Franchise Fee for that location. A separate copy of that Franchise Agreement will be executed for each outlet opened pursuant to this Agreement and will set forth the location of the outlet, its protected territory and any other items that pertain to that facility. We only provide you with the Paris ten-day initial training for your first location; and we only provide you with the on-site five-day training at your first, second and third stores but not for any additional stores.

6.2 Condition Precedent to Company's Obligations

It shall be a condition precedent to Company's obligations to offer Area Developer a franchise agreement pursuant to Section 6.1, that Area Developer shall be in good standing under and pursuant to all agreements between Area Developer and Company.

6.3 Training for Managers of Subsequent Stores to Be Provided by Area Developer

After Area Developer has opened sufficient Stores to achieve a percentage discount on the Initial Franchise Fees of greater than fifty percent, per Schedule A, Area Developer shall be considered an "Experienced Amorino Store Operator". With respect to any Franchise Agreements which Area Developer enters into with Company after Area Developer has become an Experienced Amorino Store Operator, Area Developer shall be solely responsible for providing all required training to the managers of such Stores, as outlined in Company's then-current Franchise Disclosure Document and Operations Manual. In that case, Company shall not be obligated to provide Initial Training to the managers for such Stores, notwithstanding that such Initial Training is required to be provided by the Company in the Franchise Agreement. Upon request by Area Developer, or if Company determines that Area Developer's managers have not been adequately trained, Company will provide training for such managers for a fee charged to Area Developer, at Company's then-current rates for training. In such case, Area Developer shall be responsible for the travel and lodging costs of such managers to attend such training at Company's headquarters or designated Store.

VII. ASSIGNABILITY AND SUBFRANCHISING

7.1 Assignability by Company

Company shall have the right to assign this Agreement, or any of its rights and privileges hereunder to any other person, firm or corporation without Area Developer's prior consent; provided that, in respect to any assignment resulting in the subsequent performance by the assignee of the functions of Company, the assignee shall expressly assume and agree to perform such obligations.

7.2 No Subfranchising by Area Developer

Area Developer shall not offer, sell, or negotiate the sale of Amorino franchises to any third party, either in Area Developer's own name or in the name and on behalf of Company, or otherwise subfranchise, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting Area Developer the right to do so.

or to such other address as such party may designate by ten (10) days' advance written notice to the other party.

XIII. SUBMISSION OF AGREEMENT

13.1 General

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Company and Area Developer. THIS AGREEMENT SHALL NOT BE BINDING ON COMPANY UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY THE PRESIDENT OF COMPANY.

XIV. ACKNOWLEDGMENT

14.1 General

Area Developer, and its shareholders and partners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above.

_____ ACCEPTED on this _____ day of _____, 20____.

COMPANY: CPUSA, LLC:

a Delaware limited liability company

By _____

Its _____

Date: _____ (“Effective Date”)

AREA DEVELOPER: _____

By _____

Its _____

Date: _____

OWNERS AND SHAREHOLDERS LISTED IN SECTION 10.1 ABOVE:

| _____ Date: _____
an Individual

| _____ Date: _____
an Individual

| _____ Date: _____
an Individual

SCHEDULE A

AREA DEVELOPMENT AGREEMENT – DATA SHEET

DESCRIPTION OF AREA DEVELOPMENT TERRITORY:

The Area Development Territory is described as follows: _____

AREA DEVELOPMENT TERRITORY INITIAL FEE:

The Area Development Territory Initial Fee is: _____

Describe how the Area Development Territory Initial Fee was calculated, and if any portion shall be allocated to the Initial Franchise Fee of each location:

MINIMUM DEVELOPMENT OBLIGATIONS AND SCHEDULE:

(If obligations are set separately for sub-areas, a separate copy of this form can be used for each sub-area)

| Development Period Ending | Area | Number and type of stores/outlets to be in operation as of, and continuing from, such date |
|---------------------------|------|--|
| | | |
| | | |
| | | |
| | | |

STATE OF CALIFORNIA ADDENDA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the offering circular.
2. California Business and Professions Code sections 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
3. 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.).
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. ~~This provision may not be enforceable under California law~~A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur at the AAA office in New York County, New York, with the costs being borne as follows: the filing fee shall be advanced by the party or parties making a claim or counterclaim, subject to final apportionment by the arbitrator in the award. The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the arbitration, including required travel and other expenses of the arbitrator, AAA representatives, and any witness and the cost of any proof produced at the direct request of the arbitrator, shall be borne equally by the parties, unless they agree otherwise or unless the arbitrator in the award assesses such expenses or any part thereof against any specified party or parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires the application of the laws of the state of Delaware. This provision may not be enforceable under California law.
8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
9. You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
10. Section 31512.1 of the California Corporations Code voids any disclaimer or denial of any of the following: (a) representations made by the franchisor or its personnel or agents to a prospective

franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document including any exhibit thereto; and (d) violations of any provision of this division.

11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. Exhibit E to the FDD (Representations and Acknowledgement Statement) is deleted.
12. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.
13. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.
14. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.
15. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

16. Neither the franchisor nor any person or franchise broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ADDENDUM TO FRANCHISE AGREEMENT
(CALIFORNIA)

THIS ADDENDUM TO FRANCHISE AGREEMENT is made by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and Franchisee signing below, to amend the Franchise Agreement entered into this same date.

1. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

2. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

3. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

FRANCHISOR: CPUSA, LLC FRANCHISEE:

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(CALIFORNIA)

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT is made by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and Franchisee signing below, to amend the Area Development Agreement entered into this same date.

1. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Area Development Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

2. The Area Development Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

3. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

FRANCHISOR: CPUSA, LLC AREA DEVELOPER:

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

STATE OF MARYLAND ADDENDA

AMENDMENT TO THE FRANCHISE DISCLOSURE DOCUMENT

The Franchise Disclosure Document is amended as follows:

1. Item 5 is amended to add the following:

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

1.2. Item 17(s) is amended to add the following:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

2.3. Item 17(g) is amended to add the following:

“The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).”

3.4. Item 17[c] and 17[l] are amended to add the following:

“Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

4.5. Items 17(t) and 17(v) are amended to add the following:

“You are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

5.6. Exhibit E to the Franchise Disclosure Statement (Representations and Acknowledgement Statement) is deleted. Maryland franchisees should not complete

**AMENDMENT TO FRANCHISE AGREEMENT
(MARYLAND)**

THIS AMENDMENT TO FRANCHISE AGREEMENT (this "Amendment") is made as of the last date set forth on the signature page to this Amendment, by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and [], a [] ("Franchisee" or "you"). All capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement, as defined below.

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement dated as of [] (as amended from time to time, the "Franchise Agreement"); and

WHEREAS, Franchisor and Franchisee hereby wish to amend the Franchise Agreement in accordance with the terms and conditions contained in this Amendment.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereby agree to amend the Franchise Agreement as follows:

4. Section 6 of the Franchise Agreement is amended to add the following:

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

1.5. Sections 19(B)(6), (7), (8) & (9), and Section 23(A) of the Franchise Agreement are deleted and replaced with the following:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

2.6. Section 2(B)(4) is amended to add the following:

“Notwithstanding the foregoing, the general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

3.7. Section 15(B)(5) is amended to add the following:

“Notwithstanding the foregoing, the general release required as a condition of

assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

~~4.8.~~ Section 22(A) is amended to add the following:

“Franchisee is permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

~~9. Reaffirmation of Agreement. Except as expressly amended hereby, the provisions of the Franchise Agreement are and will remain in full force and effect and nothing in this Amendment will be construed as a waiver of any of the rights or obligations of the parties under the Franchise Agreement. The terms and provisions of the Franchise Agreement are incorporated by reference in this Amendment as if set forth herein. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.~~

~~5.10.~~ Counterparts. This Amendment may be executed in one or more counterparts, (including by facsimile or .pdf copies of original signatures), each of which counterparts shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

~~[remainder of page intentionally blank; signature page to follow]~~

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
(MARYLAND)**

THIS AMENDMENT TO AREA DEVELOPMENT AGREEMENT (this "Amendment") is made as of the last date set forth on the signature page to this Amendment, by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and _____], a [] ("Area Developer" or "you"). All capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement, as defined below.

WHEREAS, Franchisor and Area Developer entered into that certain Area Development Agreement dated as of [_____] (as amended from time to time, the "Area Development Agreement"); and

WHEREAS, Franchisor and Area Developer hereby wish to amend the Area Development Agreement in accordance with the terms and conditions contained in this Amendment.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereby agree to amend the Area Development Agreement as follows:

1. Section 5 is amended to add the following:

“Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.”

1.2. Section E of the Preamble is deleted, and the following provision is added to this Amendment:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

2.3. Sections 7.3(b)(vi) and 7.6(iv) are amended to add the following:

“Notwithstanding the foregoing, the general release required as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

3.4. Section 11.1 is amended to add the following:

“Area Developer is permitted to bring a lawsuit in Maryland for claims arising

under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

~~4. Reaffirmation of Agreement. Except as expressly amended hereby, the provisions of the Area Development Agreement are and will remain in full force and effect and nothing in this Amendment will be construed as a waiver of any of the rights or obligations of the parties under the Area Development Agreement. The terms and provisions of the Franchise Agreement are incorporated by reference in this Amendment as if set forth herein.~~

~~5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.~~

~~5-6. Counterparts. This Amendment may be executed in one or more counterparts, (including by facsimile or .pdf copies of original signatures), each of which counterparts shall be deemed to be an original, but all of which together shall constitute one and the same instrument.~~

~~[remainder of page intentionally blank; signature page to follow]~~

IN WITNESS WHEREOF, the parties have executed this Amendment to Area Developer Agreement on the dates set forth below.

FRANCHISOR: CPUSA, LLC AREA DEVELOPER: _____

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

STATE OF MINNESOTA ADDENDA

MINNESOTA AMENDMENT TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §§80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§2860.0100 through 2860.9930, the CPUSA LLC Franchise Disclosure Document for use in the State of Minnesota is amended as follows:

1. Items 5 and 7 are amended to add the following:

Due to the deficit ratio of current assets to current liabilities, the State of Minnesota Department of Commerce has required that payment of initial franchise fees shall be deferred until the franchised business opens.

2. Item 6 is amended to add the following:

NSF checks and related interest and attorneys' fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

3. Item 17(s) is amended to add the following:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Item 17(m), under the heading entitled "Conditions for Franchisor Approval of Transfer," is amended to add the following language at the end of the section:

Any general release will not apply to any liability under the Minnesota Franchise Law.

5. Items 17(b), 17(c), 17(f), and 17(k), under the headings entitled "Renewal or Extension of the Term," "Requirements for Franchisee to Renew or Extend," "Termination by Franchisor With Cause," and "Transfer' by Franchisee – Defined," are amended to add the following language at the end of those sections:

Minnesota law provides you with certain termination, non-renewal, and transfer rights. In sum, Minn. Stat. §80C.14 (Subd. 3, 4, and 5) currently requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably denied.

6. Item 17(v), under the heading entitled "Choice of Forum," is amended to add the following language at the end of the section:

Minnesota Stat. § 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from: (i) requiring litigation to be conducted outside Minnesota; (ii) requiring waiver of a jury trial; and (iii) requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (i) any of the franchisee's rights as provided for in Minnesota Franchise Act or (ii) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot be required to consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J). Also, a court will determine if a bond is required.

7. Item 17(w), under the heading entitled "Choice of Law," is amended to add the following language at the end of the section:

This provision may not be enforceable under Minnesota law.

8. Minn. Rules §2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a release that would relieve any person from liability imposed by Minnesota Statutes, Chapter 80C.

9. Any limitations of claims must comply with Minn. Stat. §80C.17, subd. 5.

10. Minnesota Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

11. Exhibit E to the Franchise Disclosure Statement (Representations and Acknowledgement Statement) is deleted. Minnesota franchisees should not complete or sign the Representations and Acknowledgment Statement.

12. Each provision of this Addendum to the Disclosure Document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, Minn. Stat. §§80C.01 through 80C.22 and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§2860.0100 through 2860.9930 are met independently without reference to this Addendum to the Disclosure Document.

AMENDMENT TO FRANCHISE AGREEMENT
(MINNESOTA)

THIS AMENDMENT TO FRANCHISE AGREEMENT (this "Amendment") is made as of the last date set forth on the signature page to this Amendment, by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and [], a [] ("Franchisee" or "you"). All capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement, as defined below.

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement dated as of [] (as amended from time to time, the "Franchise Agreement"); and

WHEREAS, Franchisor and Franchisee hereby wish to amend the Franchise Agreement in accordance with the terms and conditions contained in this Amendment.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereby agree to amend the Franchise Agreement as follows:

1. Sections 2, 26, and 27 of the Franchise Agreement, under the headings "Grant of rights," "Transfer and other dealings by the Franchisee," and "Termination of Agreement," will be supplemented by the addition of the following language:

"Minnesota law provides franchisees with certain termination, non-renewal, and transfer rights. In sum, Minn. Stat. §80C.14, Subd. 3, 4, and 5 currently requires, except specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld."

2. Section 2(B)(4) is amended to add the following:

"Notwithstanding the foregoing, the general release required as a condition of renewal shall not apply to any liability under the Minnesota Franchise Act."

3. Section 3.2 of the Franchise Agreement is amended to add the following:

"NSF checks and related interest and attorneys' fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees."

4. Section 6 of the Franchise Agreement is amended to add the following:

"Due to the deficit ratio of current assets to current liabilities in the franchisor's most recent financial statement, the State of Minnesota Department of Commerce has required that payment

of initial franchise fees shall be deferred until the franchised business opens.”

5. Section 15(B)(5) is amended to add the following:

“Notwithstanding the foregoing, the general release required as a condition of assignment/transfer shall not apply to any liability under the Minnesota Franchise Act.”

6. Sections 19(B)(6), (7), (8) & (9), and Section 23(A) of the Franchise Agreement are deleted and replaced with the following:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

7. Section 29 of the Franchise Agreement (Resolving Disputes) is amended to add the following:

“Notwithstanding the foregoing, Minnesota Stat. § 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from: (i) requiring litigation to be conducted outside Minnesota; (ii) requiring waiver of a jury trial; and (iii) requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (i) any of the franchisee’s rights as provided for in Minnesota Franchise Act or (ii) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot be required to consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J). Also, a court will determine if a bond is required.

Any limitations of claims must comply with Minn. Stat. §80C.17, Subd. 5.”

8. Section 33.22 of the Franchise Agreement (Choice of Law) is supplemented by the addition of the following language:

“Pursuant to Minn. Stat. §80C.21, this Section will not in any way abrogate or reduce any of Franchisee’s rights as provided for in the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

9. Counterparts. This Amendment may be executed in one or more counterparts, (including by facsimile or .pdf copies of original signatures), each of which counterparts shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the dates set forth below.

FRANCHISOR: CPUSA, LLC FRANCHISEE:

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

AMENDMENT TO AREA DEVELOPMENT AGREEMENT
(MINNESOTA)

THIS AMENDMENT TO AREA DEVELOPMENT AGREEMENT (this "Amendment") is made as of the last date set forth on the signature page to this Amendment, by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and _____, a [] ("Area Developer" or "you"). All capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement, as defined below.

WHEREAS, Franchisor and Area Developer entered into that certain Area Development Agreement dated as of [_____] (as amended from time to time, the "Area Development Agreement"); and

WHEREAS, Franchisor and Area Developer hereby wish to amend the Area Development Agreement in accordance with the terms and conditions contained in this Amendment.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereby agree to amend the Area Development Agreement as follows:

1. _____ Section 5 is amended to add the following:

“Due to the deficit ratio of current assets to current liabilities in the franchisor’s most recent financial statement, the State of Minnesota Department of Commerce has determined that payment of the portion of the area development fee allocated to the initial franchise fees for each location shall be deferred until such franchised location opens.”

2. _____ Section E of the Preamble is deleted, and the following provision is added to this Amendment:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

3. _____ Sections 7.3(b)(vi) and 7.6(iv) are amended to add the following:

“Notwithstanding the foregoing, the general release required as a condition of renewal, assignment or transfer shall not apply to any liability under the Minnesota Franchise Act.”

4. _____ Section 11.1 is amended to add the following:

“Notwithstanding the foregoing, Minnesota Stat. § 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from: (i) requiring litigation to be conducted outside Minnesota; (ii) requiring waiver of a jury trial; and (iii) requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (i) any of the franchisee’s rights as provided for in Minnesota Franchise Act or (ii) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot be required to consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J). Also, a court will determine if a bond is required.

Any limitations of claims must comply with Minn. Stat. §80C.17, Subd. 5.”

5. Counterparts. This Amendment may be executed in one or more counterparts, (including by facsimile or .pdf copies of original signatures), each of which counterparts shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Amendment to Area Developer Agreement on the dates set forth below.

FRANCHISOR: CPUSA, LLC

AREA DEVELOPER: _____

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

STATE OF VIRGINIA ADDENDA

AMENDMENT TO THE FRANCHISE DISCLOSURE DOCUMENT

The Franchise Disclosure Document is amended as follows:

1. Item 5, Section entitled “Initial Franchise Fee,” is amended as follows:

The “Payment Schedule” section for the Initial Franchise Fee for the Traditional Store or Kiosk and Mobile Structure Outlet is deleted from Item 5, and replaced with the following:

“The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.”

2. Item 5, Section entitled “Development Fee,” is amended to delete the second paragraph in the Section and replace it with the following:

“Your obligation to pay Development Fee is deferred is deferred until we have completed our pre-opening obligations under the franchise agreement.

3. Item 5, Section entitled “Initial Area Development Fee. The following sentence is added:

“The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the area development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement for the first location.”

4. Item 7 is amended as follows:

The “When Due” column for the Initial Franchise Fee row for the charts for the Traditional Store, the Kiosk Outlet, and the Mobile Structure Outlet, are amended to state as follows:

“When we have completed our pre-opening obligations under the franchise agreement.”

The “When Due” column for the Initial Area Development Franchise Fee row in the chart for the Area Development Agreement is amended to state as follows:

“When we have completed our pre-opening obligations under the franchise agreement for the first location.”

AMENDMENT TO FRANCHISE AGREEMENT (VIRGINIA)

THIS AMENDMENT TO FRANCHISE AGREEMENT (this "Amendment") is made as of the last date set forth on the signature page to this Amendment, by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and _____], a [_____] ("Franchisee" or "you"). All capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement, as defined below.

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement dated as of [_____] (as amended from time to time, the "Franchise Agreement"); and

WHEREAS, Franchisor and Franchisee hereby wish to amend the Franchise Agreement in accordance with the terms and conditions contained in this Amendment.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereby agree to amend the Franchise Agreement as follows:

1. Section 6(A) of the Franchise Agreement is amended to add the following:

“Notwithstanding the foregoing, your obligation to pay the Initial Franchise Fee is deferred until we have completed our pre-opening obligations under the franchise agreement.”

2. Section 6(E) of the Franchise Agreement is amended to add the following:

“Notwithstanding the foregoing, your obligation to pay the Development Fee is deferred until we have completed our pre-opening obligations under the franchise agreement.”

1.3. Sections 19(B)(6), (7), (8) & (9), and Section 23(A) of the Franchise Agreement are deleted and replaced with the following:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

2.4. Reaffirmation of Agreement. Except as expressly amended hereby, the provisions of the Franchise Agreement are and will remain in full force and effect and nothing in this Amendment will be construed as a waiver of any of the rights or obligations of the parties under the Franchise Agreement. The terms and provisions of the Franchise Agreement are incorporated by reference in this Amendment as if set forth herein.

3.5. Counterparts. This Amendment may be executed in one or more counterparts, (including by facsimile or .pdf copies of original signatures), each of which counterparts shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

| ~~[remainder of page intentionally blank; signature page to follow]~~

IN WITNESS WHEREOF, the parties have executed this Amendment to ~~Area Developer~~the Franchise Agreement on the dates set forth below.

FRANCHISOR: CPUSA LLC

~~AREA DEVELOPER~~FRANCHISEE:

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
(VIRGINIA)**

THIS AMENDMENT TO AREA DEVELOPMENT AGREEMENT (this "Amendment") is made as of the last date set forth on the signature page to this Amendment, by and between CPUSA, LLC, a Delaware limited liability company ("Franchisor" or "we"), and _____], a [] ("Area Developer" or "you"). All capitalized terms not defined herein shall have the meaning set forth in the Franchise Agreement, as defined below.

WHEREAS, Franchisor and Area Developer entered into that certain Area Development Agreement dated as of [_____] (as amended from time to time, the "Area Development Agreement"); and

WHEREAS, Franchisor and Area Developer hereby wish to amend the Area Development Agreement in accordance with the terms and conditions contained in this Amendment.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereby agree to amend the Area Development Agreement as follows:

1. Section V (Payments by Area Developer") is amended to add the following paragraph:

"5.3 Deferral. Notwithstanding the foregoing, your obligation to pay the Area Development Fee is deferred until we have completed our pre-opening obligations for the first location."

1.2. Section E of the Preamble is deleted, and the following provision is added to this Amendment:

"No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

2.3. Reaffirmation of Agreement. Except as expressly amended hereby, the provisions of the Area Development Agreement are and will remain in full force and effect and nothing in this Amendment will be construed as a waiver of any of the rights or obligations of the parties under the Area Development Agreement. The terms and provisions of the Franchise Agreement are incorporated by reference in this Amendment as if set forth herein.

3.4. Counterparts. This Amendment may be executed in one or more counterparts, (including by facsimile or .pdf copies of original signatures), each of which counterparts shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

~~[remainder of page intentionally blank; signature page to follow]~~

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

| <u>State</u> | <u>Effective Date</u> |
|---------------------|------------------------------|
| California | |
| Illinois | |
| Indiana | <u>May 31, 2025</u> |
| Maryland | <u>July 15, 2025</u> |
| Michigan | <u>June 5, 2025</u> |
| Minnesota | |
| New York | |
| Rhode Island | <u>May 30, 2025</u> |
| Virginia | |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Amorino offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. New York law requires a franchisor to provide this disclosure document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

~~You must also receive a franchise agreement containing all material terms at least five business days before you sign a franchise agreement.~~ If Amorino does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and any other applicable state agency for your state listed in Exhibit A.

This franchise is offered for sale by CPUSA, LLC, 251 Little Falls Drive, Wilmington, Delaware 19808. Tel. (469) 534-3292. The issuance date of this FDD is April 24, 2025.

The names and contact information for the individuals involved in the sale of this franchise are (circle one):

1. Jennifer Rollins, 251 Little Falls Drive, Wilmington, DE 19808 (469) 534-3292
2. Alexandria McDougal, 251 Little Falls Drive, Wilmington, DE 19808 (469) 500-3305

I have received a disclosure document dated April 24, 2025 that included the following Exhibits:

- Exhibit A State Administrator/Agents for Service of Process
- Exhibit B Franchise Agreement and Area Development Agreement
- Exhibit C Financial Statements
- Exhibit D Table of Contents – Know-How Manual
- Exhibit E Representations and Acknowledgment Statement
- Exhibit F Sample Consent General Release
- Exhibit G State Addenda and Agreement Riders
- Exhibit H Receipts

(Please sign below and keep this copy of the receipt for your records.)

PROSPECTIVE FRANCHISEE:

Name: _____

Date _____

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Amorino offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. New York law requires a franchisor to provide this disclosure document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

~~You must also receive a franchise agreement containing all material terms at least five business days before you sign a franchise agreement.~~ If Amorino does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and any other applicable state agency for your state listed in Exhibit A.

This franchise is offered for sale by CPUSA, LLC, 251 Little Falls Drive, Wilmington, Delaware 19808. Tel. (469) 534-3292. The issuance date of this FDD is April 24, 2025.

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I have received a disclosure document dated April 24, 2025 that included the following Exhibits:

| | |
|-----------|--|
| Exhibit A | State Administrator/Agents for Service of Process |
| Exhibit B | Franchise Agreement and Area Development Agreement |
| Exhibit C | Financial Statements |
| Exhibit D | Table of Contents – Operating Manual |
| Exhibit E | Representations and Acknowledgment Statement |
| Exhibit F | Sample Consent and General Release |
| Exhibit G | State Addenda and Agreement Riders |
| Exhibit H | Receipts |

(Please sign below and give this signed receipt to us).

PROSPECTIVE FRANCHISEE:

Name: _____

Date _____