

## FRANCHISE DISCLOSURE DOCUMENT



CML Storefront, LLC  
a Maine limited liability company  
125 John Roberts Road, Unit #2  
South Portland, ME 04106  
Telephone: 855-855-4265  
franchise@cousinsmainelobster.com  
www.cousinsmainelobster.com

As a franchisee, you will operate a restaurant serving lobster, seafood, and other items under the name “Cousins Maine Lobster<sup>®</sup>” from a storefront location.

The total investment necessary to begin operation of a Cousins Maine Lobster<sup>®</sup> restaurant is between ~~\$266,700~~267,000 and ~~\$968,900~~969,300. This includes between \$91,000 and \$147,000 that must be paid to the franchisor and its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Sabin Lomac at 125 John Roberts Road, Unit #2, South Portland, ME 04106 and 855-855-4265.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “*A Consumer's Guide to Buying a Franchise*,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: ~~May 2~~April 29, 2024~~2025~~

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit <u>H</u> .
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C-1 includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Cousins Maine Lobster® business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to Cousins Maine Lobster® franchisee?</b>	Item 20 or Exhibit <u>H</u> lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## 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 Maine. 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 Maine than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or ~~advertising fund~~other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **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 the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
5. **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.

## MICHIGAN SPECIFIC-NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

- (a) A prohibition of the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure each failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of your Storefront are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in the subdivision.

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

(j) If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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- C. Financial Statements and Guarantees of Performance
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- D. Operations Manual Table of Contents
- ~~E. Form of General Release~~
  
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I. ~~J.~~ State Effective Dates and Receipts

## **ITEM 1**

### **THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this disclosure document, “we”, “us,” or “our” means CML Storefront, LLC, the franchisor. “You” or “your” means the person to whom we grant a franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity, and includes all owners and partners of the person who buys the franchise.

#### **The Franchisor, its Parent, and its Affiliates**

We are a Maine limited liability company that was formed on February 21, 2017. Our principal business address is 125 John Roberts Road, Unit #2, South Portland, ME 04106. We do business under the name “Cousins Maine Lobster<sup>®</sup>,” and other trademarks we designate (the “Marks”). We began offering franchises in February 2017. We do not conduct any business activities other than franchising.

Our affiliate, Cousins Maine Lobster, LLC (“CML”) is a California limited liability company that was formed in November 17, 2011. CML’s principal business address is 125 John Roberts Road, Unit #2, South Portland, ME 04106. CML currently operates mobile food trucks serving the same, and similar items as Storefronts, under the Marks (“Food Trucks”) (and has done so since November 2011) and licenses the Marks to us that we license to you. CML has operated a Storefront since July 2015. CML has never offered franchises or conducted any other line of business.

Our affiliate, Cousins Seafood Distribution, LLC (“CSD”) is a Maine limited liability company that was formed on September 10, 2019. CSD’s principal business address is 125 John Roberts Road, Unit #2, South Portland, ME 04106. CSD is the sole supplier of seafood and other food items to our franchisees and sells products and inventory to our franchisees and other retailers. CSD has never offered franchises or conducted any other line of business.

Our affiliate, CML Franchise LLC (“CMLF”), is a Maine limited liability company that was originally formed in California on January 9, 2014. CMLF converted to a Maine entity on April 19, 2022 and has a principal business address at 125 John Roberts Road, Unit #2, South Portland, ME 04106. CMLF has common ownership with us and guarantees our pre-opening financial obligations to our franchisees in the states of California, Hawaii, Minnesota, South Dakota, and Virginia. CMLF offers franchises for Food Trucks under the Marks. As of December 31, ~~2023~~2024, CMLF had ~~48~~65 franchisee-owned outlets.

We have never offered franchises in any other line of business. We do not have any predecessors or parent. Other than as stated above, we do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

#### **The Franchise**

We offer restaurant franchises serving lobster, seafood, and other food items under the Marks operated in a fast-casual environment (“Storefronts”). Storefronts are operated under a system that includes our valuable know-how, information, trade secrets, training methods, Operations Manual, standards, designs, trademark usages, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Storefronts, all of which may be changed, improved, and further developed from time to time (the “System”).

All of our lobster is the species *Homarus Americanus*, which is a North American lobster species that is commonly known as Maine lobster. Our lobster may be caught in American or Canadian waters, and is cooked in American and/or Canadian processing plants. Our priority is in supporting our industry in Maine and the USA, but due to the seasonality of the product and supply and demand constraints, we occasionally look to Canada for sourcing.

You must operate your Storefront following our standard business operating practices and sign our standard franchise agreement (“Franchise Agreement”). Your Storefront must offer the products and services we authorize and require you to offer. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Storefront at any time upon written notice to you in our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your Storefront.

### Market and Competition

The market for our services and products is highly competitive and is well-developed. You will have to compete with franchised operations, national chains and independently owned companies serving seafood in a fast-casual environment. You may also encounter competition from other Cousins Maine Lobster® Storefronts and Food Trucks. There may be some seasonality to your franchise, and you may experience lower traffic on holidays, depending on your location.

### Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, your Storefront will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act.

You must comply with all local, state and federal laws applicable to restaurants, including licensing, health, sanitation, menu labeling, smoking, safety, fire and other matters, food and safety regulations, and if you sell alcoholic beverages, laws applicable to alcohol-serving businesses. Some jurisdictions may require franchisees to obtain restaurant, business, occupational, food products, health, alcohol, and miscellaneous licenses. Various federal and state agencies, including the U.S. Food and Drug Administration and the U.S. Department of Agriculture, and state and local health agencies have regulations for the preparation of food and the condition of restaurant and commissary kitchen facilities, as well as regarding the production, storage, and sale of unpasteurized juice. The Clean Air Act and state implementing laws may also require certain geographic areas to attain and maintain certain air quality standards for ozone, carbon monoxide and particulate matters. As a result, businesses involved in commercial food preparation may be subject to caps on emissions. You should consult with a legal advisor about whether these and/or other requirements apply to your business.

### Agents for Service of Process

Our agents for service of process are listed on Exhibit A to this Disclosure Document.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### Jim Tselikis -- Owner

Jim is an Owner and Manager of us, CMLF, CML, and CSD and has been since January 2014, October 2017, November 2011, and September 2019, respectively.

Sabin Lomac -- Owner

Sabin is an Owner and Manager of us, CMLF, CML, and CSD and has been since January 2014, October 2017, November 2011, and September 2019, respectively.

Barbara Corcoran -- Owner

Barbara is an Owner and Manager of us, CMLF, and CML, and has been since January 2014, October 2017, and August 2012, respectively. Barbara is also an owner of CSD and has been since June 2023. Since 2008, Barbara has been the principal of Barbara Corcoran Inc, a New York corporation operating in New York, New York. She is a business consultant, real estate investor, author, public speaker, and TV personality on ABC's hit TV Show 'Shark Tank.'

Shaun Higgins --President

Shaun is our President and holds the same position with CMLF since September 2023. Shaun joined us in August 2014 (and CMLF in October 2017). Between August 2014 (and October 2017 for ~~CML~~Sus) and September 2023, Shaun was Vice President of Franchise Operations.

Nick Loukes -- ~~Legal~~General Counsel; Corporate and Franchise Manager

Nick is our ~~Legal~~General Counsel, Corporate and Franchise Manager, and holds the same position with CMLF. Nick joined us (and CMLF) in January 2021. From April 2019 to December 2020, Nick was an attorney with Lanman Rayne, PLLC in Portland, Maine.

Angela Coppler -- Head of Development

Angela is our Head of Development, leading Franchise Development, Franchise Recruiting, Real Estate and Strategic Development, and holds the same position with CMLF. Angela joined us (and CMLF) in May 2023. From April 2021 to March 2023, Angela Coppler was the Senior Director of Global Non-Traditional Development & Strategic Partnerships for The Wendy's Company in Dublin, Ohio. From July 2018 to April 2021, Angela was the Senior Director of Global Franchise Recruiting & Development for The Wendy's Company in Dublin, Ohio.

Steve Tselikis -- Chief Financial Officer

Steve is the Chief Financial Officer of us and CMLF and has been since May 2023. Between February 2016 and May 2023, Steve was our and CMLF's Finance Manager.

Mike Carmody -- Vice President of Operations

Mike is our Vice President of Operations and holds the same position with CMLF since August 2022. Between October 2017 and August 2022, Mike was our and CMLF's Director of Operations.

Lindsay Herberger -- Director of Franchise Development

Lindsay is our Director of Franchise Development since April 2024 and holds the same position for CMLF. From January 2023 to April 2024 Lindsay was the Manager, Development & Franchise Recruiting for The Wendy's Company in Dublin, Ohio. From April 2021 to January 2023 she was the Sr. Specialist, Global Franchise Recruiting for The Wendy's Company in Dublin, Ohio. From March 2019 to April 2021 she was a Specialist, Global Franchise Recruiting for The Wendy's Company in Dublin, Ohio.

Jacob Conley – Specialist, Development

~~Jacob is our Specialist, Development since April 2024 and holds the same position for CMLF. From November 2021 to April 2024 Jacob was our Marketing and Customer Experience employee and held the same position with CMLS. From February 2020 to October 2021 Jacob was a Benefits Coordinator at Unum in Portland, Maine. From April 2018 to December 2019 Jacob was a Logistics Coordinator for Better Baseball in Marietta, Georgia.~~

Jameson Lyons - Vice President of Branding & Innovation

Jameson is our Vice President of Branding & Innovation and holds the same position with CMLF since August 2022. Jameson joined us and ~~CMLS~~CMLF in April 2017. Jameson previously worked with Cousins Maine Lobster® businesses as a Brand and Project Manager from October 2017 to August 2022.

Allison Pillar - Director of Brand Compliance

Allison Pillar is our and CMLF’s Director of Brand Compliance since 2023 and is a trainer for all training topics. From May 2021 to 2023, Allison was our (and CMLF’s) Training and Compliance Manager. Allison has worked with both us and CMLF since 2017, working in a management role in company-owned Food Trucks and Storefronts.

Rachel Solomon - Franchise Development Specialist

Rachel Solomon is our Franchise Development Specialist holds the same position with CMLF since March 2025, in Los Angeles, California. From October 2021 to March 2025, Rachel was an Executive Assistant for our (and CMLF’s) owners. From July 2019 to September 2021, she was a Student Coordinator at the Non-Profit Organization, The Kabbalah Centre in Los Angeles, California.

**ITEM 3**

**LITIGATION**

CML Franchise LLC v. Todd Adams LLC, in the Superior Court of the State of California, Los Angeles County, Case No. 24NNCV00774.

On or about April 4, 2024, CMLF initiated this litigation against its former franchisee, Todd Adams LLC and its principals, Donell Todd and Felesha Todd (the “Todd Parties”). In the complaint, CMLF alleged that the Todd Parties breached their franchise contract and the implied covenant of good faith and fair dealing by abandoning their Cousins Maine Lobster® franchise in Oklahoma City, Oklahoma, for which CMLF terminated the franchise agreement on December 18, 2023. On or about July 5, 2024, CMLF and the Todd Parties settled CMLF’s claims, under which the Todd Parties agreed to pay CMLF a stipulated judgment of \$27,514.15. The settlement agreement also included confidentiality and nondisparagement clauses.

NoOther than the above action, no litigation is required to be disclosed in this Item.

**ITEM 4**

**BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

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## **ITEM 5**

### **INITIAL FEES**

#### **Application Fee**

You must pay us an application fee of ~~\$1,000~~500 for each individual who will hold any ownership interest in your franchise at the time you apply to become a franchisee, but only after at least 14 days have passed since you received this Franchise Disclosure Document. We will use the application fee to conduct a credit and criminal background check, in accordance with applicable law, and to evaluate you as a franchisee candidate. The application fee is not refundable under any circumstances.

#### **Initial Franchise Fee**

You must pay us an initial franchise fee of \$40,000 in a lump sum via wire transfer when you sign the Franchise Agreement. Your initial franchise fee is not refundable under any circumstances.

#### **Initial Inventory Startup Package**

You must purchase from our affiliate (currently CSD) an initial order of food inventory for your Storefront in an amount ranging between \$30,000 and \$80,000, depending on the size and location of your franchise, time of the season, suppliers, and other related factors. Payment for this package is due within 18 days of ordering, unless specified otherwise in your invoice.

#### **Deposit Account**

You must pay us \$20,000 in a lump sum via wire transfer when you sign the Franchise Agreement for your Deposit Account. We will hold this amount and use it only if you do not pay us, or ~~CML~~CSD for inventory you order or for franchise fees you incur, and you will be required to replenish the funds in the account so that \$20,000 remains on deposit with us. If you elect not to obtain a successor franchise (renew) with us, we will at your option either refund this amount (without interest) to you at the expiration of your franchise, or apply it to your inventory purchases during the last three months of your franchise term. It is not refundable under any other circumstances.

#### **Delayed Opening Fee**

If you fail to open your Storefront within ten (10) months after we sign the Franchise Agreement, we have the right to either terminate your Franchise Agreement or charge you a delayed opening fee of \$10,000 per month for up to three months, which is payable in a lump sum. The delayed opening fee is not refundable under any circumstances.

In our ~~2023~~2024 fiscal year, we charged initial franchise fees ~~ranging from \$0 up to~~of \$40,000. We sometimes have discounted or waived the initial franchise fee and deposit account requirements or agreed to a refund of part of initial franchise fees, for existing franchisees purchasing additional franchises from us (although we are not obligated to do so). Otherwise, these initial fees are uniform to all franchisees under this offering, and none of the fees are refundable under any circumstances.

**ITEM 6**

**OTHER FEES<sup>1</sup>**

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty	The greater of 6% of your Gross Sales or \$3,500 per month. (Note 2).	5 <sup>th</sup> day of each month.	Based on your Gross Sales during the previous month.
Advertising Fund Contribution	<u>Up to 2%</u> of your Gross Sales.	5 <sup>th</sup> day of each month.	Based on your Gross Sales during the previous month.
Regional Advertising Cooperative Contribution	An amount we designate, up to \$400 per month. <u>(Note 3)</u>	Payable on the day of the week, month (or other period) designated by us or the Cooperative.	Each member will vote on the Cooperative's actions at the rate of one Storefront, one vote. Neither we nor our affiliates have controlling voting rights in any Cooperative.
Deposit Account	Amount needed to restore account to \$20,000	Upon notice that we have applied funds to amounts you owe us or our Affiliates.	We have the right to apply the funds in the deposit account to past-due amounts you owe us or our Affiliates. If we do so, you must restore the balance to \$20,000.
Advertising Materials	Our costs of producing advertising and promotional materials.	Upon ordering or shipment of materials.	We may create certain advertising and promotional materials for use by Storefronts. We have the right to require you to reimburse us for our costs of creating them.
Late, Dishonored Payment, or Insufficient Funds Fee	\$50 for each day your payment is late. <u>(Note 3)</u>	As incurred.	Payable if you do not pay your bills on time, if any check, electronic payment or other payment you tender to us is not honored for any reason.
Default Fee	\$300 <u>(Note 3)</u>	As incurred.	We will charge you this fee for any default you commit under the Franchise Agreement.
Interest	Daily equivalent of 1.5% per month simple interest of the delinquent amount or the highest rate permitted by law, whichever is less.	Payable when any payment is overdue.	Payable if you do not pay your bills on time. Interest begins from the date the payment was due.
Insurance	Our cost of premiums, plus an administrative fee equal to 20% of the cost of the premiums.	Upon demand.	Payable if you fail to maintain required insurance coverage and we elect to obtain coverage for you.

Type of Fee	Amount	Due Date	Remarks
Additional Training and Conventions	Our then-current rates, presently \$500 per day plus travel expenses for additional onsite support; \$300 per attendee additional training, national conventions, and for new, or replacement manager to attend initial training. <u>(Note 3)</u>	Upon your registration for the training, or convention	For training and support beyond the initial training and national conventions, you must pay the current training fee.  If you are a renewing franchisee, we may require you to obtain additional training or re-training as part of your renewal.
Transfer Fee	<del>\$10,000, plus our expenses associated with the transfer.</del>	<del>No fewer than five (5) days before you complete your</del> <u>\$2,500 must be paid when you ask us to review a transfer. The remaining \$7,500 is due at closing.</u>	<del>Applicable if you choose to transfer your Franchise Agreement. Our consent is required for any transfer. These amounts are not refundable.</del>
Successor Franchise (Renewal) Fee	\$10,000	Upon signing your successor franchise agreement.	Payable if you wish to obtain the right to continue operating as our franchisee after the end of your initial franchise term.
Reimbursement of Inspection Costs	Varies.	After we inspect your Storefront.	We will charge you for our costs, plus \$500 for re-inspection, if you fail a compliance inspection. Further, if you wish to obtain a renewal franchise, you must bring your Storefront up to our current standards, and reimburse our costs of inspecting your Storefront to confirm.
Relocation Fee	\$10,000	Upon requesting our approval of your proposed relocation of your Storefront.	You must obtain our written consent before you relocate your Storefront, and you may not relocate it outside of your Territory.
<del>Interim</del> Holdover Royalty	Our then-current Royalty, plus 2%	5 <sup>th</sup> day of each month.	We will charge this fee if your Franchise Agreement expires, you have not entered a successor agreement, and you continue operating the Storefront.
Management (Step-In) Fee	The direct expenses we incur on your behalf, plus our then-current, reasonable management fee (currently \$500/day).	As incurred.	Due when we (or a third party) manage your Storefront after your death or disability, or by exercising our step-in rights.

Type of Fee	Amount	Due Date	Remarks
Audit Fees	Actual cost of audit fees, plus the underreported fees, late charges on those fees, and interest on the fees you did not pay at 1.5% per month.	As incurred.	Payable only if the audit shows an understatement greater than 2% of reported amounts.
Reinspection Fee	\$500 for each re-inspection, plus our travel, living, and lodging expenses. (Note 3)	As incurred.	We have the right to charge this fee if you fail an inspection and we conduct a reinspection.
System Standards Violation	All costs of inspection and audit.	Upon demand	If you fail to adhere to the System standards, you must reimburse us for any and all costs and expenses associated with counsel, inspection, support, assistance, enforcement rendered to and against you regarding the System standards violation and/or non-compliance.
Costs, administrative expenses, and attorneys' fees	Will vary under circumstances (Note 34).	Upon settlement or conclusion of a claim or action; in resolution of our efforts to collect past-due fees from you; or when we take action against you in response to your default of the Franchise Agreement.	Due when you do not comply with the Franchise Agreement.
Trade Payable Reimbursement	Amount we pay on your behalf, plus interest at the lesser of 18% or the highest rate permitted by law.	Upon demand	If you fail to pay your suppliers, employees, or creditors when due, we have the right (but not the obligation) to pay the amount due on your behalf. You must then reimburse us.
Indemnification	Will vary under circumstances.	As incurred.	Payable to indemnify us, our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to your ownership and operation of your Storefront.
Sales/Use Taxes	Will vary under circumstances.	Payable with your Royalty Fee or Advertising Fund Contribution	You must pay any state or local sales or use tax that may be assessed on fees you pay us.

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages	<p>The greater of: (a) \$3,500; or (b) the combined monthly average of your Royalty Fees and Advertising Fund Contributions (without regard to any fee waivers or other reductions) that are owed by you to us during the six (6) month period prior to the date of early termination,</p> <p>multiplied by:</p> <p>the lesser of: (i) 24 months, or (ii) the number of full months remaining in the Term.</p>	Within fifteen (15) days of the early termination of your franchise.	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

1. All fees paid to us are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. The fees listed in this Item 6 are not uniformly imposed by us as to all franchisees. All fees or money that you owe to us or our affiliates must be paid by electronic transfer no later than on the date they are due.

2. "Gross Sales" means All consideration, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly from the operation of your Storefront, including the credit value given for all merchandise trades, the full retail value of any item sold at your Storefront (regardless of any discounts or giveaways), the full retail value of any gift certificate or coupon sold for use at your Storefront (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales), and insurance proceeds and/or condemnation awards for loss of sales, profits or business.. Gross Sales does not include:

- (i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by you to the appropriate governmental authority; or
- (ii) tips from customers given to your employees.

Gross Sales are deemed received by you at the time the products or services from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by you.

If you do not timely report your Gross Sales to us, we will have the right, at our option, to debit your account in an amount equal to either: (a) one hundred and twenty percent (120%) of the fees transferred from your account for the last period for which you provided a report of your Gross Sales to us; or (b) the amount due based on information retrieved from the POS System.

3. Unless we have indicated otherwise, for any fee that is listed as our then-current fee in the table above, we have the right to increase fees by a maximum of 10% per year, calculated cumulatively over the term of the Franchise Agreement. Additionally, we may also increase these fees by the amount of any

increases in fees from third parties for the underlying products or services which will be added to the capped fee increase.

4. ~~3.~~ If we prevail ~~in~~win any legal action against you to secure or to protect our rights under or enforce the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you you must reimburse us for reasonable attorneys' fees and court costs. If we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or your Storefront, as a result of any claimed or actual act, error or omission of you or your Storefront, then you will be liable ~~are~~ involved in any legal action due to your actions or errors, you are responsible for our reasonable attorneys' fees and third-party costs incurred by us in the action or proceeding. If, Additionally, if we are required need to engage a collection agency, use legal counsel, or hire any third party in connection with any due to your failure by you to: (a) ~~pay us amounts when they are due;~~ (b) ~~submit when due any~~required reports, information, or supporting records; or (c) ~~otherwise~~or comply with the Franchise Agreement, you must reimburse us for all of our costs and expenses of enforcement and collection cover all related costs, including ~~our~~ reasonable: (i) legal fees; (ii) investigation fees; (iii) travel expenses of our employees or agents; and (iv) hourly charges of our employees or agents.

## ITEM 7

### ESTIMATED INITIAL INVESTMENT

#### YOUR ESTIMATED INITIAL INVESTMENT (UNIT FRANCHISE)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$40,000	Lump Sum via Wire Transfer	Upon signing of the Franchise Agreement	Us
Application Fee <sup>1</sup>	<del>\$1,000</del> 500 to <del>\$7,000</del> 3,500	Lump Sum via Wire Transfer	When you apply for a franchise	Us
Deposit Account	\$20,000	Lump Sum via Wire Transfer	Upon signing of the Franchise Agreement	Us
Leasehold Improvements <sup>2</sup>	\$90,000 to \$400,000	As incurred	Before Beginning Operations	Lessor
Rent and Security Deposit <sup>3</sup>	\$3,000 to \$36,000	As incurred	Before Beginning Operations	Lessor
Utility Deposits	\$0 to \$5,000	As Arranged	Before Beginning Operations	Utilities
Furniture, Fixtures & Equipment <sup>4</sup>	\$5,000 to \$150,000	As incurred	Before Beginning Operations	Suppliers
Initial Inventory (Startup Package)	\$30,000 to \$80,000	As incurred	Before Beginning Operations	Our Affiliate and/or Suppliers
Signage	\$4,750 to \$40,000	As Arranged	Before Beginning Operations	Suppliers
Insurance	\$1,000 to \$5,000	As incurred	Before Beginning Operations	Insurance Companies
Office Equipment & Supplies	\$250 to \$5,000	As incurred	Before Beginning Operations	Suppliers
Computer Equipment (Hardware, Software, POS System, etc.)	<del>\$7,950</del> 8,350 to <del>\$23,400</del> 23,800	As incurred	Before Beginning Operations	Suppliers
Travel and Living Expenses for Training <sup>5</sup>	\$5,000 to \$10,000	As incurred	Before Beginning Operations	Airlines, Hotels, other Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Licenses & Permits	\$2,000 to \$15,000	As incurred	Before Beginning Operations	Licensing Authorities
Legal & Accounting	\$5,000 to \$15,000	As incurred	Before Beginning Operations	Attorney, Accountant
General Contractor	\$750 to \$40,000	As incurred	Before Beginning Operations	General Contractor
Grand Opening Advertising	\$1,000 to \$2,500	As incurred	Before opening and during the first 3 months of operation	Vendors
Additional Funds – three months <sup>6</sup>	\$50,000 to \$75,000	As incurred	As Necessary	Us, Vendors, Lessor, Etc.
TOTAL <sup>7</sup>	\$ <del>266,700</del> <sub>26</sub> to \$ <del>968,900</del> <sub>300</sub>			

(Please see Notes below, which are an integral part of this Item)

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Storefront. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

All fees paid to us are non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. The fees listed in this Item 7 are not uniformly imposed by us as to all franchisees. All fees or money that you owe to us or our affiliates must be paid by electronic transfer no later than on the date they are due. In compiling this chart, we relied on our experience as a franchisor (since 2017) of Cousins Maine Lobster® Storefronts that are similar to the franchise being offered to you.

1. **Application Fee.** You must pay us an application fee of \$1,000 for each individual who will own an interest in you. For the high estimate, we assume up to seven individuals will own an interest in you.
2. **Leasehold Improvements.** The site for your Storefront will typically be between 1,200 and 1,600 square feet, but may be in a larger or smaller space depending on site requirements. These amounts include the expected expenses for building out your Storefront. These amounts are our best estimate of the range of costs of leasehold improvements, and will likely vary substantially based on local conditions, including the availability and prices of labor and materials (estimate is based upon non-union labor); the site's condition, configuration, location, and size; the demand for the site among prospective lessees; the site's previous use; county or city building application and inspection fees; county, city, or state codes; the cost to access existing plumbing; and any construction or other allowances the landlord grants. They do not include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of your investment. These estimates assume that the landlord will provide a "vanilla shell" space that, at a minimum, includes concrete floors, demised exterior walls, HVAC, roof, and utilities stubbed to the premises sufficient for a Storefront. The lower figure assumes that you remodel an existing restaurant space. These amounts do not reflect costs for the construction of a free-standing Storefront, which also would result in a significantly greater initial investment.

You must use our designated supplier (currently F.C. Dadson) for construction management services (for a fee of \$31,900) and for front of house décor and finishes for a cost ranging between \$35,000 and \$65,000 based on the needs of your site. If you do not begin operating your Storefront within 10 months of signing

the Franchise Agreement, we have the right to charge you a Delayed Opening Fee of \$10,000 per month for up to three (3) months. The amounts above do not include any charges for the Delayed Opening Fee.

3. Rent. These costs could be substantially higher in certain markets, depending on the square footage of the space; the city or town in which it is located; condition of the space; population density; and the types of common area or other charges that will be allocated to you. You should carefully investigate all of these costs in the area where you wish to establish your Storefront. In some cases, your Storefront may not have sufficient freezer space. In such case, you will have to rent an offsite freezer which will range from \$240 to \$1,000 per month.

4. Furnishings and Equipment. You must purchase and/or lease and install furniture, fixtures and equipment and décor necessary to operate your Storefront from us, our affiliate, or an approved supplier. The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility, suppliers and other related factors.

5. Training Expenses. We require you and your Designated Manager to participate in our initial training program described further in Item 11. This estimate may vary depending on the number of attendees you wish to bring, mode of transportation distance of transportation, selection of lodging and dining options.

6. Additional Funds. Additional funds is an estimate of the funds needed to cover pre- and post-opening expenses including sales taxes, recruitment, on-site training expenses, payroll processing, janitorial services as well as additional operating capital for other variable costs (e.g., electricity, telephone, Internet service, Internet setup, etc.), paper, office supplies, cleaning, cellular telephones, and other supplies. Additional funds are also an estimate of the monies you will need on hand during the initial phase of Business operations. This estimate also includes the estimated cost of salaries for your employees, but does not include an estimated salary for you. You must maintain a minimum average daily balance in your Storefront's operating bank account of \$50,000, which amount is included in this line item.

In compiling this chart, we relied on our and our affiliate's experience as developers and operators (since 2011) of Cousins Maine Lobster® Storefronts that are like the franchise being offered to you. Our estimates are based on our and our affiliate's experience in building, developing, and operating those Storefronts.

7. Figures May Vary. This Estimated Initial Investment Item 7 includes our estimates of your initial startup expenses and funds for additional inventory and additional funds for the operation of your Storefront. These expenses include payroll costs, but assume that you will not draw a salary. Additional funds for the operation of your Storefront will be required after the first three months of operation if sales produced by your Storefront are not sufficient to produce positive cash flow. ~~You should also review the figures listed in this Item 7 carefully with a business advisor before making any decision to purchase a Storefront.~~

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

To help ensure a uniform image and uniform quality of products and services throughout the Cousins Maine Lobster® System, you must maintain and comply with our quality standards. Any required standards exist to protect our interest in the System and the Marks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you. We publish our standards, specifications, policies, and procedures in our confidential operations manuals, our training videos, and other documents (collectively, the "Operations Manual") that we will loan to you.

### Approved and Designated Suppliers

We will provide you with a list of approved manufacturers, suppliers and distributors and approved equipment, signs, stationery, supplies and other items or services necessary to operate your Storefront (“Approved Supplier List”). From time to time we, our affiliate or a third party vendor or supplier, may be the only approved supplier for certain products. The Approved Supplier List also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products. We may revise the Approved Supplier List. We give you the approved lists as we deem advisable. Our affiliate, CSD, is currently the sole authorized supplier and distributor of lobster, soups, bread, and seafood inventory.

Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing and we will be required to consider your request. The procedure for submitting a request will be outlined in the Operations Manual. We will require you to reimburse us for our reasonable costs incurred with respect to evaluating a supplier or product for which you request our approval. We will have up to 30 days to conduct our evaluation before we render a decision. If we request, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality and safety standards. We may re-inspect the facilities and products of any supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: (1) quality of the products or items; (2) ability to make product in conformity with our specifications; (3) reputation and integrity of supplier; (4) financial condition and insurance coverage of the supplier; (5) payment terms; (6) delivery schedule; (7) conformity with local and national health laws; and (8) pricing. We do not make our specific criteria for selecting approved suppliers available to our franchisees, nor do we make our specifications known to suppliers.

### Required Purchases or Leases

A list of the materials that you can, or will be required to, purchase from suppliers approved by us, and the names of those approved suppliers, will be listed in our Operations Manual. We or our affiliates are the only approved suppliers of lobster and seafood inventory that you must buy for and use in your Storefront. Other than those items, neither we nor our affiliates are approved suppliers for products or services, but we reserve the right to become approved suppliers, or the only approved suppliers, of them in the future.

### *Real Estate and Site Selection*

You must purchase or lease real estate for your Storefront according to the criteria that we will make available to you in the Operations Manual. We will pay for the services of a company to help you evaluate a site for your Storefront, however, you are required to obtain a local general contractor to conduct an initial site inspection or site plan review and, if you lease the location, you must obtain local legal counsel to review and negotiate your lease agreement, in each case prior to obtaining our final approval. Additionally, if you lease the location, you and the landlord must execute the standard form of lease addendum (attached to ~~the~~this Franchise Agreement as Addendum 5~~Disclosure Document as Exhibit G-5~~). You must construct and equip your Storefront according to our approved design, specifications and standards. We are not presently an approved supplier of the real estate or site selection services for your Storefront.

### *Construction Management Services and Décor*

You must use our designated supplier (currently F.C. Dadson) for construction management of your site, which includes pre-lease/LOI Consultation, architectural plans, General Contractor selection, and project management, and the supplier for front-of-house décor items and finishes for a cost ranging between \$35,000 and \$65,000 based on the needs of your site. We are not an approved supplier of these services or items.

### *Inventory*

You must purchase all your lobster, seafood, bread, whoopie pies, soups, and other food items from our affiliate (currently CSD), which is the only approved supplier of these items. You must purchase beverages and various other food inventory products from suppliers and vendors that we designate or approve. We and our affiliates are not approved suppliers of beverages.

As a natural (and live) product, there are several factors that can affect the amount of usable meat that is in any processed batch of lobster, including the season in which the lobster is harvested; the manner in which the product is handled on your end; the company that processes the lobster; and the water weight content of the processed lobster. Due to these and other factors, we cannot control the amount of usable lobster meat yielded per pound of lobster that you order.

We also require you to purchase other food, beverage, and inventory items from approved suppliers that are not affiliated with us.

### *Equipment and Supplies*

You must purchase or lease your Storefront, and outfit it with the equipment, decals, fixtures, furniture, signage, cameras, and supplies that we require, according to the criteria that we will make available to you. All of the equipment, supplies, fixtures, and signage you purchase for your Storefront must be approved by us and comply with our System standards and specifications. We and our affiliates are not the only approved suppliers of these items.

### *Advertising and Promotional Materials*

You are required to submit to us and obtain our prior approval for all advertising and promotional plans and materials, and all other materials displaying the Marks. We are not suppliers of advertising and promotional materials.

### *Merchant Services*

You must obtain a merchant services account from an approved supplier for credit card processing. Neither we, nor any of our affiliates, are approved suppliers of these items.

### *POS System, Software, and Technology Equipment*

We require you to purchase your POS System, Digital Signage System, Networking System, Mobile App Equipment, related software, phone system, and other technology and software products from our designated suppliers. Upgrades to these items may be required periodically. We and our affiliates are not suppliers of these items.

### *Employee Uniforms*

You must purchase your employee uniforms from our approved ~~supplier~~vendor(s). We and our affiliates are not suppliers of uniforms.

### *Insurance*

You must obtain and carry, at your expense, insurance policies that we periodically require protecting you and us. All insurance policies must name us as an additional insured party with waiver of subrogation. All policies must be underwritten by companies having an A.M. Best rating of A- or higher. We and our affiliates are not approved suppliers of the required insurance policies.

The insurance policies must include, at a minimum: (1) comprehensive commercial general liability insurance for the franchised business with an umbrella of at least \$1,000,000 per occurrence, or higher if your state law requires; (2) "all risk" coverage for the Storefront and its assets; (3) business interruption insurance providing for at least six months coverage of profits and necessary operating expenses; (4) automobile liability insurance of at least \$1,000,000, or higher if your state law requires; (5) excess or umbrella liability insurance with limits of not less than \$2,000,000 per occurrence, \$2,000,000 aggregate, and \$2,000,000 products and completed operations coverage; (6) worker's compensation in amounts as required by law; (7) employer's liability insurance; (8) unemployment insurance; (9) state disability insurance; and (10) other insurance to meet any applicable legal requirements, or as required by your landlord. We may unilaterally modify our insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change through the Operations Manual. Your insurance policies must be primary and non-contributory with respect to general liability, auto liability and excess liability and provide endorsements.

### Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that the purchase or lease of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Storefront, from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be between 45% and 85% of your total cost to establish a Storefront and between 25% and 50% of your total cost of operating a Storefront (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, furniture, or fixtures).

### Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we do negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We negotiate prices in the future for various products for the benefit of the System, but not on behalf of or for the specific benefit of individual franchisees.

We and our affiliates ~~may~~ derive revenue or other material consideration from required purchases or leases by franchisees from approved suppliers. We and our affiliates may charge a reasonable markup on all items that you are required to purchase from us or our affiliates. There are no caps or limitations on the maximum amount of payments we may receive from our suppliers as the result of franchisee purchases. Our designated suppliers make payments to us or CMLF from franchisee purchases ranging from 0.25% to 7% on food and foodservice related items and between 0.7% and 30.15% on apparel. We do not provide to franchisees details or information regarding our arrangements with approved suppliers.

During the fiscal year ended December 31, ~~2023~~2024, our affiliate, CSD, derived ~~\$23,615,993.13~~29,071,739, or ~~91.590~~% of its total revenues, which totaled ~~\$25,801,839.70~~32,428,003, from the sale of products and services to our and ~~CMLS's~~CMLF's franchisees, collectively. CSD also received rebates from suppliers in 2024 in the amount of \$123,862 for sales to franchisees in the CMLF and CMLS system.

~~During the fiscal year ended December 31, 2023, CMLF derived derived \$6,930.47, or 1.3% of our total revenues of \$5,302,370, from the sale of products and services to CMLF's and our franchisees.~~

Our owners, Jim Tselikis, Sabin Lomac, and Barbara Corcoran, have equity interest in us (the franchisor) and our affiliates (including CML, CMLF, and CSD), and we and our affiliates are approved suppliers. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

## ITEM 9

### FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

	<b>Obligation</b>	<b>Section In Agreement</b>	<b>Item In FDD</b>
a	Site Selection & Acquisition/Lease	Sections 3.1 – 3.6, and Addenda 1, 4, and 5 of the Franchise Agreement	Items 7, 8, 11, and 12
b	Pre-Opening Purchase/Leases	Sections 3.2 – 3.6, 9.2 – 9.5, 8.2, 11.1, 14.2 of the Franchise Agreement	Items 5, 7, 8, and 11
c	Site Development & Other Pre-Opening Requirements	Sections 3.2 – 3.7 of the Franchise Agreement	Items 7, 8, and 11
d	Initial & Ongoing Training	Sections 10.1 – 10.6 of the Franchise Agreement	Items 6, 7, and 11
e	Opening	Section 3.7 of the Franchise Agreement	Item 11
f	Fees	Article 6, Section 18.7 of the Franchise Agreement	Items 5, 6, and 7
g	Compliance With Standards And Policies/Operating Operations Manual	Articles 7, 8, and 9 of the Franchise Agreement	Items 8 and 11
h	Trademarks & Proprietary Information	Articles 7 & 9 of the Franchise Agreement	Items 11, 13, 14, and 16
i	Restrictions On Products/Services Offered	Sections 9.2, 9.3, 9.4, 9.5, 9.10, 9.13, 9.14, 9.15, 9.16, 9.18, & 9.20 of the Franchise Agreement	Items 8, 11, 12, and 16
j	Warranty & Customer Service Requirements	Sections 9.11 and 9.12 of the Franchise Agreement	Item 11
k	Territorial Development & Sales Quotas	Sections 2.1 and 9.23 of the Franchise Agreement	Item 12.
l	Ongoing Product/Service Purchases	Sections 9.2, 9.3, 9.4, 9.5, 9.7, 9.10, 9.12, 9.13 & 9.20 of the Franchise Agreement	Items 6 and 8

	<b>Obligation</b>	<b>Section In Agreement</b>	<b>Item In FDD</b>
m	Maintenance, Appearance And Remodeling Requirements	Sections 9.7 & 9.10 of the Franchise Agreement	Items 8, 11, 16, and 17
n	Insurance	Section 14.3 of the Franchise Agreement	Items 7 and 8
o	Advertising	Article 8 of the Franchise Agreement	Items 6, 7, 8, and 11
p	Indemnification	Section 14.1 of the Franchise Agreement	Item 6
q	Owner's Participation, Management, Staffing	Section 9.1 of the Franchise Agreement	Items 11 and 15
r	Records and Reports	Sections 6.5, 6.7, 6.8, Article 11, and Article 12 of the Franchise Agreement	Item 11
s	Inspections And Audits	Article 12 of the Franchise Agreement	Items 6 and 11
t	Transfer	Article 15 of the Franchise Agreement	Item 17
u	Renewal	Section 5.2 of the Franchise Agreement	Item 17
v	Post-Termination Obligations	Articles 16 & 18 of the Franchise Agreement	Item 17
w	Non-Competition Covenants	Article 16 of the Franchise Agreement; Exhibits G-2 and G-3	Items 15 and 17; <del>Exhibit H</del>
x	Dispute Resolution	Article 19 of the Franchise Agreement.	Item 17
y	Liquidated Damages	Section 18.7 of the Franchise Agreement	Item 6
z	Guaranty	Section 4 of Addendum 2 to the Franchise Agreement	Item 15

## **ITEM 10**

### **FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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## **ITEM 11**

### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, CML Storefront, LLC is not required to provide you with any assistance.**

Pre-Opening Assistance. Prior to the opening of your Storefront, we will provide the following initial services:

1. We do not select the site for your Storefront, but we will not unreasonably withhold our acceptance of a site that meets our requirements. We must approve or disapprove your site within a reasonable time after we receive from you notice of the site's location. We describe the site selection process later in this Item. (Franchise Agreement, Article 3)

2. If you lease the location for your Storefront, we will review your proposed lease and approve or reject it based on its adherence to our requirements. We will complete our review of your lease as soon as practicable, but in no event longer than fifteen (15) days after we receive it from you. (Franchise Agreement, Article 3)
3. Designate the Territory for your Storefront. (Franchise Agreement, Article 3)
4. Communicate with you and the approved suppliers for the initial design and fit-out of your Storefront, regarding our standards and specifications for the design, layout, appearance and equipment in your Storefront, as well as our approval or disapproval of the plans and specifications for your Storefront. (Franchise Agreement, Article 3)
5. We will provide training to you (and/or your managing owner) on the System, System guidelines, and operational and brand standards (the “Initial Training Program”). We will not train or assist in training your employees or independent contractors. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of your Storefront. We describe the Initial Training Program later in this Item. (Franchise Agreement, Article 10)
6. Loan to you, or provide you with electronic access to, one copy of the Operations Manual. We describe the Operations Manual later in this Item. (Franchise Agreement, Article 9)
7. Provide to you advertising, marketing, and promotional materials and support and assist you with your grand opening advertising campaign, which we describe later in this Item. We have the right to exclusively control all social media accounts that you use in connection with your Storefront, but we may permit you to control such accounts while you are in compliance with, and during the term of, your Franchise Agreement. (Franchise Agreement, Article 10)
8. Sell to you an initial order of supplies and inventory for your Storefront. We do not provide specifications for these items, but we will deliver them to you. (Franchise Agreement, Article 10)

#### Site Selection

We do not select the location of your Storefront. We do not own the premises or lease it to you. Finding a suitable location that conforms to local ordinances, building codes, and our guidelines is your responsibility. However, we will pay for a third party supplier to provide you with guidance regarding our standards for selecting a site, and you are required to obtain our approval for any site you choose.

You select the site of your Storefront within the Territory provided in the Franchise Agreement, working with our approved supplier (currently Real Estate Consultant Group). A typical site will be between 1,200 and 1,600 square feet (but could be larger or smaller, depending on site requirements) and be in a stand-alone building, space within an existing shopping center, or food court, preferably with a patio and street-side entry. We will either accept or reject the site in our sole discretion. If we accept a location submitted by you, we will enter it on Addendum 1 of your Franchise Agreement. Acceptance by us of a location is conditioned upon our determination, in our judgment, that the site that you have submitted for your Storefront is within your Territory and is a suitable site based upon criteria we establish from time to time. You must obtain our approval of a site no later than 4 months after you sign the Franchise Agreement. You must have a fully-executed lease for a location that we have approved no later than six (6) months after you sign the Franchise Agreement.

We must determine that your proposed location meets or exceeds our standards, but our acceptance does not ensure that your Storefront will be profitable at the approved location. We will either accept or reject the site in our sole discretion. We evaluate each proposed site and accept or do not accept each one on a case-by-case basis. The factors that we consider to approve your site(s) include (but are not limited to) general location and neighborhood, demographics and population density; educational background of neighboring daytime and nighttime populations; estimates regarding future population growth; daytime population versus nighttime population; visibility; traffic patterns, access, and parking; size; physical characteristics of any existing buildings; median, mean, and per capita household income; lease terms; local competition; and proximity to businesses as well as density of business population.

We will approve or disapprove your proposed site within 30 days after you present the information described above to us. If you and we disagree about the proposed location, you must locate another acceptable site for your Storefront and repeat the process. If: (a) you and we cannot reasonably agree on a site within three (3) months of the Effective Date; (b) you fail to sign a lease for a location we have approved within six (6) months of the Effective Date; or (c) you fail to open and begin operating your Storefront within ten (10) months of the Effective Date, we have the right to terminate the Franchise Agreement. If we terminate the Franchise Agreement for one of these reasons, we will not refund any portion of the initial franchise fee you paid us. (Franchise Agreement, Article 3).

#### Time to Open.

We estimate that there will be an interval of time of three and eight months between the execution of the Franchise Agreement and the opening of your Storefront. The factors that may affect this length of time include obtaining a site; remodeling and decorating the Storefront; obtaining our approval of revisions to design plans that vary from our standard plans; time for obtaining permits; zoning and local ordinances; weather conditions; materials shortages; hiring as needed; obtaining financing arrangements; and delayed installation of equipment, fixtures, and signs.

We do not directly provide you equipment, signs, fixtures, or opening inventory or supplies, but will provide you with the names of our approved suppliers for those items as well as our written specifications for them. You are responsible for having all equipment, signs, fixtures, and inventory delivered to your Storefront. You must open your Storefront within ten (10) months after signing the Franchise Agreement. If you do not open your Storefront within that time we will have the right to terminate the Franchise Agreement unless you have paid us the delayed opening fee of \$10,000 per month (in which case, your opening deadline will be extended by up to three (3) months). If we exercise that right, we will not refund any portion of the initial franchise fee. (Franchise Agreement, Article 3)

Post-Opening Obligations. During the operation of your Storefront, we will:

1. Make a representative reasonably available to provide you with individual assistance, by phone or through electronic means, during normal business hours. (Franchise Agreement, Article 10)
2. Provide you with specifications and standards, and provide general guidance through meetings, printed materials, and/or other media. (Franchise Agreement, Article 10)
3. During the time that immediately precedes and follows the opening of your Storefront, we will provide on-site assistance to you with your initial operations. If you ask for (and we agree to provide) additional training, we will provide it to you for \$500 per day, plus our travel expenses. (Franchise Agreement, Article 10)

4. At your request (or if we require it in the case that you are performing below our System standards), provide you with additional training. We have the right to charge you our then-current fee as published in the Operations Manual (currently, \$500 per day). Also, you must reimburse us our reasonable travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters. If the training occurs at a place other than your Storefront, you must pay for your (and your employees' travel, lodging, meals, and other expenses. (Franchise Agreement, Article 10)

5. At your request, we will provide to you advertising and promotional materials that we have pre-approved for you to use in marketing your Storefront. You must pay us our costs for these items. (Franchise Agreement, Article 8).

6. Our affiliate will sell you lobster, seafood, soups, bread, proprietary packaging and paper goods, and other inventory items for your Storefront. (Franchise Agreement, Article 9).

Post-Opening Optional Assistance. During the operation of your Storefront, we may:

7. Conduct annual or other periodic conferences and/or meetings for all franchisees, managers, and other personnel. We have the right to require you and your Designated Manager to attend these conferences. We will charge you a fee for each person who attends the conference or meeting on your behalf (currently, \$300 per person). (Franchise Agreement, Article 10)

8. Advise you of operating problems found at your Storefront by disclosing them through reports submitted to or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your Storefront as we deem appropriate. (Franchise Agreement, Article 10)

9. Institute, maintain and administer a central advertising account (the "Advertising Fund") for such advertising or public relations programs, as we, in our sole discretion, may deem appropriate to promote Storefronts locally, regionally, or nationally. We describe the Advertising Fund later in this Item. (Franchise Agreement, Article 8)

10. Coordinate the presence of the System on the Internet, including but not limited to e-commerce, website use, social media and networking sites, and cyberspace applications. This includes all national, regional, state, and local websites regarding Storefronts and our franchisees. We will have sole discretion and control over the design and contents of any website. For so long as you are not in default of the Franchise Agreement, we will list your Storefront location on our Internet website. We reserve the right to de-list or remove your Storefront from the website if you are not in compliance with the terms of the Franchise Agreement. We also have the right to control all use of social media and social networking sites by you that mentions or uses the Marks. (Franchise Agreement, Article 7)

11. Periodically make changes to the products that we authorize and require you to sell at your Storefront. (Franchise Agreement, Article 9)

12. Create a gift card, app, or other customer loyalty program. (Franchise Agreement, Article 9).

13. In our discretion, negotiate purchase agreements with approved suppliers to obtain discounted prices. (Franchise Agreement, Article 10)

14. If you do not resolve a dispute with a client, we may investigate the matter and resolve the dispute. (Franchise Agreement, Article 9)

15. We may provide you with minimum and maximum prices for the products and services you sell. You are required to follow all such pricing rules or guidelines, subject to Legal Requirements. (Franchise Agreement, Article 8).

There is no specified date or period for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Storefront.

### Advertising

Other than our obligation to administer and spend the Advertising Fund as discussed below, we do not have any obligation to conduct advertising or spend any particular amounts on advertising in any franchisee's territory.

#### *Grand Opening Advertising*

In connection with your grand opening, you must spend a minimum of between \$1,000 and \$2,500 on local advertising and promotion, which fee will be separate from and in addition to the other marketing fees and requirements described in this Item 11. We will provide you with guidance for conducting grand opening advertising, and we will review and approve the materials you use in your grand opening advertising. (Franchise Agreement, Section 8.2)

#### *Local Advertising*

We require you to spend four hundred dollars (\$400) per month on your local advertising and marketing efforts. All your advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use them, you must send us or our designated agency, for review, samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval from us within fifteen (15) days after we receive the materials from you, you must resubmit them to us. If you do not receive a written response from us within seven (7) days of the day you resubmit them to us, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have disapproved (Franchise Agreement, Article 8.2).

#### *Advertising Fund*

We and CMLF have a shared fund for marketing the System, the Marks, and Food Trucks (the "Advertising Fund"). You must contribute to the Advertising Fund monthly (or other period we designate) a continuing "Advertising Fund Contribution" in an amount we designate, up to two percent (2%) of your monthly Gross Sales. The fees you pay to the Advertising Fund are not refundable.

Your contribution to the Advertising Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Advertising Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Storefronts owned by us will contribute to the Advertising Fund on the same basis as franchisees.

The Advertising Fund will be administered by us, our affiliate, or designees, at our discretion. We may use a professional advertising agency or media buyer to assist us. The Advertising Fund may be commingled with our operating account and may not be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Advertising Fund will be utilized, except that we must use the money in the Advertising Fund for marketing and advertising the Marks and System. We may use any media for disseminating Advertising Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives or our affiliates from the Advertising Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Advertising Fund. We do not guarantee that advertising expenditures from the Advertising Fund will benefit you or any other franchisee directly or on a pro rata basis, and there is no requirement that any expenditures must be spent within your territory or the territory of any specific franchisee. We will not use the Advertising Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating “Franchises Available” or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Advertising Fund or to maintain, direct or administer the Advertising Fund. Any unused funds that were collected in any calendar year will (in our sole discretion) either be refunded or applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the Advertising Fund on any terms we deem reasonable. We are not required to spend any amount on advertising in the area of your Storefront or your Territory.

The Advertising Fund is not audited. Upon your written request (which must be at least 90 days after the end of the previous fiscal year) we will provide to you an annual accounting for the Advertising Fund that shows how the Advertising Fund proceeds were spent during the previous year. (Franchise Agreement, Sections 8.3 – 8.5).

We and CMLF collected a combined total of ~~\$621,357.22~~ \$1,725,582.73 in Advertising Fees during our fiscal year ended December 31, ~~2023~~ 2024. Our and CMLF’s expenditures (itemized below) combined total of ~~\$621,042.98~~ \$1,259,493.76 during our fiscal year ended December 31, ~~2023~~ 2024.

Administrative	<del>\$2,739.00</del> <u>18,611.56</u>
Amazon Web Services	<del>\$2,880.65</del> <u>4,853.19</u>
Apparel Giveaways	<del>\$1,474.91</del> <u>17,592.44</u>
Employee Wages	<del>\$197,280.39</del> <u>476,295.07</u>
Google Advertising/Email	<del>\$23,797.37</del> <u>10,197.15</u>
Membership Fees	<del>\$5,250.00</del>
Mobile App & Loyalty Plan	<del>\$500.00</del>
Photography	<del>\$32,780.53</del> <u>23,026.07</u>
Public Relations	<del>\$82,055.15</del> <u>95,617.04</u>
Rebates/Incentives	<del>\$40,872.42</del> <u>72,095.30</u>
Shared Insight	<del>\$27,211.50</del> <u>29,612.50</u>
Social Media & Marketing	<del>\$88,254.84</del> <u>79,207.80</u>
Social Media Giveaways/Contests	<del>\$8,542.20</del> <u>26,267.36</u>
Travel & Lodging	<del>\$12,573.02</del> <u>16,476.68</u>
Video Production	<del>\$14,221.62</del> <u>29,214.20</u>

Website Updates	\$65,948.34	136,104.39
Yelp	\$14,661.04	24,323.01
	<u>\$621,042.98</u>	<u>1,259,493.76</u>

*Cooperatives*

In our discretion, we may designate geographic areas for the establishment of Cooperatives. We have the right to require you to pay an amount we designate up to four hundred dollars (\$400) on a monthly basis. If your Storefront is within one of these geographic areas, you must become a member of the Cooperative. You need not join more than one Cooperative for the same Franchised Storefront. All Storefronts (including Storefronts owned by us or our affiliates) must become members in any Cooperatives that we establish for geographic regions in which they own locations.

Each Cooperative will be organized and governed in a form and manner that we approve, and we reserve the right to change the way that the Cooperatives are organized and governed in our sole discretion. We reserve the right to administer the fund, or to have an advertising agency do so. We have the right to examine the books, records, and accounts of the Cooperative and to audit the Cooperative. Each Cooperative must prepare annual financial statements and submit them to us. The statements will be made available to you for your review.

We require that each Cooperative governs from written organizing documents. As of the date of this Disclosure Document, no Cooperative has been formed and no governing documents are available for you to review. No changes to the organizing documents are permitted without our advance written approval.

We, in our sole and absolute discretion, have the right to require any Cooperative to be formed, or have the governing documents changed. We also have the right to require that any Cooperative dissolve or merge into another Cooperative. (Franchise Agreement, Section 8.11).

*Advertising Council*

We do not have an advertising council comprised of franchisees, but we reserve the right to create one.

POS System and Technology Requirements

You must purchase and use in your Storefront a POS System meeting our requirements from our approved vendor(s). The POS System can consist of items such as, but not limited to, the following sort of items: iPads or comparable tablets/devices for both staff & customer use for taking and completing orders, cash drawers, credit card swipes, receipt and kitchen printers, kitchen display screens and management equipment, Self check-out Kiosk Equipment, QR Code Scanners, networking equipment (such as routers, access points, cabling, and more) stands, mounts, and accompanying software and internet/data subscriptions to power the hardware. You must purchase and use in your Storefront a Digital Signage System meeting our requirements from our approved vendor(s). The Digital Signage System can consist of items such as, but not limited to, the following sort of items: Smart Signage Display monitors, networking equipment (such as cellular routers, ethernet switches, cellular antennas, mounts, cabling, and more) and accompanying software and internet/data subscriptions to power the hardware. Your digital signage system will display our branded marketing & menu content.

The POS System will generate reports on the sales and expenses of your Storefront and will automate certain of your administrative functions. We will have independent access to the information generated and stored in the POS System. We will have independent access to remotely managing your Digital Signage

System content per our discretion. From time to time, we may update designs or materials which may incur added costs for design and customization.

You must purchase a VOIP or landline-based phone system from our approved vendor(s), capable of receiving and holding calls, and featuring call waiting and voicemail capabilities. This phone system will consist of phone hardware, networking equipment, and accompanying software subscriptions to power the hardware. You must purchase supplemental support hardware and software for the daily management of your business. These items include a home computer (laptop or desktop) with accompanying software (including, but not limited to, a browser, Office Management Suite such as Microsoft Office or GSuite, that allow for viewing of PDF and image files, and the viewing and editing of Word Docs, spreadsheets, powerpoints, etc., a smartphone with data plan, a home modem with internet/data (cable, DSL, satellite, Fiber, etc.). You must purchase a subscription for our Mobile App that covers your establishment(s). Our mobile app is a software-as-a-service solution. At times, added hardware may be necessary with new app features.

We estimate that the cost of purchasing the POS System will be between ~~\$7,950~~\$8,350 and ~~\$23,400~~\$23,800. You will be responsible for upgrading or updating the POS System during the term of the franchise agreement as needed, to ensure the system adheres to the most current software versions and software license terms, and PCI compliance needs. Neither we, nor any affiliate or third party, will be obligated to provide ongoing maintenance, repairs, upgrades or updates for the POS System. We reserve the right to require you to upgrade or update the POS System at any time. There are no contractual limitations on the frequency and cost of this obligation, except that we will not require you to make any changes, modifications, or upgrades to the POS System that are not also made by Storefronts owned by us or our affiliates.

We anticipate that the annual cost of maintenance for the POS System and digital menu boards will be between \$5,000 and \$8,000. We need not reimburse you for any of these costs. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop and maintain, on your signing of a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights concerning, the software or technology. You are required to use the POS System to record all sales at your Storefront. There are no limitations on the type of information we can access, or the times or frequency of when we access such information. No compatible equivalent component or program has been approved by us. (Franchise Agreement, Article 11).

### Mobile App

We will provide you with access to the Cousins Maine Lobster<sup>®</sup> mobile application (“CML Mobile App”), which is currently compatible with Android<sup>™</sup> and iOS<sup>®</sup> devices and available for download on the Apple App Store<sup>®</sup> and Google Play<sup>™</sup> Store. The CML App is a multi-faceted software solution that is comprised of a customer facing loyalty program, mobile & contactless ordering, to-location navigation and added marketing capabilities. The CML Mobile App is a software-as-a-service program is currently provided by our designated supplier. You are required to enable the CML Mobile App service upon opening. To do so, you will be required to purchase additional equipment and will also be required to carry a monthly subscription for each applicable unit you operate at our then-current monthly subscription fee (currently \$250 per month). You will be required to purchase at least one iPad (estimated cost of \$350) ~~and our recommended scanner (estimated cost of \$250-\$400).~~ (Franchise Agreement, Sections 9.15 and 11.1).

We will have access to all information processed through the CML Mobile App and there are no limitations on the type of information we can access, or the times or frequency of when we access such information.

## Operations Manual

We will loan you one copy of the Operations Manual after you sign the Franchise Agreement. The purpose of the Operations Manual is to communicate to you and our other franchisees both our requirements and our suggestions for the operations of your Storefront, so that customers of the System have a uniform and quality experience across Storefront locations. The Operations Manual is not intended to mandate how you handle employment issues with your employees, except to the extent that their conduct has a direct bearing on the System or the Marks.

We may modify the Operations Manual at any time. Its total number of pages is 415. The number of pages devoted to each topic is reflected in the Table of Contents. We will notify you if there are any changes made to the policies or procedures so that you can comply. You must update your copy of the Operations Manual, as instructed by us. We disclose the Table of Contents to the Operations Manual as Exhibit D to this Franchise Disclosure Document. (Franchise Agreement, Article 9).

## Initial Training Program

We provide a tuition-free initial Cousins Maine Lobster training program, which includes orientation to the System, customer service, operational management, financial management, computer software use (including the CML Mobile App), advertising, and marketing; and reporting procedures. The training lasts up to 10 to 12 days or less, depending on your existing experience level. It is currently held at our Los Angeles, California, Nashville, Tennessee, or Portland, Maine locations, but we may hold the training at one of our other locations in the future.

Training is not scheduled on a regular basis but will be offered to you before the opening of the franchised business, except for the Maine Product Education, which will be held before the opening of the franchised business or within 6 months of franchised business' opening, as season permits. You and your Designated Manager must attend and successfully complete to our satisfaction the initial training 30 days before the opening of the franchised business, except for the Maine Product Education, which must be successfully completed within 6 months of franchised business' opening, as season permits. If you and your Designated Manager do not complete the training to our reasonable satisfaction, we have the right to terminate the Franchise Agreement without refunding any money to you. You must pay for all travel, lodging, and other costs of initial training attendance. Thereafter, we may charge a fee for attendance of the initial training for new and replacement managers. If your Designated Manager is terminated, resigns, or no longer approved by us, your replacement Designated Manager must attend our training program within fifteen (15) days of the termination, resignation, or withdrawal of approval. Our current fee for a replacement and new managers is \$300 per attendee.

Training will focus on training for your owners and managerial staff. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Business.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates, as our training program continues to evolve. This training schedule is fully detailed in the Operations Manual and will change from time to time. (Franchise Agreement, Articles 9 and 10).

**TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
Finding a Location	2	0	Nashville, Tennessee; Portland, Maine; or other location
Accounting & Insurance	2	0	Nashville, Tennessee; Portland, Maine; or other location
Your Site: Design & Equipment	10	2	Nashville, Tennessee; Portland, Maine; or other location
Signage	2	2	Nashville, Tennessee; Portland, Maine; or other location
Preparing to Open	14	45	Nashville, Tennessee; Portland, Maine; or other location
Personnel Training and Customer Services	5	12	Nashville, Tennessee; Portland, Maine; or other location
Items Offered for Sale	3	0	Nashville, Tennessee; Portland, Maine; or other location
Preparation of Products	5	16	Nashville, Tennessee; Portland, Maine; or other location
Paperwork & Controls	3	0	Nashville, Tennessee; Portland, Maine; or other location
Evaluation & Compliance	2	2	Nashville, Tennessee; Portland, Maine; or other location
Cleaning & Maintenance	5	9	Nashville, Tennessee; Portland, Maine; or other location
Security & Safety	1	1	Nashville, Tennessee; Portland, Maine; or other location
Promoting & Marketing	8	3	Nashville, Tennessee; Portland, Maine; or other location

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Lobster Industry Education to include time on water and visit to processing and distribution centers	4	10	Nashville, Tennessee; Portland, Maine; or other location
Maine Product Education	8	14	Nashville, Tennessee; Portland, Maine; or other location
Total	74 Hours	116 Hours	

The instructional materials used for all topics of training will consist of the Operations Manual and videos, scripts, and PowerPoint presentations.

### Our Trainers

Below is a list of our trainers as of the issuance date of this Franchise Disclosure Document. WeThe identities of these employees may change as we may replace any or all of our trainers with qualified replacements. If a replacement trainer is used for training purposes, they will have adequate training and qualifications to provide all necessary training to your owners and managerial staff. Further, certain of our other employees may consult with you regarding various issues (like social media, legal, and the like) or conduct check-in calls with you during your opening or pre-opening period.

Jim Tselikis is our Owner and is a trainer for various training topics. Jim has operated Storefronts and other Cousins Maine Lobster® businesses since the inception of our affiliate, CML, in November 2011.

Sabin Lomac is our Owner and is a trainer for various training topics. Sabin has operated Storefronts and other Cousins Maine Lobster® businesses since the inception of our affiliate, CML, in November 2011.

Shaun Higgins is our and CMLF's President and is a trainer for all training topics. He has worked with Cousins Maine Lobster® businesses since August 2014.

Jameson Lyons is our and CMLF's Vice President of Branding and Innovation since August 2022, and is a trainer for various training topics. Jameson has been with us and CMLF since 2017 in roles including Executive Assistant and Brand and Project Manager.

Mike Carmody is our and CMLF's Vice President of Operations and is a trainer for all training topics. He has worked with Cousins Maine Lobster® businesses since 2017.

Allison Pillar is our and CMLF's Director of Compliance since 2023 and is a trainer for all training topics. From May 2021 to 2023, Allison was our (and CMLF's) Training and Compliance Manager. Allison has worked with both us and CMLF since 2017, working in a management role in company-owned Storefronts and Storefronts.

Erika Yaghoobzadeh is our Construction Manager and is a trainer for various training topics. Between 2017 and 2022, Erika was our and CMLF's Director of Brand Compliance.

Rich Pillar is our Compliance and ~~Distribution~~ Training Manager and is a trainer for all training topics. He has worked with both us and CMLF since 2021, training franchisees in the operation of their franchises and on brand standards.

### Other Training

In the event you are not operating your Storefront according to the Operations Manual, we have the right to require you and your staff to attend additional training, which will occur (at our option) either at your Storefront, Commissary, and Prep-Kitchen or at a Storefront and Commissary and Prep-Kitchen we operate. You may also request additional training, which we will provide at our option and subject to our availability. We have the right to charge you our then-current fee as published in the Operations Manual (currently, \$500 per day). Also, you must reimburse us our reasonable travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters. If the training occurs at a place other than your Storefront, you must pay for your (and your employees' travel, lodging, meals, and other expenses.

You and you Designated Manager, must attend and satisfactorily complete various training courses that we periodically provide at the times and locations we designate. Besides attending these courses, you must attend an annual meeting of all franchisees at a location we designate. You are responsible for all related travel and living expenses and wages.

## **ITEM 12**

### **TERRITORY**

#### Franchise Agreement

The Franchise Agreement specifies that we will not operate, nor license another party to operate, another Storefront under the Marks within the area identified on Addendum 1 to your Franchise Agreement (the "Territory"). This proximity protection will remain for the initial franchise term. You will operate your Storefront only in the Territory (with the exception of time-limited pop-ups), and you may not relocate your Territory without our permission. We will not consent to your relocation if it is within another Storefront's Territory. We may, under some circumstances, permit you to advertise and conduct business at time-limited pop-up events or locations outside of your Territory, but only if you do so following our rules.

Your Territory will be an area consisting of the lesser of: (i) approximately a population of 50,000 people; or (ii) a 5-mile radius. In determining the total population within your Territory, we generally consult the United States Census estimate, available via the Internet website located at [quickfacts.census.gov](http://quickfacts.census.gov).

You will operate your Storefront from one location and must receive our permission before relocating. We will charge you a relocation fee of \$10,000 in connection with our review of your relocation request. If you seek to relocate to a location that is outside of your Territory, we reserve the right not to approve any such relocation, and we will not consent to your relocation if it is within another franchisee's Territory.

Except when you do so in connection with a temporary pop-up event or location that we have approved, you are not permitted to distribute advertising items (i.e., coupons, circular advertising, or other forms of advertising that we permit) outside of your Territory. Other Storefronts will not be permitted to conduct permitted advertising within your Territory, but Food Trucks will be permitted to do so. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Territory. If you wish to provide catering or pop-up services to customers in your Territory, you must first request our approval to do so. If a customer requests catering

services and a Food Truck is located within your Territory, we may approve you or the Food Truck to provide such catering services at our sole discretion.

You may use, reference or promote your Storefront in connection with social media networks or platforms, but only with our approval and in compliance with our applicable policies. You are not permitted to have an individual website for your Storefront, but we (so long as you are in compliance with the Franchise Agreement) will list your Storefront on our System Internet web site, and we may provide you the opportunity to add some content to that site.

On renewal, acquiring a successor franchise, or transferring your franchise, your Territory may be modified. Depending on the then-current demographics of the Territory, and on our then-current standards for territories, if the Territory is larger than our then-current standard territory, we may require you or the transferee to accept a successor franchise territory or a transfer territory smaller than the Territory.

Your Territory will not be altered during the initial term of the Agreement if there is a population increase or decrease. We have the right to terminate our grant, or reduce the size, of your Territory if you default under the Franchise Agreement for, among other things, failing to maintain our standards, failing to pay for food you have received from our Affiliate, or failing to pay the royalty and other fees when they become due. There are no other circumstances under which we will modify your territorial rights. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Below we list the exceptions that make the territory non-exclusive as defined by disclosure guidelines.

#### Limitations on Territorial Rights

Except as stated above, we and our affiliates retain all rights ~~in~~within the Territory ~~for engaging to engage~~ in any activities we deem appropriate ~~whenever and wherever we desire~~, including, but not limited to the following rights:

- (1) The right to establish or operate or license any other person or entity to establish and operate Storefronts or Food Trucks, or Non-Traditional Locations operating under the Marks within the Territory. A “Non-Traditional Location” ~~is~~includes a Cousins Maine Lobster® Storefront or Food Truck that is located at or in a transportation facility (including airports, rail or bus terminals, toll road plazas, and highway rest stops); port of call; ~~sporting facility, arena, or stadium;~~ urban office building; convention center; ~~convenience store or service station; supermarket; carnival or street fair;~~social club; retirement and/or senior living facility or other special use facility; institutional feeding facility; government or military institution, base, or facility; shopping mall; educational facility; casino; hotel; vacation club or timeshare; resort property; amusement park or amusement center.
- (2) The right to establish or operate or license any other person or entity to establish and operate other facilities, businesses, kiosks, outlets, food trucks, mobile units, or Internet websites under trademarks or names other than the Marks, which are not Cousins Maine Lobster® Storefronts, inside or outside of your Territory.
- (3) The right for Food Trucks to: (a) operate within your Territory, except for the area that is within one-half (1/2) mile of your Storefront; and (b) locate, establish, and operate commissary or prep-kitchen sites in your Territory.
- (4) The right to provide, offer and sell and to grant others the right to provide, offer and sell goods that are identical, similar to, and/or competitive with those provided at Storefronts, whether

identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including retail stores, grocery stores, the Internet, and electronic media) both inside and outside your Territory and on any terms and conditions we deem appropriate.

(5) The right to sell products and services using the Marks to customers located within your Territory, for so long as they are not sold at or provided from locations within your Territory. This includes the right to permit Food Trucks located within your Territory to provide catering services to customers in your Territory.

(6) The right to service Special Accounts within your Territory if you decline the opportunity to do so. A “Special Account” is a customer whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single Cousins Maine Lobster® business.

(7) The right to operate, and to grant others the right to operate Storefronts located anywhere outside your Territory under any terms and conditions we deem appropriate and regardless of proximity to your Territory.

(8) The right to acquire the assets or ownership interests of one or more businesses providing products and services like those provided at Storefronts, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licenses of these businesses) are located or operating (including in your Territory).

(9) The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Storefronts, or by another business, even if such business operates, franchises, and/or licenses competitive businesses within your Territory. We will not, however, re-brand any such businesses located inside the Territory by allowing them to use the Marks.

We are not required to pay you if we exercise any of the rights specified above within your Territory.

### Special Accounts

We have the exclusive right to contract with Special Accounts. If we establish a contract for facilities of a Special Account located in the Territory, we will offer you the first option ~~of providing to provide~~ the services to the Special Account within in the Territory at the prices and subject to the contract requirements we negotiate with the Special Account. If you accept the project, we will collect all amounts due from the Special Account and remit to you the amount due for products and services rendered ~~Special Account~~, less the amount of royalties and other fees due under the Franchise Agreement. All amounts collected from Special Accounts on your behalf or by you will be included in your Gross Sales for purposes of calculating royalties.

If you decline to accept the opportunity to work with the Special Account, we will have the unfettered right to fulfill the contract requirements to the Special Account in the Territory in any manner we deem suitable, including through another Cousins Maine Lobster® franchise or business owned by us or our Affiliate, or through a third-party contractor. Additionally, if at any time a Special Account for any reasonably requests that services in the Territory be provided by someone other than you, we may revoke your option or right to provide or continue to provide the services and may fulfill the contract requirements of the Special Account in the Territory in any manner we deem suitable.

### Right of First Refusal

You will not have the right of first refusal to acquire additional franchises within your Territory. ~~You will not have the right of first refusal to acquire additional franchises within your Development Area (if you have one) except as stipulated under your Development Schedule, and then only to that extent.~~ We do not customarily grant to franchise owners options, rights of first refusal or similar rights to acquire additional franchises outside of their respective ~~protected areas~~territories.

Other Franchise Systems

As stated above, our affiliate CMLF franchises the right to operate food truck restaurants at Non-Traditional Locations under the Marks. We and our affiliates have the right to operate other restaurant concepts, but as of the date of this Franchise Disclosure Document, neither we nor our affiliates have operated or franchised other businesses selling or leasing similar products or services under different trademarks.

**ITEM 13**

**TRADEMARKS**

Under the Franchise Agreement, we grant you the nonexclusive right to use our Marks in connection with the operation of your Storefront. You may also use our other current or future trademarks to operate the Storefront. We have registered the following marks on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”):

<b>Trademark</b>	<b>Registration Number Registration Date</b>	<b>International Class of Goods</b>
COUSINS MAINE LOBSTER (Word Mark)	4365726 July 9, 2013	29, 31
COUSINS MAINE LOBSTER (Word Mark)	5495260 June 19, 2018	43

We have filed all required affidavits relating to the registered Marks shown above.

All Marks are owned by our affiliate, CML, which has granted to us, under license (the “Intellectual Property License”), the right to use and franchise the Marks and associated trade names, trademarks, service marks, logotypes and other commercial symbols and copyrights and proprietary materials in the United States by and to operators of Storefronts. The Intellectual Property License does not contain any significant limitations on our right to use or license the Marks to you, and will continue until terminated, which can only occur upon our dissolution. Upon such event, you may lose your right to use the Marks. Except as described above, no currently effective agreements significantly limit our rights to use or license the use of the Marks.

No currently effective agreements significantly limit our rights to use or license the use of the Marks. There are presently no effective determinations by the United States Patent and Trademark Office, the Trademark Trial And Appeal Board, the Trademark Administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving the Marks. We are unaware of any infringing uses that could materially affect your use of our Marks.

You will have the right to use all our Marks in the operation of your Storefront. However, you must use the Marks only for the operation of your Storefront and in the manner authorized by us. You cannot use the names or Marks as part of a corporate name or with modifying words, designs or symbols except for those

which we license to you. You may not use our Marks in connection with the sale of unauthorized goods or services, or in a manner not authorized in writing by us.

You must notify us immediately in writing of any apparent infringement or challenge to your use of our trademarks. We have the sole discretion to take such action as we deem appropriate. We are not obligated by the Franchise Agreement or other agreement to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving our Marks. We will have sole control over any litigation or proceeding.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition resulting from that use.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions for such modification, discontinuance, or substitution within a reasonable time after you receive notice from us. You, in connection with the use of a new or modified mark, may be required, at your own expense, to remove existing signs from your Storefront, and to purchase and install new signs. We do not have to reimburse you for the costs you incur for making these changes.

## **ITEM 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

#### **Patents and Copyrights**

No patents are material to the franchise.

We claim copyright protection of the Operations Manual and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

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

#### **Improvements**

If you or your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes (“Improvements”) in the operation of your Storefront, you will grant-back exclusive rights in these Improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Storefront, Operations Manual and the System for use by all

franchisees, us or any affiliate. You must obtain our express written consent before making any modification or derivative work.

### Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the “Confidential Information”). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Operations Manual and in guidance furnished to you during the term of the Franchise Agreement.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a Storefront during the term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure of Confidential Information to employees of your Storefront.

The Operations Manual will at all times remain our property exclusively. We may revise the Operations Manual, and you must comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

Your Storefront must at all times be under your direct, day-to-day, full-time supervision. If you are a legal entity, you must have a Designated Manager, approved by us, ~~to act as an on-premises supervisor~~. Your Designated Manager does not need to hold an equity interest in you. Your Designated Manager will be required to attend and successfully complete our initial training program. If your Designated Manager is unable to complete (or pass) our initial training program, we will require you to designate an alternative Designated Manager that must attend and pass the initial training program. Your Designated Manager must use his or her best efforts in the operation of your Storefront.

If you are a legal entity, then all your directors, members, partners, and/or officers and any individual that owns an interest in you or the Franchise Agreement must sign our Owner Agreement assuming and agreeing to be personally responsible for all of the obligations of the Franchise Agreement, and agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Owner Agreement is attached to the Franchise Agreement as Addendum 2. If you are married, we require your spouse to sign the Owner Agreement. You also must ensure that your Designated Manager and any of your employees that have access to our trade secrets and confidential information each sign the ~~Confidentiality/Non-Competition~~ Sample System Protection Agreement (Exhibit ~~HG-2~~), and you must forward a copy of these signed agreements to us.

## ITEM 16

### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only services and products that have been approved and specified by us in the Operations Manual and any updates that are incorporated in the Operations Manual from time to time. You may not offer for sale any services or products not specifically approved by us in writing and you may not use your Storefront premises for any other purpose than the operation of a Storefront and the sale of services or products approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Operations Manual. There are no limits on our ability to make changes to the services or products we require you to sell.

You may only advertise, sell and accept orders from your Site, and not from or at any location other than the location of your Storefront, unless we have approved otherwise. We may (but are not required to) approve you to provide catering or delivery services, or to operate temporarily at pop-up locations or events. In that event, you may only provide catering or delivery services within the service area (or at the location or event) we approve. You may not advertise or sell products through other channels of distribution such as wholesale, Internet or mail order sales. You may not establish an account or participate in any social networking sites or mention or discuss the franchise, us or any of our affiliates, without our prior written consent and subject to our on-line policy.

If permitted by applicable law, we may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase additional equipment and pay any fees relating to the use of that equipment. If we establish a gift card or loyalty program, we have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards. Loyalty points earned at one Food Truck or Storefront can be redeemed at other Food Trucks or Storefronts. We currently administer rewards programs, loyalty card programs, and other promotions and programs through the CML Mobile App. You will be required to honor and comply with any programs we implement through the CML Mobile App or otherwise and will be required to purchase the required equipment to allow use of the CML Mobile App (~~iPad and the scanner we designate~~).

## ITEM 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

#### THE FRANCHISE RELATIONSHIP

**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.**

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	Agreement starts on the date it is signed and ends 10 years after the date you open your Storefront for business.
b. Renewal or extension of the term	Section 5.2	You are permitted to acquire an additional term of 5 years if you meet the requirements listed in Article 5 of the Franchise Agreement
c. Requirements for franchisee to renew or extend	Section 5.2	Advance written notice, not less than 6 months or more than 9 months, to renew; sign most current form of Franchise Agreement which may contain substantially different terms and conditions than your current

Provision	Section in Franchise Agreement	Summary
		<p>Franchise Agreement, including a smaller geographic Territory; each of your owners must execute a general release in the then-current form; you cannot be in default of any provision of the Franchise Agreement and not have committed two or more breaches of the Franchise Agreement during any 12-month period during the term; have the right to continue to occupy your approved location or move to a different location we approve; you must remodel your Storefront and reimburse us for our costs to inspect it; prove that you have all current licenses, insurance, and permits; have fully performed your obligations under the Franchise Agreement, including obligation to be current in payment of all monetary obligations to us, and; be in compliance with our then-current training requirements; and pay our successor agreement fee of ten thousand dollars (\$10,000).</p> <p>If you seek to acquire a successor franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.</p>
d. Termination by franchisee	Section 17.6	Subject to state law, you may terminate the Franchise Agreement by notice to us if we fail to perform material obligations. You must give us notice, and 60 days to cure or commence cure.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section 17.1 – 17.3	We can terminate the Franchise Agreement, automatically or by notice to you, with or without a cure period, if you breach a material provision of the Franchise Agreement.
g. “Cause” defined – curable defaults	Sections 17.2 and 17.3	<p>You have 14 days after notice to cure breaches relating to your:</p> <ul style="list-style-type: none"> <li>(a) failure to obtain or maintain required insurance coverage;</li> <li>(b) employees or independent contractors failure to obtain and maintain any permit or license necessary for operating your Storefront;</li> <li><del>(c)</del> owners engaging in a dispute with one another (deadlock) that materially affects the operation of your Storefront, which dispute or deadlock remains unresolved after the expiration of the 30-day cure period;</li> <li>(d) failure to resolve customer complaints and/or disputes in a timely manner.</li> </ul> <p>You will have five (5) days to cure a breach for failure to pay amounts you owe us or our Affiliates, or for your failure to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to a bona fide dispute). You will have forty-eight (48) hours to cure a breach for selling unapproved products or services (other than seafood or lobster, soups, bread, <u>or</u> proprietary packaging, in which case you will not have any opportunity to cure).</p> <p>You will have fourteen (14) days after notice to cure any breaches of the Franchise Agreement not listed in Sections 17.1, 17.2, or 17.3.</p>
h. “Cause” defined – non-curable defaults	Sections 17.1 and 17.2	Your Franchise Agreement will terminate automatically, without your ability to cure any defaults, if you:

Provision	Section in Franchise Agreement	Summary
		<p>(a) Become insolvent or make a general assignment for the benefit of creditors;</p> <p>(b) File a petition in bankruptcy, or such a petition is filed against you and you do not oppose it, or are adjudicated as bankrupt or insolvent. I Have a bill in equity or other proceeding for the appointment of a receiver of (1) you; (2) the Storefront; or (3) another custodian for your business or assets, is filed or consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part of them, is appointed by any court of competent jurisdiction.</p> <p>(d) Have proceedings for a composition with creditors under any state or federal law instituted by or against you.</p> <p><del>(e)</del> Have a final judgment against you in the amount of twenty five thousand (\$25,000) dollars or more that remains unsatisfied or of record for thirty (30) days or longer.</p> <p>(f) Dissolve or liquidate.</p> <p>(g) Have execution levied against your business or property.</p> <p>(h) Have the real or personal property of the Franchised Business sold after levy by any sheriff, marshal, or constable, or foreclosed upon.</p> <p>You will not have an opportunity to cure defaults, and we are entitled to terminate the Franchise Agreement upon notice, if you:</p> <p>(i) Fail to open your Storefront on or before the date required under the Franchise Agreement;</p> <p>(j) Fail to begin operating your Storefront within ten (10) months of the Effective Date;</p> <p>(k) Abandon your Storefront or fail to keep it open for a period of three (3) or more consecutive days, unless it is for a reason beyond your control;</p> <p>(l) Or any of your managers, officers, members, directors, or owners are convicted of or plead no contest to a felony or other criminal misconduct relevant to the operation of your Storefront;</p> <p>(m) Make an unauthorized transfer of the business;</p> <p>(n) Have your lease cancelled.</p> <p>(o) Fail to comply with any material federal, state, or local law or regulation applicable to the operation of your Storefront;</p> <p>(p) Receive from us 2 or more notices of default under the Franchise Agreement within a 12 month period regardless of whether you cured those defaults;</p> <p>(q) Submit on two or more occasions during the term financial information which understates your Gross Revenue by more than 2%, unless you demonstrate that such understatement resulted from inadvertent error;</p> <p>I Make any material misrepresentations relating to your acquisition of the franchise or in connection with the operation of the franchise including any intentional understatement of revenue or failure to report revenue;</p> <p>(s) Fail to allow or cooperate with audits or inspections;</p> <p>(t) Violate any covenant not to compete or relating to confidential information;</p> <p>(u) Interfere or attempt to interfere with our actual or prospective contractual relations with any person or company;</p>

Provision	Section in Franchise Agreement	Summary
		<p>(v) Engage in any activity that has a material adverse effect on the System or the Marks;</p> <p>(w) Offer or sell any unapproved seafood, soups, or bread;</p> <p>(x) Challenge the validity of, materially misuse, or make any unauthorized disclosure, use, or duplication of our Confidential Information or our Marks;</p> <p>(y) Or any of your owners, officers, directors, managers, members, agents, or employees make any misrepresentation relating to, or violate, the United States' laws against terrorism;</p> <p>(z) Or your affiliates breach the terms of any other agreement with us or our affiliates, which default remains uncured after the expiration of any applicable cure period;</p> <p>(aa) You advertise, offer or sell products or services within the franchise territory of another Cousins Maine Lobster® franchisee; or</p> <p>(aa) Fail to achieve or exceed the minimum score under a System standards inspection two (2) or more times in any twelve (24)-month period.</p>
i. Franchisee's obligations on termination/non-renewal	Articles 16 and 18	Upon termination you must cease operating as a Storefront, not compete with us, not divert customers, not use our confidential information, pay all sums due us, cease to use the Marks, assign the lease to us at our request, cancel any fictitious name which contains the Marks, turn over all Operations Manual, records, files and any materials relating to the operation of your Storefront, cancel or transfer all telephone numbers and directory listings to us, comply with all covenants, and pay us liquidated damages.
j. Assignment of contract by franchisor	Section 15.1	We may transfer all or any part of the System, the Franchise Agreement, or the Marks without your consent.
k. "Transfer" by franchisee – defined	Section 15.2	Includes transfer of contract, premises of your Storefront, assets, or change of any portion of your ownership (if you are a legal entity)
l. Franchisor approval of transfer by franchisee	Section 15.3	You cannot transfer the Franchise Agreement without our consent.
m. Conditions for franchisor approval of transfer	Section 15.3	<p>We have the right to condition our approval of any transfer proposed by you upon the following:</p> <p>(a) You must be in full compliance with the Franchise Agreement and pay all outstanding fees owed to us or our its affiliates;</p> <p>(b) We must have declined our right of first refusal;</p> <p>I Your transferee must complete and submit all applications required for prospective franchisees at the time of the assignment and be approved by us;</p> <p>(d) Your transferee must execute our then-current form of franchise agreement, or assume your existing franchise agreement (at our option);</p> <p>‡(e) You must pay us a transfer fee of \$10,000 (<u>\$2,500 of which is due when you ask for our approval</u>);</p> <p>(f) At your or your transferee's expense, upgrade, remodel, or replace the assets used by your Storefront;</p> <p>(g) Your transferee must have completed the initial training program to our satisfaction;</p> <p>(h) You and your owners must execute a general release of all claims against us, our affiliates, and shareholders, officers, directors, employees, agents, successors, and assigns;</p>

Provision	Section in Franchise Agreement	Summary
		<p>(i) If any part of the sale price is financed, you must agree that all obligations of the transferee under any promissory note or financing statement will be subordinate to its obligations to pay amounts due to us and our Affiliates;</p> <p>(j) Your transferee must assume all of your liabilities and obligations relating to your Storefront; and</p> <p>(k) You must execute a written agreement not to compete in favor of us and your transferee, with terms the same as those contained in your Franchise Agreement.</p>
n. Franchisor's right of first refusal to acquire franchisee's business	Section 15.4	You must give us written notice of intent to sell or otherwise transfer the Franchise Agreement at least 60 days before you intend to transfer. We have 30 days from the date that you give us written notice to determine whether we will exercise our right of first refusal. We can match any bona fide written offer for your Storefront.
o. Franchisor's option to purchase franchisee's business	Section 18.6	At termination or expiration of the Franchise Agreement, we have the option to purchase your assets for fair market value. The fair market value will be determined by an independent Storefront equipment supplier we select.
p. Death or disability of franchisee	Sections 15.7 and 17.9	The estate of the deceased or incapacitated franchisee must, within fifteen (15) days from the date of death or disability, appoint a new Designated Manager if the deceased or incapacitated person was the Designated Manger. If that does not happen, we can exercise our Step-In Rights and operate your Storefront until a new Designated Manager is appointed. You or your estate will have six (6) months from death, disability, or incapacity to transfer your franchise to a new person approved by us.
q. Non-competition covenants during the term of the franchise	Section 16.4	Subject to state law, you must not be in any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) products that are the same as or similar to those provided by Storefronts or in which our intellectual property or other confidential information could be used to the disadvantage of us, any of our Affiliates, or any Food Truck or franchisee (a "Competitive Business"), other than a franchise operated under a franchise agreement with us.
r. Non-competition covenants after the franchise is terminated or expires	Sections 16.5 and 16.6	Subject to state law, you may have no involvement in any Competitive Business within: (a) fifteen (15) miles of the Territory or any Storefront then in existence or under construction; or (b) the territory of any Storefront or Food Truck that is then in operation, for a period of 2 years after your Franchise Agreement is terminated or expires. You must not solicit customers of your Storefront or any other Storefront for a period of three (3) years. Except in the operation of a Storefront under a valid franchise agreement, you may not use our Trade Secrets in any business or other endeavor after your Franchise Agreement is terminated or expires. You must completely disassociate yourself from the Marks and return the Operations Manual and other confidential materials provided to you by us. You may not divert any business from us. You must also cancel or transfer all telephone numbers and directory listings to us.
s. Modification of the agreement	Section 20.3	Changes to the Franchise Agreement must be made in writing and agreed to by both parties.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 20.13	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 19	Subject to federal and your state’s law, all disputes must first be submitted to non-binding mediation in accordance with the commercial mediation rules of the American Arbitration Association (“AAA”). If the mediation is not successful, then the dispute must be submitted to arbitration before the AAA.
v. Choice of forum	Section 19.9	Subject to state law, any arbitration or litigation must be pursued in courts located in Portland, Maine. See any state-specific addendum attached in Exhibit <del>FE</del> .
w. Choice of law	Section 19.1	Federal trademark law, and other federal laws govern where applicable. Otherwise, Maine law applies, except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law.

## **ITEM 18**

### **PUBLIC FIGURES**

Barbara Corcoran (through her entity BCH Holdings, Inc.) owns fifteen percent (15%) of us and of our affiliates, ~~CML and CMLF and CML~~. She is a business consultant, real estate investor, author, public speaker, and TV personality on ABC television’s television’s show “Shark Tank.” Ms. Corcoran is an active member of us and of our Affiliates ~~without decision making abilities, but, possessing certain voting rights, but is not involved with day-to-day management.~~ Ms. Corcoran offers experience, advice, and helps us promote the Marks. Ms. Corcoran invested \$55,000 in exchange for her equity ownership interests in us and our Affiliates.

## **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 this 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.

Below is a historic representation based on the past performance of existing Storefronts, specifically, the Gross Sales for the period of January 1, ~~2023~~2024, to December 31, ~~2023~~2024, of all franchised Storefronts open during ~~2023~~2024. These franchisees were open for all 12 months in 2023 ~~(the Marietta Storefront permanently closed on December 28, 2023)~~2024. We did not include data from our Ohio or North Carolina Storefronts as they closed in 2024 (and were not open for the entire year). We did not include data from our

California Storefront because it opened in 2024. The annual gross sales information was obtained by us directly from franchisees' point of sales systems.

Fiscal Year 20232024 (January 1, 20232024 – December 31, 20232024)  
Annual Gross Sales for Cousins Maine Lobster® Storefronts owned by franchisees

<b>Table 1: Cousins Maine Lobster® Restaurants</b>					
<b>Fiscal Year 2024 (January 1, 2024– December 31, 2024)</b>					
<b>Annual Gross Sales for Cousins Maine Lobster® Restaurants owned by franchisees that operated for a full 12 months (unless noted otherwise)</b>					
<b>Location #</b>	<b>Avg. Monthly Sales</b>	<b>Median Monthly Sales</b>	<b>Highest Monthly Sales</b>	<b>Total Gross Sales - Lowest Monthly Sales</b>	<b>Notes Total Gross Sales</b>
Asbury Park1	\$126,180.04 118,693.9 4	\$87,570.05 73,098.8 9	\$316,219.6 0 302,120.50	\$1,514,160.4 \$ 30,939.15 18,878.55	\$1,424,327.23
Budd Dairy Food Hall2	\$70,361.21 51,168.86	\$72,348.25 48,972.7 3	\$85,113.14 86,239.72	\$844,334.55 \$ 1,844.50 43,306.76	Limited operating hours due to facility restrictions \$614,026.3 3
Lenox Mall3	\$53,011.67 52,996.25	\$52,436.75 42,215.1 7	\$61,980.00 170,485.68	\$636,140.05 \$ 15,124.50 34,060.00	Limited operating hours due to facility restrictions \$635,955.0 3
Marietta Food Hall	\$43,225.87	\$43,755.75	\$57,035.50	\$35,433.00	\$518,710.40 Limited operating hours due to facility restrictions; closed permanently on December 28, 2023

<b>Table 2: Cousins Maine Lobster® Restaurants</b>	
<b>U.S. Average Gross Sales</b>	
<b>FOR THE PERIOD January 1, 2024 – December 31, 2024.</b>	
	<b>Franchise Units</b>
<b>Number of Units</b>	<b>3</b>
Morgan Street Food Hall \$58,730.44 <b>Average Annual Gross Sales</b>	\$891,436.20 \$70,671.62 \$1,464.40 635,955.03
<b>Median</b> (Min – Max)	(\$704,765.29 - 614,026.33 - \$1,424,327.23) limited operating hours due to facility restrictions
<b>Number of Units at or Above Average</b> (% of Units)	<b>1</b> (33.33%)

<b>Table 3: Cousins Maine Lobster® Restaurants</b>	
<b>New Unit Weekly Gross Sales – Total New Units Opened in 2024</b>	
<b>FOR THE PERIOD January 1, 2024 to December 31, 2024.</b>	
	<b>Franchise Units</b>
<b>Number of New 2024 Units</b>	<b>1</b>
Neptune Beach \$50,038.06 <b>Average Weekly Gross Sales</b>	\$163,868.75 \$40,578.00 \$708,456.60 \$1,061.62 30,748.13
<b>Average Weeks Open</b>	<b>35.86</b>

At your reasonable request, we will provide you with written substantiation for this financial performance representation. See the notes below, which are a material part of this Item.

(1) **Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**

(2) As used in this Item 19, "Gross Sales" means all revenue accrued from the sale of all products and performance of services in, at, upon, about, through or from the Storefront, whether for cash or credit and regardless of collection in the case of credit, and income of every kind and nature related to the Storefront, including insurance proceeds and/or condemnation awards for loss of sales, profits or business, as well as the full retail value of any gift certificate or coupon sold for use at the Storefront (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales). Gross Sales does not include:

- (i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by the franchisee to the appropriate governmental authority;
- (ii) cash refunds to customers and valid coupons given by your Storefront and used by customers, provided the full price of any product or service was first included in Gross Sales; or
- (iii) tips from customers given to employees.

(3) The revenue representations in this Item do not reflect the cost of sales, operating expenses, or other expenses that must be deducted from Gross Sales figures to obtain net income or profit. The figures above do not reflect any of the expenses necessary to operate a Cousins Maine Lobster® Storefront. Some of the outlets included in this financial performance representation are operated under older forms of franchise agreements than the one included in this Franchise Disclosure Document. Otherwise, we are not aware of any characteristics of the outlets included in this financial performance representation that may differ materially from those of a new franchisee's outlet.

Other than the representation given above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or 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. Additionally, written substantiation for the financial performance representations above will be made available to you upon reasonable request. 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 Sabin Lomac at CML Storefront, LLC, 125 John Roberts Road, Unit #2, South Portland, ME 04106.

## **ITEM 20**

### **OUTLETS AND FRANCHISEE INFORMATION**

#### **TABLE NO. 1.**

#### **Systemwide Outlet Summary for Years ~~2021~~2022 through ~~2023~~2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2021</del>	<u>7</u>	<u>5</u>	<u>-2</u>
<u>Franchised</u>	2022	5	7	+2
	2023	7	5	-2
Company-Owned	<del>2021</del> <u>2024</u>	<u>15</u>	<u>14</u>	<u>0-1</u>
<u>Company-Owned</u>	2022	1	0	-1
	2023	0	0	0
Total Outlets	<del>2021</del> <u>2024</u>	<u>80</u>	<u>60</u>	<u>-20</u>
<u>Total Outlets</u>	2022	6	7	+1
	2023	7	5	-2
	<u>2024</u>	<u>5</u>	<u>4</u>	<u>-1</u>

TABLE NO. 2

**Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years ~~2021~~2022 through ~~2023~~2024**

State	Year	Number of Transfers
Georgia	<del>2021</del> <u>2022</u>	0
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>
<u>Total</u>	2022	0
	2023	1
<u>Total</u>	<del>2021</del> <u>2024</u>	0
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>

TABLE NO. 3

**Status of Franchised Outlets for Years ~~2021~~2022 through ~~2023~~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
<u>Arizona</u>	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	1	0
<u>Arizona</u>	<del>2021</del> <u>2024</u>	0	0	0	0	0	0	0
<u>California</u>	2022	0	<u>10</u>	0	0	0	0	<u>10</u>
	2023	<u>10</u>	0	0	0	0	<u>10</u>	0
<u>Florida</u>	<del>2021</del> <u>2024</u>	<u>20</u>	<u>01</u>	<u>10</u>	0	0	0	1
<u>Florida</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<u>Georgia</u>	<del>2021</del> <u>2024</u>	<u>21</u>	0	0	0	0	0	<u>21</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations - Other Reasons</u>	<u>Outlets at End of the Year</u>
<u>Georgia</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	1	0	0	1
<u>New Jersey</u>	<del>2021</del> 2024	<del>0</del> 1	0	0	0	0	0	<del>0</del> 1
<u>New Jersey</u>	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<u>New York</u>	<del>2021</del> 2024	<del>1</del> 1	0	0	0	0	<del>1</del> 0	<del>0</del> 1
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
<u>North Carolina</u>	2021	1	0	0	0	0	0	1
<u>North Carolina</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<u>Ohio</u>	<del>2021</del> 2024	<del>0</del> 1	<del>1</del> 0	0	<del>0</del> 1	0	0	<del>1</del> 0
<u>Ohio</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<u>Tennessee</u>	<del>2021</del> 2024	<del>1</del> 1	0	0	0	0	1	0
<u>Tennessee</u>	2022	<del>0</del> 1	0	0	0	0	<del>0</del> 1	0
	2023	0	0	0	0	0	0	0
<u>Total Outlets*</u>	<del>2021</del> 2024	<del>7</del> 0	<del>1</del> 0	<del>1</del> 0	0	0	<del>2</del> 0	<del>5</del> 0
<u>Total Outlets*</u>	2022	5	2	0	0	0	0	7
	2023	7	0	0	1	0	1	5
	2024	<u>5</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>4</u>

\*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

TABLE NO. 4

**Status of Company-Owned Outlets for ~~2021~~2022 through ~~2023~~2024**

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Reacquired from Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisees</u>	<u>Outlets at End of the Year</u>
<u>California</u>	<del>2021</del>	<del>1</del>	0	0	0	0	<del>1</del>
<u>California</u>	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
<u>Total *</u>	<del>2021</del> 2024	<del>1</del> 0	0	0	0	0	<del>1</del> 0
<u>Total *</u>	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
	2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

\* "Company-Owned" refers to outlets owned by our affiliates.

TABLE NO. 5

**Projected Openings for ~~2024~~2025 As of December 31, ~~2023~~2024**

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
<del>California</del> Illinois	<del>2</del> 1	1	0
<del>Illinois</del> Pennsylvania	<del>1</del> 1	1	0
Total	3	2	0

Some current and former franchisees have signed a confidentiality clause in a Franchise Agreement, settlement agreement or other contract within the last three years that would restrict their ability to speak openly with you about their experience with us.

A list of our current franchisees as of the end of our fiscal year on December 31, ~~2023~~2024 is attached to this Disclosure Document as “Exhibit ~~II~~-1.” A list of franchisees that signed an agreement with us but were not yet operational as of the end of our fiscal year on December 31, ~~2023~~2024 is attached to this Disclosure Document as “Exhibit ~~II~~-2.” A list of franchisees that left the System as of the end of our fiscal year on December 31, ~~2023~~2024 is attached to this Disclosure Document as Exhibit “~~II~~-3.” Other than as listed in Exhibit “~~II~~-3,” no Franchisee had an agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not created, sponsored, or endorsed any trademark-specific organization of franchisees associated with our franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Attached to this FDD as Exhibit C-1 are our audited financial statements as of December 31, ~~2023~~2024, December 31, ~~2022~~2023, and December 31, ~~2021~~2022. Our fiscal year ends on December 31<sup>st</sup>.

Also attached as Exhibit C-2 are the audited financial statements as of December 31, ~~2023~~2024, December 31, ~~2022~~2023, and December 31, ~~2021~~2022 of CMLF. CMLF is providing Guarantees of Performance solely with respect to ~~California~~, Hawaii, Minnesota, and Virginia franchisees. Copies of the Guarantee of Performance is attached as Exhibits ~~CD-3, CD-4, and D-5 and C-6~~.

~~We are also attaching unaudited financial statements as of March 31, 2024 for both CMLF and CMLS.~~

## **ITEM 22**

### **CONTRACTS**

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document. At this time, these are the only contracts that we expect that we will enter into with a franchisee in any state, although we reserve the right to enter into different types of contracts with its franchisees as our business develops. As a prospective franchisee, you should obtain independent legal and financial advice concerning this franchise offering as you deem appropriate before making any commitment.

Exhibit B: the Franchise Agreement

Addenda to Franchise Agreement:

1. Information Regarding You and Your Storefront; Territory
2. Owner Agreement
3. ~~Electronic Funds Transfer Authorization~~
4. ~~Conditional Assignment of Lease~~
5. ~~Lease Addendum~~
6. Conditional Assignment
7. ~~Franchise Relationship Acknowledgement~~
8. ~~Renewal Addendum~~

Exhibit E: Form of General Release

~~Exhibit FE~~: State-Specific Addendum

~~Exhibit GF~~: Compliance Questionnaire

**We will not ask you to complete the Compliance Questionnaire, and we will disregard any answers from you, if you live or plan to operate your franchise in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin.**

Exhibit G: Sample Contracts for Use With Cousins Maine Lobster® Business

<u>Exhibit G-1</u>	<u>Sample General Release Agreement</u>
<u>Exhibit G-2</u>	<u>Sample System Protection Agreement</u>
<u>Exhibit H:G-3</u>	<u>Sample Confidentiality and Non-Compete Agreement</u>
<u>Exhibit G-4</u>	<u>Sample Collateral Assignment of Lease</u>
<u>Exhibit G-5</u>	<u>Sample Lease Addendum</u>
<u>Exhibit G-6</u>	<u>Sample Renewal Addendum to Franchise Agreement</u>
<u>Exhibit G-7</u>	<u>Sample Franchise Relationship Acknowledgment</u>
<u>Exhibit G-8</u>	<u>Sample Electronic Funds Transfer Authorization</u>

**ITEM 23**

**RECEIPTS**

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document are attached to this Franchise Disclosure Document as Exhibit ~~J~~I. Please complete both copies, detach and return the copy marked “Our Copy” to us and keep the other copy in the Franchise Disclosure Document for your own records.

CML Storefront, LLC

## EXHIBIT A

### **List of State Administrators and Agents for Service of Process**

**EXHIBIT A**  
**LIST OF STATE AGENTS FOR THE SERVICE OF PROCESS AND**  
**STATE ADMINISTRATORS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

State	Agents for Service of Process	Administrators
California	<p>California Commissioner of Financial Protection and Innovation:-</p> <p><u>Sacramento:</u>  <u>2102 Arena Boulevard</u>  <u>Sacramento, CA 95834</u></p> <p><u>Los Angeles:</u>            320 West 4<sup>th</sup> Street, Suite 750            Los Angeles, CA 90012-2344</p> <p><u>San Diego:</u>            1350 Front Street, Suite 2034            San Diego, CA 92101-3697</p> <p><u>San Francisco:</u>  <u>Department of Financial Protection and Innovation</u>  <del>One</del><u>One Sansome Street, #Suite 600</u>            San Francisco, CA 94104</p>	<p>Commissioner of <u>Financial Protection and Innovation</u>            Department of Financial Protection and Innovation  <del>One Sansome Street, #600</del>  <u>2101 Arena Boulevard</u>  <del>San Francisco</del><u>Sacramento, CA 94104-95834</u>  <u>(213) 576-7505 or (866) 275-2677</u></p>
Connecticut	<p>Connecticut Department of Banking            260 Constitution Plaza            Hartford, CT 06103-1800            (860) 240-8230</p>	<p>Banking Commissioner            260 Constitution Plaza            Hartford, CT 06103-1800            (860) 240-8230</p>
Florida	<p>Division of Consumer Services            Attn: Business Opportunities            Florida Department of Agriculture and Consumer Affairs            Mayo Building            Tallahassee, FL 32399-0800</p>	<p>Senior Consumer Complaint Analyst            Florida Department of Agriculture and Consumer Affairs            Mayo Building, Second Floor            Tallahassee, FL 32399-0800            (850) 922-2966 or (850) 488-2221</p>
Georgia	<p>Office of the Governor            Office of Consumer Affairs            2 Martin Luther King Jr. Drive SE            Plaza Level – East Tower            Atlanta, GA 30334</p>	<p>Office of Consumer Affairs            2 Martin Luther King Jr. Drive SE            Plaza Level – East Tower            Atlanta, GA 30334</p>
Hawaii	<p><u>Department of Commerce and</u>  <del>Commissioner of Securities</del><u>Consumer Affairs</u>            335 Merchant Street, Room 203            Honolulu, HI 96813            (808)-586-2722</p>	<p>Commissioner of Securities            335 Merchant Street, Room 203            Honolulu, HI 96813            (808)-586-2722</p>

State	Agents for Service of Process	Administrators
Illinois	Illinois Attorney General Attorney General's Office 500 South Second Street Springfield, IL 62706	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204	Chief Deputy Commissioner Securities Divisions 302 West Washington Street Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Iowa	Securities Division Lucas State Office Building Des Moines IA 50319	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, IA 50319-0066 (515) 281-4441
Kentucky	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875
Louisiana	[Not applicable]	Department of Justice Consumer Protection Office P.O. Box 94095 Baton Rouge, LA 70804-9095
Maine	[Not applicable]	Securities Division State House – Station 121 Augusta, ME 04333
Maryland	Maryland Securities Commissioner <del>Securities Division</del> 200 <del>Saint St.</del> Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD <del>21202</del> <u>21202-2020</u> (410) 576-6360
Michigan	Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48909	Consumer Protection Division Antitrust and Franchising Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
Nebraska	[Not applicable]	Staff Attorney Department of Banking and Finance 1200 N. Street., Suite 311 PO Box 95006 Lincoln, NE 68509-5006 (402) 471-3445

State	Agents for Service of Process	Administrators
New Hampshire	[Not applicable]	Office of the Attorney General Consumer Protection and Antitrust Bureau 25 Capitol Street State House Annex Concord, NH 03301
New York	Secretary of State 99 Washington Ave. Albany, NY 12231	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222
North Carolina	Securities Division Room 302 300 North Salisbury Street Raleigh, NC 27611	
North Dakota	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fourteenth Floor Dept 414 Bismarck, ND 58505-0510 Phone 701-328-4712	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fourteenth Floor Dept 414 Bismarck, ND 58505-0510 Phone 701-328-4712
Oklahoma	[Not applicable]	Oklahoma Department of Securities The Journal Record Building 621 N. Robinson Street Suite 400 Oklahoma City, OK 73102
Oregon	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
Rhode Island	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920
South Carolina	Secretary of State Capitol Complex Brown Building 1205 Pendleton Street Room 510 Columbia, SC 29210	[Not applicable]
South Dakota	Division of Insurance Securities Regulation 124 S. Euclid Suite 104 Pierre, SD 57501 (605) 773-3563	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) <del>773-4823</del> 773-3563
Texas	[Not applicable]	Secretary of State Statutory Document Section P.O. Box 12887

State	Agents for Service of Process	Administrators
		Austin, TX 78711 (512) 475-1769
Utah	[Not applicable]	Consumer Protection Division Utah Department of Commerce 160 East 300 South P.O. Box 48504 Salt Lake City, UT 84145-0804 (801) 530-6601
Virginia	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219
Washington	<del>Director of Department</del> <u>Washington Dept.</u> of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Administrator Department of Financial Institutions Securities Division <del>P.O.</del> Box 41200 Olympia, WA 98504-1200 (360) 902-8760
Wisconsin	Commissioner of Securities 345 W. Washington Street, 4 <sup>th</sup> Floor Madison, WI 53703	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701
Federal Trade Commission		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6 <sup>th</sup> Street NW Washington, DC 20580 (202) 326-3128

Our agent for service of process in Maine (and for all other states) is:

Nicholas R. Loukes  
125 John Roberts Road, Unit #2  
South Portland, ME 04106

**CML Storefront, LLC**

**EXHIBIT B**

**Franchise Agreement**



**Exhibit A**

**Franchise Agreement**

<b>SUMMARY</b>	
<b>Effective Date</b>	
<b>Franchisee's Name</b>	
<b>Franchisee's Address</b>	
<b>Approved Location</b>	
<b>Territory</b>	
<b>Signed Lease Deadline</b>	6 months after Effective Date
<b>Opening Deadline</b>	10 months after Effective Date

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**APPENDIX**

Glossary of Terms

**ADDENDA**

- 1. Information Regarding You and Your Storefront; Territory
- 2. Owner Agreement
- ~~3. Electronic Funds Transfer Authorization~~
- ~~4. Conditional Assignment of Lease~~
- ~~5. Lease Addendum~~
- ~~6. Conditional Assignment~~
- ~~7. Franchise Relationship Acknowledgement~~
- ~~8. Renewal Addendum~~

## FRANCHISE AGREEMENT

This Franchise Agreement is entered into on the Effective Date between CML Storefront, LLC, a Maine limited liability company (“we,” “us,” or “our”), and the person or legal entity identified in Addendum 1 to this Agreement (“you” or “your”).

### *Introduction: This Franchise Agreement*

This Franchise Agreement (“**Agreement**”) is written in a conversational tone to make it easier to read. In the context of the Agreement, CML Storefront, LLC, including all affiliates and subsidiaries, is referred to as “we,” or “us.” When we refer to things we own or obligations we have, we use the word “our.” The person, persons, or legal entity that sign this Agreement are collectively referred to as “you,” and the obligations you have or the things you own are referred to as “your.” When we refer to “you” or “your,” we are also referring to each and every one of your Owners and the obligations that each and every one of your Owners has to us. To further bind you and your Owners, we require each and every one of your Owners who own ten percent (10%) or more of your equity, stock, membership, or partnership interests to sign the Owner Agreement, which is attached as Addendum 2 to this Agreement.

In the Agreement, we sometimes capitalize the words we use. These are called “defined terms,” and whenever we use one of them, we are referring to the definition we have assigned to the word. When a word appears in parentheses, quotes, and bold, we are informing the reader that the word has been defined by the text surrounding the word where it appears. At the end of the Agreement, in the Appendix, we have included a Glossary of Terms to help you easily locate the definition of a defined term.

## RECITALS

- A. We own a System for the establishment and operation of fast-casual restaurants that sell lobster as well as other seafood, soups, breads, and food items, operated under the Marks and System using our Intellectual Property and Confidential Information (each, a “**Storefront**”).
- B. We have ownership rights to, have registered and intend to continue to develop names, trademarks, service marks, logos, commercial symbols, and styles. These include but are not limited to, “Cousins” and “Cousins Maine Lobster” (“**Marks**”).
- C. We have the right to license the Marks and the System in connection with the operation of Storefronts.
- D. You want to obtain the rights to use the Marks and want to be assisted, trained, and licensed by us, as our franchisee, to use the System and the Marks in the operation of your Storefront, and we are willing to grant you such rights under the terms and conditions of this Agreement.

You and we therefore agree as follows:

### 1. YOUR COVENANTS, UNDERSTANDINGS, AND REPRESENTATIONS

You understand, represent to us, certify, and agree to the following:

- 1.1. System Modifications. We reserve the right to modify any aspect or element of the Trade Dress and/or the System. This includes, but is not limited to, our right to: (1) modify, change or abandon the strategy on which Storefront are currently based; (2) add or change the standards for customer service and products; and (3) require the use of new or different equipment, Trade Dress, or Marks. We will

communicate these changes to you through the Operations Manual or other written correspondence. You must take prompt action to make any such addition, subtraction, revision, modification or change to your Storefront, and make reasonable expenditures as may be necessary to comply.

1.2. System Variations. Because complete uniformity under various market circumstances may not always be possible or desirable, we, in our discretion, reserve the absolute and exclusive right to vary the standards for any Storefront, Storefront, or franchisee based upon the customs or circumstances of a particular market area, density of population, existing business practices or any condition that we deem to be of importance to the operation of such franchisee's business. You acknowledge that the terms of our prior franchise offerings may have materially differed from the terms of this Agreement.

1.3. Accuracy of Information. You have ensured that all information you have given us in connection with your application for this franchise was complete and accurate when you gave it to us. You represent to us that there have been no material changes in that information or other changes in material circumstances between the time you submitted the information to us and the Effective Date.

1.4. Permits, Licenses, and Legal Requirements. You understand that the food and beverage business is a highly regulated business and that you will be required, under applicable Legal Requirements, to secure licenses and permission from the appropriate government authorities to operate your Storefront. It is your responsibility to familiarize yourself with all applicable Legal Requirements, and we have made no representations as to the nature of such Legal Requirements or your ability to qualify or comply with them.

1.5. Your Ownership. If you are a Business Entity, you represent that:

1.5.1. Each and every person who is an Owner of ten percent (10%) or more of your equity, stock, membership, or partnership interests has signed the Owner Agreement, attached as Addendum 2. We reserve the right to reject and prohibit any such person from entering into this Agreement as an Owner.

1.5.2. You are duly organized and validly existing under the laws of the state of your organization, and you are duly qualified to transact business in the state(s) in which your Territory is located.

1.5.3. You have the authority to execute and deliver this Agreement and all related agreements and to perform your obligations under all such agreements.

1.5.4. Your organizing documents state that your activities are restricted to those necessary solely for the development, ownership and operation of a Storefront in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates.

1.5.5. The articles or certificate of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interests are restricted by the terms of this Agreement.

1.5.6. All certificates representing direct or indirect legal or beneficial ownership interests in you, now or later issued, do or will bear a legend that conforms with the Legal Requirements reciting or referring to such restrictions.

If you are an individual or sole proprietorship but later become a Business Entity, you must ensure that you comply with, and that your organizing documents are consistent with, each one of the above requirements and representations.

1.6. Disclosure of Ownership Interests. You and, if you are a Business Entity, each of your Owners represents, warrants and agrees that the statements in **Addendum 1** are current, complete and accurate. You agree that updates or changes to **Addendum 1** will be furnished promptly to us, so that it (as revised and signed by you) is at all times current, complete and accurate; you acknowledge that this requirement to maintain the accuracy of Addendum 1 in no way amounts to a waiver of any of our rights related to the transfer of ownership interests in the Business Entity.

1.7. Anti-Terrorism Laws. Neither you, nor your Owners, principals, employees or anyone associated with you are listed in the Annex to Executive Order 13224. (The Annex is available at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf>.) You agree not to hire or have any dealings with any person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your Owners, principals, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws. In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that you and your Owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities in this Agreement pertain to your obligations under this Section.

1.8. Defined Terms. Capitalized terms are used in this Agreement with the meanings assigned in the Glossary of Terms attached as the **Appendix**.

1.9. Source of Lobster. All of our lobster is the species *Homarus Americanus*, which is a North American lobster species that is commonly known as Maine lobster. Our lobster may be caught in American or Canadian waters, and is cooked in American and/or Canadian processing plants. Our priority is in supporting our industry in Maine and the USA, but occasionally due to the seasonality of the product and supply and demand constraints, we look to Canada for sourcing.

1.10. Lobster Yields. As a natural (and live) product, there are several factors that can affect the amount of usable meat that is in any processed batch of lobster, including the season in which the lobster is harvested; the manner in which the product is handled on your end; the company that processes the lobster; and the water weight content of the processed lobster. Due to these and other factors, we cannot control the amount of usable lobster meat yielded per pound of lobster that you order from us or our Affiliate(s).

## 2. **GRANT OF FRANCHISE**

2.1. Grant of Franchise. Subject to the terms and conditions of this Agreement, we grant you the right to operate one (1) Storefront only within the Territory as identified in **Addendum 1**, for a period of ten (10) years from the date of this Agreement (the “**Storefront**”). You agree to equip and operate, under the terms of this Agreement and the Operations Manual, a single Storefront operating under the System offering specific Authorized Products and Authorized Services as specified by us, only under the Marks and only within the Territory.

2.2. Restrictions on License. You do not have the right to grant franchises or sub-licenses of any kind to any other party, nor do you have the right to operate more than one Storefront within the Territory, unless otherwise provided by separate agreement. You will not allow any part of your Storefront to be used for any purpose other than that explicitly granted to you by this Agreement or identified in the Operations Manual.

### 3. DEVELOPING AND EQUIPPING YOUR STOREFRONT

3.1. Approved Location and Relocation. Your Storefront will be located at the Approved Location listed on **Addendum 1**. If no Approved Location has been inserted in the blank space provided in **Addendum 1** at the time you and we execute this Agreement, it will be inserted when determined as outlined in Section 3.2 below.

3.1.1. You must select and obtain our approval of a site within three (3) months after the Effective Date. If you fail to meet this deadline, we will have the right to terminate this Agreement.

3.1.2. You may not relocate your Storefront without our prior written consent. If you wish to relocate, you must submit a written request to us along with a relocation fee of ten thousand dollars (\$10,000). We will not unreasonably withhold our approval of your relocation request, but we will not approve any such request if the proposed new location is outside of your Territory.

3.2. Site Selection. We will pay for the services of our Approved Supplier of real estate site selection services to assist you and us in evaluating potential sites for your Storefront. You agree that you are responsible for selecting the site for the Approved Location. You are responsible for independently investigating the demographic characteristics, competition, and market for the services that you will provide through your Storefront in the market area where you intend to operate. We will, however, provide you with guidance and our standards for site selection. Additionally, you will be required to engage a local general contractor to conduct an initial site inspection or site plan review. You must obtain our approval before you commit to a site.

3.2.1. You must seek our approval by advising us in writing of the street address and location for the proposed Storefront, and by providing us with a copy of any demographic information, floor plans, mechanical plans, materials prepared by the general contractor relating to initial site inspection or site plan review, photographs, proposed lease terms, and general market information that you possess on the proposed location as we require, in the form we prescribe. Within thirty (30) days after we receive the demographic information from you, we will approve or disapprove of the proposed site. If you and we do not agree on the site for your Storefront, you must attempt to locate another acceptable site. We reserve the right to approve or disapprove any site location you propose based upon our review of the site.

3.2.2. WE DO NOT REPRESENT THAT WE, OR ANY OF OUR AFFILIATES, OWNERS, EMPLOYEES, DESIGNATED CONSULTANTS OR AGENTS, HAVE ANY SPECIAL EXPERTISE IN SELECTING SITE LOCATIONS. NEITHER OUR ASSISTANCE NOR APPROVAL IS INTENDED TO INDICATE, OR INDICATES, THAT YOUR CML STOREFRONT WILL BE PROFITABLE OR SUCCESSFUL AT THE APPROVED LOCATION. YOU ARE SOLELY RESPONSIBLE FOR IDENTIFYING THE APPROVED LOCATION.

3.3. Our Approval of the Lease. Following our approval of the location for your proposed Storefront, you are required to obtain a local attorney to review and negotiate your lease agreement for the Approved Location. You must obtain our approval of any lease for the Approved Location by submitting to us a copy of the proposed lease prior to execution of said lease. You must submit a copy of the proposed lease to us after we accept your Approved Location. We will accept or reject the proposed lease as soon as practicable, but in no event longer than thirty (30) days after we receive it from you. You must not enter into any lease for the Approved Location unless you have received our acceptance. When executing the lease (and regardless of whether we have accepted the lease), you must not agree to any lease terms that would create (or purport to create) any obligations on our behalf, nor may you grant (or purport to grant) to your landlord

any rights against us, or agree to any other term, condition, or covenant which is inconsistent with any provision of this Agreement. You must deliver to us a fully-executed copy of the final, approved lease promptly after it is fully executed. OUR REVIEW OF A LEASE, OR ANY ADVICE OR RECOMMENDATION OFFERED BY US, WILL NOT CONSTITUTE A REPRESENTATION OR GUARANTEE THAT YOU WILL SUCCEED AT THE APPROVED LOCATION, NOR WILL IT CONSTITUTE ANY EXPRESSION OF OUR OPINION REGARDING THE TERMS OF THE LEASE. You must sign a lease we have approved for a location we have approved no later than six (6) months after the Effective Date. If you fail to meet this deadline, we will have the right to terminate this Agreement.

3.4. Required Lease Terms. You must execute a “Collateral Assignment of Lease,” in the form found in Addendum 4 Exhibit G-4 to the Franchise Disclosure Document, whereby you agree to assign your rights in the lease to us in the event of a termination or expiration of the Term of this Agreement or a default under the lease, if we notify you of our desire to assume the lease. In addition, the lease must, unless we otherwise consent in writing, be modified by the Addendum to the Lease, attached as Addendum 5 Exhibit G-5 to the Franchise Disclosure Document.

3.5. Obtain Our Approval of Your Plans. You must ensure that you, or our Approved Supplier, submits to us for approval all construction plans, specifications, and any proposed deviations for any construction and any remodeling of your Storefront. We will approve or disapprove such plans within thirty (30) days of the date you submit them to us. Our approval of construction plans and specifications is not a warranty of their appropriateness, and means only that they comply with our minimum specifications. You must construct your Storefront consistent with the plans we approve.

3.6. Developing Your Storefront. We will communicate with you and the Approved Supplier for the initial design and construction of your Storefront regarding our standards and specifications for the design, layout, appearance and equipment in your Storefront. You, however, are solely responsible for all aspects of developing and constructing your Storefront. This means that you must, at your own expense: (a) secure all financing to develop and operate your Storefront and acquire and maintain adequate capital reserves; (b) pay all applicable state, county, and municipality taxes, permit costs, and/or fees associated with construction; (c) obtain all required permits and licenses; (d) purchase insurance and warranties for your Storefront; (e) obtain all building inspections, approvals, occupancy and/or construction permits; and (f) engage a licensed architect and licensed contractor(s) or construction manager to construct, remodel, renovate, and/or equip all improvements to your Storefront and decorate it according to the plans and specifications that we approve, and in accordance with the requirements of your lease, and communicate with us about your chosen architects, contractors, or managers. In most cases, you will be required to work with our Approved Supplier to manage most aspects of this process, but in every case you will be responsible for complying with this Section 3.6.

3.7. Opening Deadline. You agree that your Storefront will be completed, open and operating, no later than ten (10) months after the Effective Date (the “**Opening Deadline**”), unless we otherwise agree or direct you in writing to postpone commencement of operations. If you fail to open your Storefront on or before the Opening Deadline (as extended, if applicable, by your payment of the delayed opening fee stated in Section 3.8), we will have the right to deem your failure to constitute a material default of this Agreement, and we will have the right to terminate the Agreement, without refunding any fees that you have paid to us. **You must obtain our written approval before operating your Storefront, and you must notify us of your anticipated opening event at least thirty (30) days in advance of that date.** We reserve the right to make the final determination on the exact opening date of your Storefront based on any reason or circumstance that we in our sole discretion feel is in the best interests of the System as a whole. We will provide you with written notice of the determined opening date at least thirty (30) days in advance of that determined date of which your Storefront operations shall commence.

3.8. Delayed Opening Fee. If you do not open and begin operating your Storefront on or before the Opening Deadline, and subject to our prior written approval, you must pay us a fee of ten thousand dollars (\$10,000) for each month you wish to extend the Opening Deadline, for up to three (3) months (“**Delayed Opening Fee**”).

#### 4. TERRITORY

4.1. Territory. Subject to the terms and conditions of this Agreement (including Section 4.2) and provided you are not in material default of this Agreement and/or any other agreement between us (or any of our Affiliates), which default remains uncured after the expiration of an applicable cure period (if any), we will not during the Term operate, nor permit any third party to operate, a Storefront under the Marks within the Territory. Your Territory is identified in Addendum 1. You will only operate and advertise your Storefront, and you will only advertise and sell Authorized Products and Services, within the Territory and nowhere else (unless you have our written permission to operate or advertise outside of the Territory).

4.1.1. If your Approved Location has not been identified as of the Effective Date, it will be identified, and entered on Addendum 1, at the time you obtain our approval of it. You and we will describe your *anticipated* location in general terms in the “general description” in Section B of Addendum 1. Your and our listing of the general description of your location does not give you any rights of exclusivity in the identified area, and is only used for a reference. We may sell other Storefronts or Food Trucks in the area identified in Section B of Addendum 1.

4.1.2. After we have approved a location for your Storefront, we will enter it in Section C of Addendum 1. The Territory is dependent on the location of your Storefront.

4.1.3. If your Approved Location is at a Non-Traditional Location, your Territory will consist only of the Non-Traditional Location.

4.2. Exclusions from Territory; No Other Protection. You acknowledge that, other than the limited exclusivity we grant you in Section 4.1, we and our Affiliates retain all other rights within your Territory (if we grant one to you), including, but not limited to, the right to:

4.2.1. Use, franchise, or license other persons to use, the Marks and System for the operation of Storefronts, Food Trucks, other Cousins Maine Lobster® restaurants or any other businesses that are similar or dissimilar to your Storefront at any location outside of the Territory.

4.2.2. Use, franchise and license other third parties to use, the Marks and System for the operation of Storefronts or Food Trucks at any Non-Traditional Location, even if it or they are inside of the Territory.

4.2.3. Sell Authorized Products or provide Authorized Services under the Marks and System to customers located within your Territory.

4.2.4. Allow Food Trucks to: (i) operate within your Territory (except within one-half (½) mile of your Storefront); or (ii) locate a commissary or prep-kitchen within your Territory.

4.2.5. Use, franchise, or license the use of trademarks other than the Marks, whether in alternative channels of distribution or otherwise, at any location including a location or locations inside of the Territory, in association with operations that are similar to, the same as, or different from Storefronts.

4.2.6. Offer or sell Authorized Products and Services, or grant others the right to offer and sell Authorized Products and Services, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including, without limitation, wholesalers, retail outlets, or by Internet commerce (e-commerce), mail order or otherwise, regardless of whether it is inside or outside of the Territory.

4.2.7. Maintain any websites or social media sites utilizing domain names or identifiers incorporating the Marks or derivatives of them. We retain the sole right to advertise and market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, metatags, linking, advertising, and co-branding and other arrangements.

4.2.8. Acquire, merge, combine with, or be acquired by businesses that are the same as or similar to your Storefronts and operate such businesses regardless of where such businesses are located, including inside the Territory, and to be acquired by any third party which operates businesses that are the same as, or similar to, your Storefronts, regardless of where such businesses are located, including inside the Territory. We will not, however, re-brand any such businesses located inside the Territory by allowing them to use the Marks.

4.3. Limitations Operating Outside of Your Territory. You ~~will~~may be permitted to temporarily operate at pop-up locations or events in areas contiguous to the Territory ~~in which~~where there is no operating Storefront or Food Truck with Territory rights (each an “**Unassigned Territory**”) provided you seek and obtain prior written approval from us as mandated within the Operations Manual. You acknowledge that other Storefronts neighboring your area will have similar opportunities to provide services within the Unassigned Territory. You will not receive any right of first refusal or any other type of rights to an Unassigned Territory because you operate or operated there. We may sell any Unassigned Territory at any time, without giving you advance notice. After we give you notice to cease operating in the Unassigned Territory, you must do so immediately. You must, if asked to do so (and without compensation), orderly transition your customers (including your catering customers) in the applicable Unassigned Territory to our designee.

4.4. Special Accounts. We have the exclusive right to contract with Special Accounts anywhere, including within the Territory.

4.4.1. If we establish a contract for facilities of a Special Account located in the Territory, we will offer you the first option ~~of providing to provide~~ the services to the Special Account within in the Territory at the prices and subject to the contract requirements we negotiate with the Special Account. If you accept the project, we will collect all amounts due from the Special Account and remit to you the amount due for products and services rendered ~~Special Account~~, less the amount of Royalty Fees and other fees due under this Agreement. All amounts collected from Special Accounts on your behalf or by you will be included in your Gross Sales for purposes of calculating royalties.

4.4.2. If you decline ~~to accept~~ the opportunity to work with the Special Account, we will have the ~~unfettered~~unrestricted right to fulfill the contract requirements to the Special Account in the Territory in any manner we deem suitable, including through another Cousins Maine Lobster® franchise or business owned by us or our Affiliate, or through a third-party contractor.

4.4.3. If ~~at any time~~ a Special Account ~~for any~~ reasonably requests that services in the Territory be provided by someone other than you, we may revoke your option or right to provide or continue to provide the services and may fulfill the contract requirements of the Special Account in the Territory in any manner we deem suitable.

4.5. Catering and Delivery Services. If you want to offer pop-ups or in-home catering service to customers within the Territory, you will be required, at your sole cost and expense, to obtain insurance, catering and delivery equipment and menus, approved by us, as set forth in the Operations Manual, prior to offering pop-ups or in-home catering service to customers. You must follow the policies stated in the Operations Manual while providing pop-ups or in-home catering service to customers. Any income from pop-ups or in-home catering service to customers must be included in your Gross Sales reporting.

4.5.1. If a customer requests catering services and a Food Truck is located within your Territory, we may approve you or the Food Truck to provide such catering services in our sole discretion. We will evaluate these requests based on our policies as stated in the Operations Manual or otherwise in writing.

## 5. TERM; MANNER OF ACQUIRING SUCCESSOR FRANCHISE

5.1. Term. The term of this Agreement (the “**Term**”) commences on the Effective Date, and, unless sooner terminated in accordance with Article 17, will expire on the tenth (10th) anniversary of the date you open and begin operating your Storefront (the “**Commencement Date**”).

5.2. Manner of Acquiring Right to Acquire Successor Franchise. After the expiration of the initial Term, you may, at your option, acquire a successor franchise for an additional term of five (5) years, unless you are signing this Agreement under a successor franchise agreement for an existing Storefront. To qualify for a successor franchise, we have the right to insist on your fulfillment of any or all of the following conditions:

5.2.1. You must give us written notice of your election to acquire a successor franchise not less than six (6) months nor more than nine (9) month prior to the end of the Term.

5.2.2. You must execute our then-current standard form of franchise agreement (the “**Successor Franchise Agreement**”), which may, in our sole discretion, include substantially different terms than those contained in this Agreement, including but not limited to, higher, additional, or different fees (including a higher Royalty Fee and Advertising Fund Contribution) and a smaller Territory, but you will not have to pay a new Initial Franchise Fee. We will not, in any case, increase the Royalty Fee in your Successor Franchise Agreement by more than one percent (1%) above the one contained in this Agreement.

5.2.3. You and each of your Owners must have executed a general release, in our then-current form (the current form is attached to the Franchise Disclosure Document as **Exhibit FG-1**), of any and all claims against us and our Affiliates and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release you give us will not be inconsistent with any state law regulating franchising.

5.2.4. You are not then in default of any provision of this Agreement, or any amendment of or successor to this Agreement, or any other agreement between you and us or our Affiliates, and you have not committed and received notice of two (2) or more breaches of this Agreement during any twelve-(12) month period during the Term, even if such breaches were timely remedied.

5.2.5. You must make, in a manner satisfactory to us, such changes as may be necessary to bring your Storefront up to our current standards, including, without limitation, installation of new

equipment and software and the remodeling and/or renovation of the Storefront to reflect the then-current standards and image of the System. You must also reimburse us for our expenses relating to inspecting your Storefront to confirm that you have complied with this Section 5.2.5.

5.2.6. You must provide proof that you have all current licenses, insurance, and permits in compliance with Legal Requirements for you to continue operating your Storefront.

5.2.7. You must be compliant with our then-current qualification and training requirements.

5.2.8. You must pay us a successor franchise fee of ten thousand US dollars (\$10,000) ("**Successor Franchise Fee**").

5.2.9. Your failure or refusal to execute the Successor Agreement within thirty (30) days after delivery to you may be regarded as an election by you not to renew.

5.3. ~~Interim Term. If you do not sign the Successor Franchise Agreement prior to the expiration of this Agreement and Holdover Franchise. If for any reason, you continue to accept operate the benefits Storefront beyond the Term of this Agreement after it expires, then at our option, this Agreement may be treated either as: (i) expired as of the date of expiration with you then operating without a Storefront to do so; or (ii) continued on a month-to-month basis ("Interim Term") until one party provides the other with written notice of such party's intent to terminate the Interim Term, in which case the Interim Term will terminate thirty (30) days after the date of the notice to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Term. In this Agreement, all references to the Term will include any Interim Term. During the Interim Term or any subsequent renewal period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement (except that you will no longer have the right to obtain a Successor Agreement pursuant to Section 5.2) and subject to termination upon 30 days' notice or as required by law. If the hold-over period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period. Upon termination after any hold-over period, you and those in active concert with you, including Owners, family members, officers, directors, partners and managing agents, are subject to the terms of Agreement including post-termination obligations contained in this Agreement. During any such holdover period, your Royalty Fee will be equal to our then-current Royalty Fee, plus two percent (2%).~~

5.4. No Credit Terms. If you: (i) do not timely provide us with the renewal notice required under Section 5.2.1; (ii) do not fulfill all of the conditions stated in Section 5.2 and we decline to offer you a successor franchise, then during the last six (6) months of your Term you must pay in advance for all products you order from us or our Affiliates.

## 6. PAYMENTS

6.1. Initial Franchise Fee. In consideration of the parties' promises and covenants to one another, you must pay us a non-refundable, lump-sum initial franchise fee of forty thousand US Dollars (\$40,000) upon execution of this Agreement ("**Initial Franchise Fee**") via wire transfer.

6.2. Royalty Fee. You must pay us, on or before the fifth calendar day of each month, a continuing royalty fee ("**Royalty Fee**") equal to the greater of: (a) six percent (6%) of your Gross Sales that you earned during the prior calendar month just-ended; or (b) three thousand five hundred dollars (\$3,500).

6.3. Contribution to Advertising Fund. You must pay us, on or before the fifth calendar day of each month, a contribution to the Advertising Fund up to two percent (2%) of your total Gross Sales (the “**Advertising Fund Contribution**”) during the calendar month just-ended. We will deposit the Advertising Fund Contribution into a shared advertising and marketing fund that we and our Affiliate jointly maintain for Storefronts and Food Trucks (“**Advertising Fund**”).

6.4. Technology Expenses. You must pay our Approved Suppliers their current fee, which may be assessed on a monthly basis, for providing to you the Technology Products, credit card processing, and other modules that we require.

6.5. Purchase of Inventory. You must purchase all lobster, seafood, and other inventory from our Affiliate, which is the only Approved Supplier of certain inventory items. You must also purchase an initial supply of inventory from our Affiliate, which will cost between \$30,000 and \$80,000, depending on the size and location of your franchise, time of the season, suppliers, and other related factors. Payment for the initial inventory package is due within 18 days of placing your order. If you default in the payment of any amounts you owe our Affiliate, we have the right to require you to pay for all inventory items in advance, via wire transfer.

6.6. Deposit Account. Upon signing this Agreement, you must pay us \$20,000, which will be held by us in our bank account for your benefit (the “**Deposit Account**”). We have the right to use the money in the Deposit Account to pay our Affiliate for any inventory you order that you do not pay for, or to apply it to fees that you owe us but do not pay, but our using the funds for these purposes will not be considered a cure of any default you commit, and you will be required to replenish the funds in the Deposit Account so that \$20,000 remains on deposit with us. If this Agreement expires and you do not obtain a Successor Franchise Agreement, we will (at your option) either refund to you any balance remaining in the Deposit Account (without interest), or apply it to your inventory purchases from our Affiliate during the final two months of the Term.

6.7. Time and Manner of Payments. With the exception of the Initial Franchise Fee, we may require you to make all payments owed under this Agreement by means of electronic funds transfer (“**EFT**”), or such other manner that we designate from time-to-time. You must ensure that each Royalty Fee and Advertising Fund Contribution payment is, without exception, accompanied by a statement of your Gross Sales during the just-ended calendar month on a form approved by us, which form may be electronic.

6.7.1. You agree to comply with procedures specified by us and/or perform such acts and deliver and execute such documents, including authorization for direct debits from your business bank operating account, as may be necessary to assist in or accomplish payment by such method, and to execute our “EFT Authorization Agreement,” which is attached to ~~this Agreement~~ our Franchise Disclosure Document as Addendum 3G-8. Under this procedure, you authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest charged due on those amounts. You must make funds available to us for withdrawal by electronic transfer no later than the fifth calendar day of each month. If your payment is late, we have the option to require you to pay us via wire transfer.

6.7.2. If funds in your account are insufficient to cover the amounts payable at the time we make our funds transfer request, the amount of the shortfall is overdue and is subject to the terms set forth in this Agreement for overdue payments, in addition to any other remedies we have.

6.7.3. If you have not timely reported your Gross Sales to us for any calendar month, then we will have the right to debit your account, at our option, in an amount equal to: (a) one hundred and twenty percent (120%) of the fees transferred from your account for the last calendar month for

which you provided a report of your Gross Sales to us; (b) the amount due based on information retrieved from the CML Mobile App and POS System; or (c) the monthly rate of three thousand five hundred dollars (\$3,500).

6.8. Application of Funds; Withholding of Payments. If you become delinquent in the payment of any monetary obligation to us, we will have the absolute right to apply any payments received from you to any obligation owed, whether under this Agreement, or under any other agreement, between you and us, notwithstanding any other designation by you as to application. You agree that you will never withhold payment of any amount due to us or our Affiliates for any reason at any time, including but not limited to: (a) your claim that we have not performed any one of our obligations under this Agreement; or (b) any other claim against us or dispute with us of any kind or nature.

6.9. Late Payments. If we do not timely receive any fee or any other amount due under this Agreement on or before the applicable due date, you will pay us a late fee equal to fifty dollars (\$50) for each day your payment is late, plus the lesser of the: (a) daily equivalent of one and one-half percent (1.5%) per month simple interest of any overdue amount; or (b) highest rate then permitted by applicable law, for each day any amount is past due, accruing until the past-due amount is paid in full. This provision does not permit or excuse late payments.

6.10. Default Fee; Reimbursement of our Costs of Collection or Enforcement. If we are required to engage a collection agency, use legal counsel, or hire any third party in connection with any failure by you to pay us amounts when they are due, your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with this Agreement, you must reimburse us for all costs and expenses of enforcement and collection, including our reasonable: (a) legal fees; (b) investigation fees; (c) travel expenses of our employees or agents; and (d) hourly charges of our employees or agents. Additionally, we have the right to charge you a fee of three hundred dollars (\$300) for each default you commit under this Agreement. These amounts must be paid to us by you within five (5) days after you cure the default, or upon demand by us if your default is not cured.

6.11. Taxes. All payment obligations pertaining to your Storefront, including all trade payables and other indebtedness of every kind and all federal, provincial, state and municipal taxes and charges, are solely your obligations and not ours. We will not be liable for any sales, service, use, excise, income, gross receipts, property, payroll or other taxes levied against you or your assets, or against us, in connection with your Storefront, or any payments you make to us under this Agreement or any other agreement. You must reimburse us for any gross receipts, sales, income, use or other tax assessed by any taxing authority in the state where your Territory is located, on any fees or other amounts payable by you to us under this Agreement. We will not be liable or responsible for your compliance (or failure to comply) with any and all Legal Requirements.

6.12. Payments to Others. All payment obligations pertaining to your Storefront, including all trade payables and other indebtedness of every kind are solely your obligations and not ours. You agree to pay all of your suppliers (including Approved Suppliers), distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such persons become due. If you fail to pay any such obligations promptly as the debts to such persons or entities become due, we have the right (but not the obligation) to pay such obligations on your behalf, and you must immediately reimburse us for the amount or amounts paid, together with interest at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, beginning on the date we make the payment.

6.13. Annual Increases. We have the right to increase our flat fees by a maximum of 10% per year, calculated cumulatively over the term of the Franchise Agreement. Additionally, we may also increase these

fees by the amount of any increases in fees from third parties for the underlying products or services which will be added to the capped fee increase.

## 7. TRADEMARK STANDARD AND USE REQUIREMENTS

7.1. Ownership. You agree that the Marks, Intellectual Property, and System are our (or our Affiliate(s)) exclusive property, and that you will never assert any claim to any goodwill, reputation or ownership relating to or associated with the Marks or Intellectual Property. You also recognize that all goodwill relating to your use of the Marks belongs solely to us, and not to you, and that after this Agreement expires, is terminated, or Transferred, you will have no right to any such goodwill. You will use the Marks in strict conformity to the Operations Manual. You will never engage in any conduct directly or indirectly, or assist another party to engage in any conduct, that would infringe upon, harm or cause damage to the Marks. You will not contest or assist any other party to contest our rights in any of the Marks or the goodwill associated with the Marks. You will not use, or assist others to use, the Marks in a derogatory, negative or other inappropriate manner in any medium. You agree to provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all rights, title and interest in and to the Marks, including all items we reasonably request to assist us in registering, maintaining and enforcing our rights in the Marks. You acknowledge that we will suffer irreparable damage and will have no adequate remedy at law as a result of your unauthorized or infringing use of the Marks, and you agree that we will have the right to seek injunctive relief in a court of competent jurisdiction in the event that you use the Marks in an unauthorized or infringing manner. You agree to comply with all of our requirements when you use the Marks, and that you will never engage in any activity that we determine to be harmful to the reputation of us, the Marks, the System, or Storefronts generally.

7.2. Changes. We, from time to time in our discretion, may modify all or any part of the Marks. We may require you to use one or more additional or substitute Marks. You will have no rights or claim of damages, offset, or right to terminate this Agreement as a result of any such modification and we will not have any liability or obligation to you with respect to your required modification or discontinuance of any Marks. Within sixty (60) days of receiving notice of such modifications, you must cease using the former Marks and commence using the modified Marks at your sole cost and expense.

7.3. Permitted Use. Your right to use: the Marks; any proprietary software; other materials in which we claim a copyright, trademark, or other right to exclusive use; the Trade Dress; trade secrets; Confidential Information; and other Intellectual Property as granted in this Agreement, is limited to your use of those materials, items, or Intellectual Property in connection with your operation of your Storefront, and otherwise as described in this Agreement and as authorized in the Operations Manual, or as we may prescribe in writing from time to time.

7.3.1. You may use only the Marks to identify and distinguish the services offered by you. You cannot use Intellectual Property for any service or product that is not specifically authorized in the Agreement or Operations Manual without our express written consent. You must comply with all of our trademark, trade name and service mark notice marking requirements, including affixing “SM,” “TM,” or “®,” adjacent to all Marks in any and all uses of the Marks.

7.3.2. You will not use anything that resembles or is deceptively or confusingly similar to the Marks, the System, or the Intellectual Property, in any manner or for any purpose, or do anything that would dilute, directly or indirectly, the value of the goodwill associated with the Marks, nor counsel, procure or assist anyone else to do the same. You will use the Marks only for the uses and in the manner we permit. You acknowledge that you are required, to the extent possible, to prevent persons or parties associated with or employed by you from using the Marks and/or Intellectual Property in an unauthorized manner.

7.4. No Representations or Warranties. WE MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

7.5. Internet, Social Media, and Domain Name. During the Term of this Agreement, we will list your Storefront Territory on our Internet website. You, your employees, independent contractors, sales associates and representatives may not use, license, or register any domain name or URL (or other means of identifying you or your Storefront on the Internet) that uses a mark, image, or words confusingly similar to the Marks or any abbreviation, acronym, or phonetic or visual variation of the Marks without our prior written consent. At our request, you must promptly assign or redirect (or cause to be assigned or redirected) to us any domain name, URL, or other identification that violates this Agreement or the policies stated in the Operations Manual at your expense and without compensation from us. The content you submit to us or use for any Internet marketing must be true, correct and accurate. At our request, you will promptly modify any of your Internet marketing material containing the Marks to conform to the standards stated in the Operations Manual. You agree and acknowledge that your on-line promotional strategies must comply with our on-line policy. You further agree and acknowledge that we may review, monitor, and require changes to all on-line content on your websites, social media sites, blogs, electronic communication and other on-line sites on which our Marks or Intellectual Property are used. You must provide us with full, administrator-level rights to access and administer all social media accounts that relate to your Storefront.

7.6. Infringement. You must notify us of: (a) any litigation relating to the Marks; or (b) suspected infringement upon the Marks or the Intellectual Property, but you may not take any action against suspected infringers without our express written permission. You must notify us within three (3) days after receiving notice of any claim based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any imitation of them. If you notify us in a timely manner of a claim against you relating to the Marks, we will have the exclusive right (but not the obligation) to contest, defend against, or bring an action against, any third party regarding the third party's use of any of the Marks. In the event we take legal action to protect our Marks or authorize you to do so, we will be responsible for all costs (including reasonable attorneys' fees) related to such legal action. You must execute any and all documents, do such acts and things that may be necessary, and cooperate with us and with any action undertaken by us concerning litigation relating to the Marks.

## **8. ADVERTISING**

8.1. Your Local Advertising. All of your advertising, promotion and marketing must be completely clear and factual and not misleading, and must conform to the highest standards of ethical marketing and the policies which we prescribe from time to time, in the Operations Manual or otherwise. You may not use any advertising or promotional materials that we have disapproved at any time or for any purpose, and you may not advertise your Storefront in connection with any other business without our written consent. You must spend at least \$400 per month on local advertising and marketing for your Storefront. On a monthly basis, you must provide us with a report (including receipts) demonstrating your compliance with this requirement.

8.1.1. You will provide to us for our prior review, samples of any and all advertising and promotional material, public relations programs, press releases, radio and television advertising, specialty and novelty items and signs bearing the Marks, before you use them in your local advertising program. With the exception of advertising materials created and provided to you by us, at least fifteen (15) days before using them, you must submit to us all advertising materials you intend to use, which approval will be in our sole discretion. You may not use such materials until they have been approved by us, and you must promptly discontinue use of any advertising material

upon our request. If we have not responded to your request in writing within fifteen (15) days of receiving your advertising material, you must resubmit them. If we have not responded to your request in writing within seven (7) days of your resubmitting the material to us, they will be deemed approved.

8.1.2. At your request, we will provide to you advertising and promotional materials that we have pre-approved for you to use in marketing your Storefront. We may require you to reimburse us for our costs of creating them.

8.2. Grand Opening Advertising. You must spend a minimum of between \$1,000 and \$2,500 on grand opening advertising before you begin operating, and within the first two (2) months of beginning to operate, your Storefront. You may choose to spend more.

8.3. Advertising Fund. We and our Affiliate maintain a combined Advertising Fund to promote public awareness of the Marks and to improve our System, including Storefronts and Food Trucks. We and our Affiliate may use the fund to pay for any of the following in our discretion: (i) developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development and search engine optimization; (vii) development and implementation of quality control programs; (viii) conducting market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) collecting and accounting for contributions to the fund; (xii) preparing and distributing financial accountings of the fund; (xiii) any other programs we deem necessary or appropriate to promote or improve the System; and (xiv) our and our Affiliates' expenses associated with direct or indirect labor, administrative, overhead or other expenses incurred in relation to any of these activities. We will not use the Advertising Fund for creating or placing any advertisement that is principally a solicitation for new franchises, but we may include information concerning franchise opportunities in advertising prepared using the Advertising Fund.

8.4. Your Acknowledgement. You agree and acknowledge that the Advertising Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System generally and that we have no obligation, in administering the Advertising Fund, to make expenditures for you that are equivalent or proportionate to your Advertising Fund Fee contributions, or to ensure that your Storefront or any other particular franchisee within the System benefits directly or pro rata from the advertising or promotion conducted or developed by the Advertising Fund. You further acknowledge that we (and our Affiliates) own all rights, and retain all copyrights, in all design and content developed using the Advertising Fund, and that we will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with the Advertising Fund, as well as the specific ways the Advertising Fund is allocated to production, placement, and other costs. We have no fiduciary duty to you or to any other person with respect to the collection or expenditure of the Advertising Fund. Our sole duty regarding the Advertising Fund is to spend the money only in the ways described in this Article 8. Each Storefront or Storefront owned by us, or our Affiliate(s), will contribute to the Advertising Fund on the same basis and at the same percentage as you do. We have the right to terminate the Advertising Fund at any time, but we will not do so until all money from the Advertising Fund is spent in accordance with Section 8.3.

8.5. Fund Accounting. All contributions to the Advertising Fund will be deposited into and disbursed from a bank account which may be commingled with our other accounts, except that we will account for the Advertising Fund separately from the other funds in such account(s). Upon your written request that is at least ninety (90) days after the end of the calendar year, we will furnish to you a report for the preceding

year showing the expenditures made from the Advertising Fund during such calendar year and amount remaining for use (if any) during the following year. This report will not be audited.

8.6. Advertising “Suggested Retail Prices.” In national or regional advertising programs, we may include suggested retail prices for the goods and services sold by you and our other Storefronts and Storefronts. We will include within all our advertising the phrase “available at participating locations only” or other cautionary language to advise the consumer that the suggested retail prices may not be adhered to by all our Storefronts or Storefronts. We may compel you to change suggested retail prices to the extent permitted by state and federal laws and regulations.

8.7. Promotional Campaigns. We may periodically develop and market national, regional, or System-wide promotional and marketing campaigns which may include special discounts or free coupon programs. We will notify you of the creation and provisions of such a program, and we will tell you whether your participation is mandatory or optional. Within five (5) days after receipt of the notice, you will advise us whether or not you wish to participate in an optional program. You must adhere to all provisions of the program. If you elect to be excluded from an optional program, we will have the right to advise consumers, by advertising, sales solicitation or otherwise, that you are not participating. We will establish the discount or coupon programs in our sole discretion and will not have any obligations to consult or confer with you or any other of our Storefronts or Storefronts with respect to the nature, content or amount of any discount or coupon established pursuant to any program.

8.8. E-commerce. You must display, publish, and distribute information and cooperate with us in our online product sales efforts as we may require and direct without compensation.

8.9. Presence in Local Phone Directories. You will maintain a standard business listing in the local telephone or online directories that service your territory and the areas immediately surrounding the territory.

8.10. Cooperative Advertising. We have the right, in our sole discretion, to designate geographic areas for purposes of establishing local or regional advertising cooperatives ("**Cooperatives**") comprised of the Storefronts located within such geographic area. If your Storefront is within the territory of an existing Cooperative at the time you open for business, you must immediately begin participating in the Cooperative. If a Cooperative applicable to your Storefront is established during the Term, you must begin participating no later than thirty (30) days after the date the Cooperative begins operating. In no event will your Storefront be required to contribute to more than one Cooperative; however, if you own multiple Storefronts, each Storefront owned by you will be required to contribute to the Cooperative applicable to that Storefront. We (or our Affiliates, as the case may be) will become a member in any Cooperative established for an area that includes a Storefront owned by us or our Affiliates. The following provisions will apply to each Cooperative:

8.10.1. Purpose; Governance. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, promotional materials for use by members in local advertising. Each Cooperative will be organized and governed in a form and manner, and will commence operations on a date, that we approve in advance in writing. Each Storefront within a Cooperative will have one (1) vote for any matters on which the Cooperative's members are permitted to vote. We reserve the right to change, in our sole discretion, the form and manner of the organization and governance of any Cooperative and you agree to implement any such change immediately upon notice from us. No changes in the bylaws or other governing documents of a Cooperative will be made without our prior written consent.

8.10.2. Approval. No advertising or promotional plans or materials may be used by a Cooperative

or furnished to its members without our prior approval.

8.10.3. Contribution Amount. You and each other member of the Cooperative must contribute to the Cooperative on a monthly or other periodic basis, on such specific days as established by the Cooperative or by us, the amount determined by the membership. We can set the amount of your required contribution to the Cooperative in our discretion, but we will not require you to spend more than \$400 per month towards your Cooperative contribution. Your contributions towards the Cooperative will be credited towards your Local Advertising Requirement. Each required contribution will be submitted together with such statements or reports as we may require, or by the Cooperative with our prior written approval.

8.10.4. Statements; Audit. The Cooperative must, on an annual basis, prepare an unaudited statement of the Cooperative's financial position and submit them to us. We and our designated agents will have the right to examine, copy, and audit, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative.

## 9. OPERATING YOUR STOREFRONT

9.1. Designated Manager. Your Storefront must at all times be operated under your direct supervision if you are an individual. If you are a Business Entity, your Storefront must be operated under the direct supervision of your manager who: (i) is approved by us; (ii) has successfully completed the Initial Training Program and all other training programs required by us from time to time; and (iii) devotes his or her full time and best efforts to operating your Storefront (your "**Designated Manager**"). We have the right to deal with the Designated Manager on matters pertaining to day-to-day operations of, and reporting requirements for, your Storefront. Your initial Designated Manager is identified on Addendum 1. In the event that the Designated Manager elects to end his/her relationship with you, you must replace the Designated Manager within thirty (30) days and submit his/her qualifications to us for review.

9.2. Sale of Authorized Products and Services Only. You acknowledge that it is critically important to the System that all products and services sold by your Storefront meet our quality standards. You must advertise and sell only Authorized Products and Services. You acknowledge that you may not be permitted to sell all Authorized Products and Services at all times, and that you will discontinue selling any products or services that we have disapproved, even if they were previously included in our Authorized Products and Services. Except as specifically authorized by us, you may not advertise or sell any Authorized Products or Services outside of your Storefront or to any customer for the purpose of resale by the customer. You agree to comply with all mandatory specifications, standards and operating procedures, as modified from time to time (whether contained in the Operations Manual or any other communication) relating to the appearance, function, cleanliness or operation of the Storefront, including:

9.2.1. Design, layout, decor, appearance and lighting; periodic maintenance, cleaning, pest control and sanitation; use of interior and exterior signs, emblems, lettering and logos and the illumination of them. Your signs must conform in all respects to our specifications and requirements and the layout and design plan that we approve, subject only to restrictions imposed by Legal Requirements.

9.2.2. Types, suppliers, models and brands of required fixtures, furnishings, food items, products, materials, items, equipment, signs, materials, supplies, and paper goods. You acknowledge and agree that from time to time, we may modify the list of approved types, brands, models or suppliers, and you may not, after receipt of notice of such modification, reorder any type, brand or model from any supplier which is no longer approved by us.

9.2.3. Designated or Approved Suppliers (which may be limited to or include us or our Affiliates) of fixtures, furnishings, equipment, signs, products, materials, supplies, and services.

9.2.4. Terms and conditions of the sale and delivery of, and terms and methods of payment for products, materials, supplies and services including direct labor, that you obtain from us, our Affiliates or others.

9.2.5. Required inventory levels of Authorized Products. We have the right to require you to purchase any or all of the Authorized Products sold at or from your Storefront from us or our Affiliates, and you will maintain in sufficient supply all products, materials, supplies, ingredients, equipment, and items we designate and require you to have on-hand in your Storefront. If you breach this Agreement by failing to make a payment when due to any Approved Supplier (including us or our Affiliate(s)), we may require you to pay us or our Affiliate(s) in advance for any orders you place before we ship the order, even if you have cured the breach, and even if we have used the money in your Deposit Account. If we use the funds in your Deposit Account to satisfy past-due amounts you owe us or our Affiliate(s), you must replenish the funds so that \$20,000 remains on deposit.

You agree that you will not use products purchased from Approved Suppliers for any purpose other than operating your Storefront. ALTHOUGH APPROVED OR DESIGNATED, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO INVENTORY, SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO OR BY US.

9.3. Authorized Menu; Approved Suppliers. You must only prepare and sell such menu items and other food and beverage products as we designate and approve in writing from time to time (the “**Authorized Menu**”) at your Storefront. You must offer for sale from your Storefront all items and only those items listed on the Authorized Menu and other Authorized Products. You must offer the full Authorized Menu during all hours of operation. We have the right to make modifications to these items from time to time, and you agree to comply with any reasonable modifications we make. Proprietary items and ~~supplies~~ supplies may be private-labeled by us. We and our Affiliates retain the right to make a reasonable profit on any items, supplies and materials you buy. We may also make a reasonable profit on supplies we purchase in bulk quantities and sell to you. You must cease selling any previously approved product, service, or menu item within ~~thirty~~ fifteen (15) days after receipt of notice that the product, service, or menu item is no longer approved. You must use in the operation of your Storefront and in the preparation of Authorized Menu items and other food and beverage products only the proprietary recipes, and other proprietary and non-proprietary ingredients, recipes, formulas, cooking techniques and processes and supplies, and you must prepare and serve Authorized Menu items and products in such portions, sizes, appearance, taste and packaging, all as we specify in the Operations Manual or otherwise in writing, and you must purchase them only from Approved Suppliers. You acknowledge and agree that we may change these periodically and that you are obligated to conform to these requirements. We may authorize test marketing of proposed Authorized Products or Services at any Storefront or Storefront as we deem appropriate.

9.4. Constructing, Developing, and Operating Your Storefront. In constructing, developing, and operating your Storefront, you agree to use only our Approved Supplier for constructing your Storefront,

and only those fixtures, furnishings, equipment (including the POS System, equipment relating to the CML Mobile App, digital menu boards, phone system, and other technology products), décor and signs that we have approved for Storefronts as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display on your Storefront only such signs, emblems, lettering, logos and display materials that we approve from time to time, and you agree to refrain from installing in your Storefront any fixtures, furnishings, equipment, signs, or other items that we have not approved in writing. You agree to purchase approved brands, types or models of fixtures, furnishings, equipment and signs only from suppliers we have designated or approved (which may include us and/or our Affiliates). You will pay the then-current price in effect for all such purchases you make from us and/or our Affiliates. We will give you lists of the start-up inventory, furniture, fixtures, software, equipment and supplies we require you otherwise to obtain. You will establish independent commercial relationships with our Approved Suppliers for specific items.

9.5. Alternative Suppliers. With the exception of all food products supplied to you exclusively by us, if you want to make purchases from a supplier other than an Approved Supplier, you must first submit to us a written request to approve the proposed supplier, together with any documentation regarding that supplier that we reasonably request. Within thirty (30) days after receiving a completed request, and completion of such evaluation and testing (if we require), we will notify you in writing of our approval or disapproval of the proposed supplier. We may revoke our approval at any time if we determine, in our sole discretion, that the supplier no longer meets our standards. You must stop purchasing from a disapproved supplier upon notification from us that it has been disapproved. You must reimburse us for the costs we incur in reviewing and evaluating proposed suppliers or proposed supplies, which we define as the hourly wages of our compliance director and associated personnel for the time they spend reviewing your proposed supplies or suppliers, plus fifteen percent.

9.6. Acknowledgement of Markup or Rebates. You acknowledge and agree that we and our Affiliates have the right to a reasonable markup on all items that you are required to purchase from us and our Affiliates. Further, you acknowledge that we may receive from Approved Suppliers periodic volume rebates or other revenue or consideration as a result of your purchases. You further acknowledge and agree that we are entitled to keep such rebates and revenue for our own use, regardless of whether we choose to do so.

9.7. Maintenance, Renovation and Refurbishment. You must, at your sole expense, do all things necessary to comply with the System, including keeping your Storefront and all of its equipment and assets: (i) in good order and repair, and in compliance with the System requirements as set forth in the Operations Manual or as we otherwise require; and (ii) in a neat, clean, attractive, safe and sanitary condition; replacing equipment, and other assets only with those that we have approved as, in our discretion, they become worn out or otherwise unsuitable for use.

9.7.1. You must make, at your expense, all additions, repairs, replacements, improvements and alterations to your Storefront and your equipment as we determine necessary so that your Storefront, equipment, and assets that are viewed by the public will conform to the System's image, as may be prescribed by us from time to time. You must undertake and complete such additions, repairs, replacements, improvements, and alterations within the time and under the terms and conditions, which we may reasonably specify. If, however, any condition presents a threat to customers or public safety, you must address the condition immediately.

9.7.2. No more frequently than once every two (2) years, you must refurbish and renovate your Storefront at your sole expense to conform to our then-current design, Trade Dress, sign requirements, color schemes, and presentation of the Marks. Otherwise, you recognize and agree that there are no limitations on this obligation, and acknowledge and agree that the requirements of

this Section 9.7 are both reasonable and necessary to ensure continued public acceptance and patronage of Storefronts and Storefronts and to avoid deterioration or obsolescence in connection with the operation of your Storefront.

9.8. Comply with Storefront Ownership Requirements. You agree to refrain from any activity that may jeopardize your right to remain in possession of your Storefront. You also agree to comply with all terms of any agreements affecting the operation of your Storefront.

9.9. Your Employees and Independent Contractors. You agree to maintain a competent, conscientious, trained staff, sufficiently literate and fluent in the English language and in a sufficient number; ensure that your employees and independent contractors provide competent, prompt, courteous, and knowledgeable service, and that they meet our minimum standards (as specified in the Operations Manual) to preserve good customer relations. You are responsible for any employee wages and compensation, payroll taxes and other require withholding, worker's compensation and benefits. You will in no way obligate us for expenses incurred in the operation of your Storefront, including labor costs. You must pay your employees and staff the prevailing wage as dictated by your specific territory, for employees with similar labor skills, people skills and similar job responsibilities. You must require your employees to wear uniforms while working at or for your Storefront of such design and color as we may prescribe in the Operations Manual. You further agree that inside your Storefront, you will post a sign or other document containing language we require explaining the differences between you, their employer or contractor, and us, your franchisor. You must have all of your employees sign our then-current form of Franchise Relationship Acknowledgement. Our current form is attached as Addendum 5.

9.10. Operations Manual. You must operate your Storefront in strict compliance with the standard procedures, policies, rules and regulations established by us from time to time and incorporated in the Operations Manual. The Operations Manual describes our specifications, standards, operating procedures, accounting and bookkeeping methods, marketing and advertising, equipment requirements, co-branding requirements, computer programs and software, inventory management, insurance standards, ongoing training standards, ongoing corporate support, public relations and other rules and procedures that we may prescribe periodically and identify as part of the Operations Manual. You must supervise your Designated Manager, managers, employees, independent contractors and Affiliates to ensure their compliance with the Operations Manual. We have the right to prescribe additions to, deletions from or revisions of the Operations Manual (the "**Updates**"), all of which will be considered part of the Operations Manual. All references to the Operations Manual in this Agreement will include the Updates. Updates will become binding on you as if originally set forth in the Operations Manual, upon being delivered to you (unless we specify a longer period). ~~We will provide you with up to thirty (30) days to comply with any material change made by us to our standards.~~ The Operations Manual and any Updates are material in that they will affect the operation of your Storefront, but they will not conflict with or materially alter your rights and obligations under this Agreement. While the Operations Manual are designed to protect our reputation and the goodwill of the Marks, they are also designed to control the day-to-day operations of your Storefront.

9.10.1. We are permitted to revise the System, Marks, the various training programs offered to Storefronts and their employees, and the Operations Manual at any time, by addition, deletion or other modification to the provisions of the Operations Manual, and such modification will be made in our sole judgment. Such modifications may obligate you to invest additional capital in your Storefront ("**Capital Modifications**") and/or incur higher operating costs, except as stated in Section 9.7 (which applies to remodels to your Storefront, but not to other Capital Modifications).

9.10.2. Upon the execution of this Agreement, we will loan to you one (1) copy of the Operations Manual (which may be electronic). The Operations Manual and all amendments to the Operations Manual (and copies of it) are copyrighted and remain our exclusive property. They are loaned to

you for the Term (and any successor period), and must be returned to us immediately upon the termination or expiration of this Agreement. The contents of the Operations Manual are our Confidential Information. You must not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Operations Manual without our express prior written consent. You must keep any physical copies of the Operations Manual up-to-date. You must also keep the Operations Manual in a safe place in your Storefront and ensure that they, and the information, are secured and protected from unauthorized access.

9.11. Consumer Relations and Protection of Goodwill. You must give prompt, courteous and efficient service to the public and operate your Storefront in compliance with the Operations Manual to preserve and enhance the value and goodwill of the Marks and the System. You will uphold, and take reasonable steps to ensure that your Designated Manager and employees uphold high standards of honesty, integrity, and fair dealing in dealing with the general public, customers, other Storefronts, Storefronts, and us. You must promptly respond to all complaints received from your clients or other individuals in an attempt to resolve the dispute in a reasonable business manner. If we are contacted by a customer of your Storefront who lodges a complaint, we reserve the right (but are not required) to address the customer's complaints in order to preserve goodwill and prevent damage to the Marks. Nothing in this Section 9.11 or in any other provision of this Agreement is to be construed to impose liability upon us to any third party for any of your actions or obligations.

9.12. Hours of Operation. You must operate no less than seven (7) days in any given week between 11 am and 9 pm, as specified in the Operations Manual, unless different hours have been approved by us based upon the circumstances existing with the Territory.

9.13. Merchant Services. You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, electronic-fund-transfer systems, and near field communication vendors (together, "**Credit Card Vendors**") that we may periodically designate as mandatory. You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval. We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. You must acquire, at your expense, all necessary hardware and/or software used in connection with these non-cash systems.

9.14. Compliance With Data Security Guidelines. You must use your best efforts to protect your clients against a cyber-event, identity theft or theft of personal information. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance upon reasonable request, which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved vendor to assist you on an ongoing basis. Having a secure managed firewall that meets our system standards is one part of the current requirement. You must at all times be compliant with all other Legal Requirements including: (a) the NACHA ACH Security Framework; (b) the operating rules and regulations of all credit card and merchant services providers; (c) state and federal laws and regulations relating to data privacy, data security and security breaches; and (d) our security policies and guidelines, as they may be amended from time to time.

9.15. Mobile App; Gift Cards and Customer Loyalty Programs. We will provide you with access to the Cousins Maine Lobster® mobile application (“**CML Mobile App**”), which is currently compatible with Android and iOS, and which is comprised of a customer facing loyalty program, mobile & contactless ordering, to-location navigation and added marketing capabilities. The CML Mobile App is a software-as-a-service program is currently provided by our designated supplier. You are required to enable the CML Mobile App service upon opening and will be required to purchase additional equipment and will also be required to carry a monthly subscription for each applicable unit you operate at our then-current monthly subscription fee. You must obtain the equipment necessary to operate the CML Mobile App at your expense. We may also establish separate or additional gift card or customer loyalty programs for use Systemwide. You must acquire and use all computer software and hardware necessary to process the sale of gift certificates and/or stored value cards, loyalty cards and/or customized promotional receipts, and to process purchases made using them and be solely responsible for the service charges related to such processing. You must remit all proceeds from the sale of gift certificates and stored value cards to us or our designee according to the procedures that we prescribe periodically. We will reimburse or credit you (at our option) the redeemed value of gift certificates and/or stored value cards accepted as payment for products and services sold by your Storefront.

9.16. Compliance With Legal Requirements. You agree to maintain the highest health standards and ratings applicable to the operation of your Storefront. You agree to comply with all Legal Requirements and obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct your Storefront in any jurisdiction in which it operates. You acknowledge that you alone are responsible for complying with Legal Requirements and that we have no obligation to you or any other person for your compliance with Legal Requirements. As between us and you, you are solely responsible for the safety and well-being of your employees and the customers of the Storefront business. You acknowledge and agree that your indemnification responsibilities under this Agreement include your obligations under this Section 9.16. You specifically agree to comply with all applicable health and safety laws, ordinances and regulations so as to be rated the highest available health and safety classification by the appropriate governmental authorities and to furnish to us copies of all inspection reports, warnings, certificates, and ratings issued by any governmental agency within ten (10) days of your receiving them. If your Storefront is subject to any inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available classification with respect to each governmental agency. In the event your Storefront fails to be rated in the highest classification or you receive notice that your Storefront is not in compliance with all applicable standards, you must immediately notify us of such failure or noncompliance

9.17. Lawsuits. You must notify us in writing within five (5) days of your receiving any notification of: (a) the initiation of any action, suit, or legal proceeding against you; or (b) the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality relating to the Storefront.

9.18. Improvement(s). If you, your Designated Manager, employees, or Owners develop any new concept, process or improvement in the operation or promotion of your Storefront generally (an “**Improvement**”), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement will become our sole property and we will be the sole owner of all related copyrights, trademarks, patents, patent applications, and other intellectual property rights. You must fully disclose the Improvement(s) to us, without disclosing the Improvement(s) to others, and you must obtain our written approval prior to using such Improvement(s). You and your Owners agree to assign to us any rights you or your Owners may have or acquire in the Improvement(s), including the right to modify the Improvement, and you and your Owners waive and/or release all rights of restraint and moral rights in and to the Improvement. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any Improvement. In the event that the foregoing provisions of this Section

9.18 are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners' rights to the Improvement.

9.19. Camera System. You must install and maintain a surveillance system, which must have a storage capacity that is able to (and does) store video for at least thirty (30) days after it is recorded. You must take any and all actions necessary to ensure that you have the continual ability to monitor the premises of your Storefront from any Internet-connected computer. We reserve the right to demand immediate access to any such recorded footage of your Storefront, and you agree to be prompt in providing us with said footage without alteration.

9.20. Operating Bank Account. You must, at all times during the entire Term, maintain a minimum average monthly balance in your business operating bank account of fifty thousand dollars (\$50,000), to enable you to properly and fully perform all your duties, obligations and responsibilities.

## 10. OPERATIONAL ASSISTANCE BY US

10.1. Training. Prior to beginning operation of your Storefront, you and your Designated Manager must attend, and successfully complete, to our satisfaction, an initial mandatory training program in our System, methods of operation, policies, and any other topics as we may determine necessary or appropriate, including but not limited to brand secrets, financial controls, service methods, and maintenance of quality standards (the "**Initial Training Program**"). The Initial Training Program will take place at a location designated by us (which could include a physical location and/or the Internet), which you and your Designated Manager are responsible for attending at your sole expense. You must not commence operation until you and your Designated Manager have completed the Initial Training Program to our satisfaction. If we determine in our sole discretion, based on your performance in the Initial Training Program, that you are not qualified to operate a Storefront, we have the right to terminate this Agreement. If you do not complete the Initial Training Program to our satisfaction (which shall include passing our then-current management test) or obtain all necessary licenses, we have the right to terminate this Agreement and retain the Initial Franchise Fee, which we will consider fully earned.

10.1.1. Should you have the need to replace your Designated Manager, any replacement Designated Manager (who must be approved by us) must attend the Initial Training Program at a time that it is offered by us within thirty (30) days of the resignation, termination, or non-approval of your former Designated Manager. We also have the right to require any other management or key personnel to attend and complete our Initial Training Program to our satisfaction, and at your sole expense.

10.1.2. You must pay all lodging, travel and meals, personal expenses, salary and living expenses incurred by you, your Designated Manager, and/or other persons attending any training program.

10.1.3. We will not pay any compensation for services performed by trainee(s) in connection with training or other assistance, including providing services for us, our Affiliate(s) or other franchisee(s).

10.1.4. If you or your Designated Manager have previously attended and successfully completed the Initial Training Program in connection with the operation of another Storefront or Storefront, we may elect to either: (i) not provide the Initial Training Program to you; or (ii) provide an abbreviated training program.

10.1.5. At our sole discretion, we may require that you and your Designated Manager undergo additional or extended training by us until you and your staff meet our exclusive satisfaction, which will be at your sole expense, and includes but is not limited to trainer daily rates, travel and lodging, airfare and any other costs associated with providing you or any member of your staff with the additional training necessary to continue your business operations to our brand standards.

10.2. On-Site Assistance. For a period of up to seven (7) days, during the time that immediately precedes and follows the opening of your Storefront, we will send between one (1) and three (3) individuals to your Storefront to assist you with initial opening training and marketing, with your initial operations, and finalizing opening procedures. You must have all necessary licenses and permits, and all of your refrigeration, kitchen and cooking equipment must be functioning. You must give us notice that you are ready for this training at least thirty (30) days in advance. Your entire staff must be present for the on-site training. You and your Designated Manager must complete the on-site training to our satisfaction. If you ask for (and we agree to provide) additional training, or we decide that additional on-site training is necessary, we will provide it to you for \$500 per day, plus our travel expenses.

10.3. Initial Advertising and Marketing Assistance. We will draft and create (with your input) a press release and media advisory for you to use with local media in connection with your initial launch campaign. We will also assist you with an initial launch social media campaign. We have the right to exclusively control all social media accounts that you use in connection with your Storefront, but we may (in our sole discretion) permit you to control such accounts during the Term while you are in compliance with this Agreement.

10.4. Periodic Training and On-Site Assistance. At our sole discretion, we may require you, your Designated Manager, and/or previously trained and experienced employees to attend periodic refresher training courses at such times and locations that we designate, which training may (at our option) take place at your Storefront, at another Storefront, or a training facility operated by us. You may also request our assistance on-site at your Storefront. We have the right to require you to pay our then-current fee (as listed in the Operations Manual) for the additional training. If any training takes place at any location other than a Storefront that we (or our Affiliates) operate, we also have the right to require you to pay for the lodging, travel and meal expenses we incur for our personnel conducting the training. If training takes place somewhere other than your Storefront, you will be solely responsible for the lodging, travel, living and meal expenses for those of your personnel attending the training.

10.5. Meetings, Conferences, or Conventions. We may, in our discretion, hold periodic meetings and/or annual conventions to discuss sales techniques, new Authorized Products and Services developments, bookkeeping, training, accounting, inventory control, performance standards, advertising programs, procedures and other topics, which may include an annual convention. We have the right to require you and your Designated Manager to attend, and we may require you to pay our then-current fee for each person who attends the conference, meeting, or convention on your behalf.

10.6. Advice and Consultation. We will impart to you our selling, promotional and merchandising methods and techniques associated with the System, and will provide to you general guidance. We may (but are not required to) visit your Storefront periodically to consult with you and provide advice.

10.7. Remote Assistance. We will make a representative reasonably available to respond to your questions (by telephone or through the Internet) during normal business hours, as we determine necessary, to discuss your operational issues and support needs. We may also provide to you such periodic individual or group advice, consultation and assistance, rendered by telephone, newsletter or bulletins made available from time to time to all Storefronts, as we may deem necessary or appropriate within our sole discretion.

In addition, we may communicate with you concerning new developments, techniques and improvements as we deem appropriate in our sole discretion.

10.8. Site Visits. We may, in our discretion, either directly or by designee visit your Storefront for the purpose of rendering advice and consultation or training with respect to your Storefront, its operation and performance, or to determine whether you are in compliance with System standards. You agree that you and your Designated Manager will meet with us during any site visits.

## 11. USE OF TECHNOLOGY

11.1. POS System and Technology Products. You must purchase and install a point-of-sale system (the “**POS System**”), as well as certain technology products we specify such as digital menu boards and signs (together with the CML Mobile App and POS System, the “**Technology Products**”). You must make all improvements to the Technology Products in the manner, and when, specified by us in writing, even if such improvements require you to spend additional money on the Technology Products. There are no limitations on this obligation. You have sole and complete responsibility for the manner in which your Technology Products interfaces with other systems, including those of us and other third parties, as well as any and all consequences that may arise if your Technology Products is not properly operated, maintained and upgraded.

11.1.1. You must lease or purchase equipment and software for the Technology Products only from Approved Suppliers. This includes Storefront management software and other software and hardware that we require. You may not install, or permit to be installed, any devices, software or other programs not approved by us for use with the Technology Products. You may not authorize the use of the software by anyone else and will not configure, program or change any software programs.

11.1.2. We may from time-to-time designate, develop, or authorize others to develop proprietary or non-proprietary computer applications for use as part of the Technology Products, which you may be required to purchase and/or license and use in the operation of your Storefront. You must execute any license, sublicense or maintenance agreement required by us or any other Approved Supplier of proprietary or non-proprietary computer applications designated by us.

11.1.3. You must: (a) promptly enter into the CML Mobile App and/or POS System, as applicable, and maintain all information that we require you to enter and maintain; (b) provide to us such reports as we may reasonably request from the data so collected and maintained, and (c) permit us to access your POS System at all times and any time by any commercially available means we specify from time to time. You must cooperate with us to permit us access your POS System and all of its data.

11.2. Ownership of Customer Information and Goodwill. ~~You acknowledge that we own all information and other business records (“All Customer Information”) with respect to the customers of your Storefront, including all information stored on, by or through the CML Mobile App and POS System; customer related contact names, addresses, telephone numbers, e-mail addresses, and customer purchase records; and all information generated or recorded as a result of your efforts while using the Marks. You agree to use reasonable efforts to obtain and capture Customer Information, with customer permission, consistent with any customer tracking or loyalty program(s) we may establish from time to time. You must not export that we obtain from you and that you collect from Storefront customers and all the revenues we derive from such Customer Information will be our property and our Confidential Information that we may use for any~~

reason without compensation to you, including making a financial performance representation in our franchise disclosure documents. You assign and will be deemed to have assigned all rights in Customer Information from the CML Mobile App, POS System, or other software. We have to us. You will provide copies of all Customer Information to us upon request. At your sole risk and responsibility, we grant you the right to use the such Customer Information in any way we choose. You also agree that any goodwill resulting from your activities under this Agreement is our sole property. During the Term, you are licensed to use Customer Information solely for the purpose of operating your Storefront. This license will automatically and irrevocably expire, without additional notice or action by us, when this Agreement terminates or expires. that you acquire from Customers and other third parties solely in connection with operating the Storefront at any time during the Term of this Agreement, to the extent that your use is permitted by applicable law. Upon expiration of the Term, all copies of Customer Information must be returned to us and removed from your POS System.

11.3. Privacy and Data Protection. You will take all necessary actions to independently: (i) learn and comply with all applicable Privacy Laws; (ii) learn and comply with the requirements of the Operations Manual as they relate to Privacy Laws and the privacy and security of Customer Information; (iii) learn and comply with any posted privacy policy and other representations made to the individual identified by Customer Information that you process, and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (iv) refrain from any action or inaction that could cause us or our Affiliates to breach any Privacy Laws; (v) maintain, and cause adherence by your personnel to all reasonable physical, technical and administrative safeguards and related policies for Customer Information that is in your possession or control in order to protect such Customer Information from unauthorized processing, destruction, modification, or use that would violate this Agreement, our brand standards (which may include a non-exhaustive list of the minimum types of policies that must be implemented) or any Privacy Law; (vi) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us and our Affiliates in compliance with the Privacy Laws; and (vii) immediately report to us the breach of any requirements in this Agreement or the Brand Standards regarding Customer Information or any Privacy Law, or the theft or loss (or any apparent or alleged theft or loss) of Customer Information (other than the Customer Information of your own officers, directors, shareholders, employees or service providers).

11.3.1. You will, upon request, provide us with information, reports, and the results of any audits performed regarding your data security policies, security procedures, or security technical controls related to Customer Information. You will, upon our request, provide us or our representatives with access to your POS System records, processes and practices that involve processing of Customer Information in order to mitigate a security incident or so that an audit may be conducted. You will indemnify, defend and hold us and our Affiliates, and their respective officers, directors, shareholders, members, managers, partners, employees, servants, independent contractors, attorneys, representatives, agents and associates harmless in connection with any claim or action arising out of or relating to: (i) any theft, loss or misuse (including any apparently or alleged theft, loss or misuse) of Customer Information; and (ii) your breach of any of the terms, conditions or obligations relating to data security, Privacy Laws or Customer Information set forth in this Agreement.

11.3.2. You will immediately notify us upon discovering or otherwise learning of any theft, loss or misuse of Customer Information. You will, at our direction, but at your sole expense, (i) undertake remediation efforts on your own in concert with our directions, (ii) reasonably cooperate with any remediation efforts undertaken by us and (iii) undertake efforts to prevent the recurrence of the same type of incident, including by paying for any remediation and post-breach monitoring process deemed appropriate by us. You will not make any public comment regarding any data security incident without our approval. Any notifications to the media or customers regarding theft or loss

of Customer Information will be handled exclusively by us at our election and neither you nor your personnel may contact customers relating to such theft or loss unless you are under a legal obligation to do so, in which case (i) you must notify us in writing promptly after concluding that you have the legal obligation to notify any customers and (ii) you will limit the notices to customers to those required by the legal obligation or as pre-approved by us. You will reasonably cooperate in connection with any notices to customers regarding theft or loss and you will assist with sending such notices upon request by us.

## 12. **AUDITS; INSPECTIONS**

12.1. **Financial Planning and Management.** You must keep such complete records of your business as a prudent and careful businessperson would normally keep. You must keep your financial books and records as we may from time to time direct in the Operations Manual or otherwise, including retention of all invoices, accounts, books, data, licenses, order forms, payroll records, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. On or before the fifth calendar day of each month, you must submit to us a complete and accurate accounting of your Gross Sales for the previous calendar month in the format we request, which may be electronic, through the CML Mobile App and POS System or otherwise. You will prepare monthly income statements for your Storefront, which we may require you to submit to us. Within thirty (30) days of the end of each calendar quarter, you must submit to us a financial statement prepared according to generally accepted accounting principles for that calendar quarter, and it must be signed and sworn by you to be true and correct. You will maintain an accounting system reflecting all operational aspects of your Storefront, including uniform reports as may be required by us, prepared in accordance with accounting methods utilized and generally accepted for federal income tax return purposes. You will also submit to us current financial statements; forms showing the sales, use, and gross receipt taxes paid by you; and such other reports or documents kept by you as we may reasonably request. You must maintain the records required under this Section 12.1 for a period of three (3) years after the termination, Transfer, or expiration of this Agreement. Finally, you must submit to us, on or before April 30 of each year, signed copies of the federal income tax returns for the previous tax year, of you and of any Owner who owns fifty-one percent (51%) or more of you, an ownership interest in Franchisee greater than or equal to fifty percent, on or before April 30 of each year.

12.2. **Inspection Rights and Access to Records.** During the Term and for a period of three (3) years following the termination or expiration of the Agreement, we (either directly or through a designated agent) have the right to visit the place where your records are located and inspect all aspects of the operation of your Storefront, at any time during normal business hours and without providing any advance notice to you. You acknowledge that any evaluation or inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of your Storefront or to assume any responsibility for your obligations under this Agreement.

12.2.1. As part of such visit, we have the right to: (a) inspect your Storefront operating materials and supplies; (b) observe the operations of your Storefront for such consecutive or intermittent periods as we deem necessary; (c) take photographs, movies or video recordings of your Storefront; (d) interview your personnel; (e) conduct customer surveys; (f) inspect and copy any books, Customer Information, records, and documents relating to the operation of your Storefront, including contracts, leases, and material and information generated by or contained in the CML Mobile App and POS System; and (g) select and take products, inventory, supplies, equipment and other items from your Storefront to evaluate whether they comply with our Brand Standards as dictated by the Operations Manual. You must cooperate fully with us in connection with these inspections, observations, surveys and interviews. We may require you or your Designated Manager to correct any issues that we discover during the inspection.

12.2.2. You authorize us or our designee to make reasonable inquiries of your bank, suppliers and trade creditors concerning your Storefront, and by this Agreement you direct such persons to provide us with such information and copies of documents pertaining to your Storefront as we request.

12.2.3. We and our designee have the right to discuss your records and your Storefront with your Designated Manager and/or any officers, directors and employees responsible for maintaining records.

12.2.4. You acknowledge and agree that we will have the continual right to monitor your Storefront and your activities at the Storefront through your camera system, and that we have the right to use the footage from the system for determining your compliance with this Agreement, the Operations Manual, or applicable Legal Requirements.

12.2.5. We will have the right to share your financial information with your actual or perspective landlords or lenders, and among our franchisees generally. We will have the right to use your information in our franchise disclosure document.

12.2.6. If, during an inspection, we determine that your Storefront does not meet or exceed our current minimum score for compliance with our System standards, you must reimburse us for our costs and expenses associated with our legal counsel, inspection, assistance, and our enforcement efforts relating to your non-compliance, as well as a five hundred dollar (\$500) fee for reinspection and our lodging, travel, and living expenses associated with the reinspection.

12.3. Audit. We and/or our designated agents have the right at all reasonable times to examine and copy, at our expense, your books, records, accounts, sales tax records, Customer Information, and business tax returns relating to your Storefront. We also have the right, at any time, to have an independent audit made of your books and records or to require you to participate in a mail-in audit or any other form of audit. You agree to cooperate fully with our representatives and independent accountants in any examination. If an inspection or audit reveals that any payments due to us have been understated in any report to us, then you must immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If: (a) you refuse to cooperate with an audit or an inspection; or (b) an inspection or audit discloses an understatement in any report of two percent (2%) or more, you must, in addition to repaying money owed with interest, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wage expenses, and reasonable accounting and legal costs). The remedies in this Section 12.3 are in addition to any other remedies we may have as a result of your underreporting, including but not limited to the right to terminate this Agreement.

12.3.1. You must cooperate in scheduling any audit and providing access to records, which must be maintained and presented in reasonable order to allow the audit to be conducted in a reasonable time.

12.3.2. Your failure, refusal or neglect to dispute any fees or contributions that an audit reveals you owe, including any fees, costs and penalties assessed in connection with an audit, constitutes a waiver of any right to challenge such fees, unless you provides us written notice of your dispute, along with an explanation of the basis for your dispute, within thirty (30) days of the date we deliver the audit results to you in writing.

12.4. Consent to Use of Likeness and Your Storefront. You agree that we have the right to use the likeness (including photographs or videos containing images) of: (a) you; (b) if you are a Business Entity,

your Owners; and (c) your Storefront, for any purposes relating to the promotion or marketing of the System or Marks.

12.5. Mystery Shoppers. You acknowledge that we may use mystery shoppers to evaluate you and your Storefront at any time during the duration of the Term of this Agreement.

### 13. YOUR OWNERS AND GUARANTORS; RELATIONSHIP BETWEEN THE PARTIES

13.1. Your Name. You must operate solely under the name identified on Addendum 1 and may use “Cousins Maine Lobster” or our other Marks **only** as a “doing business as” (d/b/a) designation. You may not use other names in connection with any advertising or operation of your Storefront. We have the right to review and require changes to any display of your name or the Marks.

13.1.1. You may not include “Cousins Maine Lobster” or any of the Marks in your legal name.

13.1.2. In all public records, in relationships with other persons, and on letterhead and business forms, you must indicate that you independently own your Storefront, and that you are solely a franchisee of CML Storefront, LLC.

13.2. Relationship of Parties. We and you intend that this Agreement creates only a franchisor and franchisee relationship, and no other. You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as our agent or representative for any purpose whatsoever. Neither we nor you are the employer, employee, agent, partner or co-venturer of or with one another, each of us being independent from each other. You will not hold yourself out as our agent, employee, partner or co-venturer. Neither you nor we have the power to bind or obligate the other except specifically as stated in this Agreement. We and you agree that the relationship created by this Agreement is one of an independent contractor and not a fiduciary relationship. ~~All costs of the Storefront, including opening and operating costs, will be your sole obligation. We will have no costs, liability or expense whatsoever with respect to your opening and operation of the Storefront. You shall not use or employ the Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them.~~

13.2.1. We and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees’ essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees’: (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all of your employees’ essential terms and conditions of employment.

13.2.2. ~~13.2.1.~~ We will not be obligated for any damages, ~~claim~~claims, or ~~obligation~~obligations to any person or property, ~~directly or indirectly~~ arising out of your operation of your Storefront, whether ~~or not~~ caused by your negligent or willful action or failure to act, or your use of the Marks in a manner not in accordance with this Agreement. You must not use the Marks in signing any contract or ~~in~~ applying for any license or permit ~~or~~ in a manner that may result in our liability for your debts or obligations.

~~13.2.2. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our~~

~~employees or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, payments, unemployment insurance, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to our respective employees and operations, and we will save and indemnify one another of and from any liability of any nature whatsoever by virtue thereof. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.~~

~~13.2.3.~~ We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for your Storefront does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. You alone are solely responsible for all hiring and employment decisions and functions relating to your Storefront, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, setting hours for, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well versed in employment law. **No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from you to us.**

~~13.2.3.~~ ~~13.2.4.~~ You agree to inform each of your employees and contractors that you alone are their employer, and that we are not. You ~~agree to~~will explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you, ~~and you.~~ You will request that your employees and contractors sign any ~~acknowledgement~~acknowledgment or disclosure we reasonably require explaining the differences between us (your franchisor) and you (their employer or contractor).

~~13.2.4.~~ ~~13.2.5.~~ You acknowledge and agree, ~~and will never contend otherwise, that the~~ that you alone will exercise day-to-day control over all operations, activities, and elements of your Storefront, and that under no circumstance will we do so or be deemed to do so. The various requirements, restrictions, prohibitions, specifications, and procedures of the System which~~that~~ you are required to~~must~~ comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or **do not** imply that we control any aspect or element of the day to day operations of your Storefront, which you alone control, but only constitute standards you must adhere to when exercising your control of~~of~~ the day-to-day operations of your Storefront. These standards are meant to guide you in exercising your control over the day-to-day operations of your Storefront.

~~13.2.5.~~ ~~13.2.6.~~ You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, which may include (among other things) a sexual harassment policy. You will have sole discretion in whether to adopt any such policies and procedures, and as to the specific terms of those policies and procedures. Training with respect to all such policies and procedures will be your sole responsibility.

13.3. Owners Agreement. You and each of your Owners must, jointly and severally, sign the Owner Agreement attached as **Addendum 2**, and you and each of your Owners will otherwise bind yourselves to

the terms of this Agreement. If the ownership interest is acquired after Effective Date, each new Owner must sign and provide the Owner Agreement to us within ten (10) days after obtaining the interest.

#### 14. INDEMNIFICATION; INSURANCE

14.1. Indemnification. You, and each of the Owners identified on Addendum 1, agree that you will, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, our successors, assigns, and Affiliates and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the “**Indemnified Parties**”) from all losses and expenses incurred in connection with any action, suit, proceeding, claim, damages (actual, consequential, or otherwise), demand, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, investigation, or inquiry (formal or informal), or any settlement of any of them, which arises out of or is based upon any of the following:

14.1.1. The infringement, alleged infringement or any other violation by you, your Owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or System.

14.1.2. Your, or your Owners’, violation, breach, or asserted violation or breach of any federal, state, or local law, regulation, ruling or industry standard.

14.1.3. Your, or your Owners’, libel, slander, or any other form of defamation.

14.1.4. Your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees.

14.1.5. Your, or your Owners’: (a) violation or breach of any warranty, representation, agreement, or obligation in this Agreement or in any other agreement between you and us or our Affiliates; (b) acts, errors, or omissions, or those by any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, or employees in connection with the establishment and operation of your Storefront, including, but not limited to, any acts, errors, or omissions of any of them in the operation of any motor vehicle or in the establishment or implementation of security for your Storefront.

14.1.6. Any damages, incidents, or claims listed in this Section 14.1 that are alleged to be caused by an Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by the Indemnified Party’s gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

We have the right to defend any such action or claim against us at your expense. This indemnification will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. For the purposes of the indemnification in this Section 14.1 only, the term “claim” also includes all obligations and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountant, arbitrator, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration, or alternative dispute resolution and travel and living expenses.

14.2. Mitigation Not Required. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to

pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

14.3. Insurance. During the Term, you must maintain in force, at your expense, policies of insurance, in the minimum amounts specified by us, issued by carriers approved by us, that have a rating of at least A- by A.M. Best, or the equivalent. Our current required policies and coverage amounts are stated in the Operations Manual. You must also have all other insurance to meet any applicable Legal Requirements, or as required by your local state authorities. We may unilaterally modify our insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change through the Operations Manual. The insurance will include, at a minimum, the following:

14.3.1. Comprehensive general liability insurance, including products liability, completed operations, property damage, contractual liability, independent contractors liability, and personal injury coverage with a combined single limit of at least \$1,000,000 per occurrence and \$1,000,000 aggregate, or higher if your state law requires.

14.3.2. Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which your Storefront is located and operated.

14.3.3. Business interruption and lost profit insurance providing for at least six months coverage of profits and necessary operating expenses.

14.3.4. Employer's practice liability insurance.

14.3.5. Automobile liability insurance of at least \$1,000,000, or higher if your state law requires.

14.3.6. Excess or umbrella liability insurance with limits of not less than \$2,000,000 per occurrence, \$2,000,000 aggregate, and \$2,000,000 products and completed operations coverage.

14.3.7. Insurance coverage products in transit or food spoilage delivery to you or at your dock.

14.3.8. Unemployment insurance, state disability insurance; and other insurance to meet any applicable legal requirements.

14.4. Additional Named Insured. Each insurance policy must contain an endorsement naming us (and, if we so request, our members, directors, agents, and Affiliates) as "Additional Named Insured" (and not as "additional insureds") in the broadest form, extending to our negligence and errors and omissions, and cannot be limited to vicarious liability. You must provide us with thirty (30) days advance written notice of any material modification, cancellation, or expiration of the policy. Each policy must also include a waiver of the insurer's right of subrogation against any of us, and provide coverage for your indemnification obligations under this Agreement. The insurance afforded to additional insureds must apply as primary insurance and not contribute to any insurance or self-insurance available to us.

14.4.1. Continuation of Policy. Regardless of the amounts we state above, it is your responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration of this Agreement, so that coverage, including but not limited to any policies that are on a "claims made" basis, which through the purchase of an extended reporting endorsement (i.e., "tail" insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a twenty-four (24) month period following the end of the policy period.

14.4.2. Copies of Policies. You must provide us with copies of policies evidencing the existence of the insurance required by this Section 14.3 at least ten (10) days prior to the time you are first required to carry insurance, and thereafter at least thirty (30) days prior to the expiration of any policy, along with certificates evidencing such insurance.

14.4.3. Our Right to Obtain Insurance. In the event you fail to obtain the required insurance and to keep it in full force and effect, we may, but will not be obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you must reimburse us for the full cost of such insurance, plus an administrative fee equal to twenty percent (20%) of the cost of such premiums, within five (5) days of the date we deliver you an invoice detailing such costs and expenses.

14.4.4. Acknowledgement. You acknowledge that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with your Storefront. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than we require. Any insurance policies that we carry do not and will not limit or relieve you from any of your obligations under this Article 14.

## 15. ASSIGNMENT

15.1. By Us. You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as our owners, directors, officers, and employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

15.2. Assignment By You. We have entered into this Agreement in reliance upon and in consideration of your singular personal skill and your qualifications, as well as the trust and confidence we have in you. Therefore, neither your interest in this Agreement, nor any interest in: (a) you; (b) any of your Owners; (c) substantially all of your assets; or (d) your Storefront, can be assigned, transferred, given away or encumbered, voluntarily or involuntarily (a “**Transfer**”), without our prior written consent.

15.2.1. We will not unreasonably withhold approval of a Transfer if you comply with the conditions of this Article 15. Our consent to a Transfer will not be a waiver of any claims we may have against you.

15.2.2. If, after a Transfer approved by us, one of your Owners no longer has any interest in you or your Storefront, then that person will be relieved of liability for any obligations to us that arise *after* the date of the Transfer, except for those obligations that arise under Articles 16 or 18.

15.3. Conditions for Approval of Transfer. We, in our discretion, may impose conditions on granting our consent to the Transfer, which conditions may include any or all of the following:

15.3.1. You and your Owners must be in full compliance with this Agreement, and must have been in substantial compliance with this Agreement during the Term, and must pay all amounts then owed to us or our Affiliates.

15.3.2. ~~The~~Each owner of the transferee must complete and submit all application documents, and pay our then-current application fee, required by us from prospective ~~Storefronts~~new franchisees at the time of the assignment and be approved in writing by us.

15.3.3. The transferee must have, at our sole option, either: (i) assumed this Agreement by a written assumption agreement approved by us (which will include a personal guarantee(s) by the transferee, its principals and/or owners of a beneficial interest in transferee), or have agreed to do so at closing; or (ii) executed a replacement franchise agreement on the standard form of franchise agreement we are then offering to new Storefronts, which may differ from this Agreement in all material respects, including but not limited to having a smaller Territory and higher or different fees than were granted in this Agreement.

15.3.4. You must pay us a nonrefundable transfer fee of ten thousand dollars (\$10,000) ~~no fewer than five (5) days before you complete the Transfer.~~ Of this amount, you must pay two thousand five hundred dollars (\$2,500) at the time you request our approval of the Transfer. The remaining seven thousand five hundred dollars (\$7,500) is due at closing of the Transfer.

15.3.5. At the expense of either you and/or the transferee, any upgrade, remodel, or replacement of the assets used by your Storefront, including any and all of your equipment, to conform to our then-current standards and specifications for new Storefronts, and complete the upgrading, remodeling, or replacing and other requirements within the time specified by us.

15.3.6. Prior to the date of Transfer, your transferee will attend all training at our designated location as required under the-then current franchise agreement being used by us.

15.3.7. You and each Owner must have executed a general release, on our then-current form (our current form is attached to the Franchise Disclosure Document as **Exhibit FG-1**), of any and all claims against us and our Affiliates and our and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual capacities; provided, however, that any release will not be inconsistent with any state law regulating franchising.

15.3.8. If any part of the sale price is financed, you must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Royalty Fee, Advertising Fund Contribution, and other amounts due to us and our Affiliates pursuant to this Agreement.

15.3.9. You must execute a written agreement not to compete in favor of us and your transferee, with terms the same as those set forth in Sections 16.5 and 16.6.

Upon completion of the Transfer, we will credit the amounts in your Deposit Account to your transferee.

15.4. Right of First Refusal. At least sixty (60) days before you intend to Transfer your Storefront, you must give written notice to us of your intention to make a Transfer. This notice must include a fully-executed copy of any sale document, and any documents referred to in that or those document(s).

15.4.1. We will have the right to acquire the transferred interest at the same price, and on the same terms and conditions, as contained in any bona-fide offer from a third party made to you. If we exercise this right, we will do so within thirty (30) days of receiving from you all documents that we reasonably request in connection with the proposed Transfer. If we do not indicate to you our intention to exercise this right within that thirty (30) day period, we will be deemed to have elected not to exercise our right of first refusal. Our credit will be deemed equal to the credit of any

proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed transferee).

15.4.2. We must receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a Business Entity, as applicable.

15.4.3. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

Any material change in the terms of any offer prior to closing will constitute a new offer subject to the same right of first refusal by us. This Section 15.4 will not apply to: (a) a Transfer by you or your Owners to adult children of you or your Owners; or (b) if you are a Business Entity, the Transfer of your shares to an Owner who was identified on Addendum 1 of this Agreement as of the Effective Date and has signed an Owner Agreement with us in the form attached as Addendum 2.

15.5. Limited Assignment Right for Sole Proprietorships or Partnerships. If you are a sole proprietorship or partnership, we expressly consent to the Transfer of this Agreement, without payment of a fee, to a Business Entity owned and controlled by the same Owners, provided that you and each of the Owners: (a) execute an assignment agreement; (b) execute the Owner Agreement attached as Addendum 2; and (c) ~~reimburse us for our expenses; and~~ (d) comply with the requirements of Section 1.5. You must notify us in writing of any proposed Transfer under this Section 15.5 and must provide and/or sign all documents we reasonably request relating to your legal entity including, but not limited to, assignment documents, articles of incorporation or organization and bylaws.

15.6. Death, Disability or Incapacity of You or Your Owners. Upon the death or permanent incapacity (mental or physical) of you or of any Owner who has a controlling interest in you, the executor, administrator, or personal representative of such person must Transfer such interest to a third party approved by us within six (6) months after such death or mental incapacity. Such Transfers, including, without limitation, Transfers by devise or inheritance, will be subject to the same conditions as an inter vivos transfer. In the case of Transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 15.6, the executor, administrator, or personal representative of the decedent must Transfer the decedent's interest to another party approved by us within six (6) months, which disposition will be subject to all the terms and conditions for Transfer contained in this Agreement. If the interest is not disposed of within the six (6) month period, we may, at our option, terminate this Agreement. In the event of your death or disability (if you are an individual), the Transfer of your interest in this Agreement and your Storefront by will or intestate succession, or conveyance of such interest in the event of disability, to your individual heirs, will require our written consent, but will not give rise to our right of first refusal under Section 15.4. However, our right of first refusal will apply to any proposed Transfer or assignment by such heirs.

15.7. Termination, Resignation, Death or Disability of Designated Manager. If, due to termination, resignation, death, or disability, no one is able to perform management or training supervisory duties relating to your Storefront, you must, within a reasonable time not to exceed fifteen (15) days from the date of termination, resignation, death, or disability, appoint a new Designated Manager (as the case may be). Each new Designated Manager must, at your expense, attend and complete the Initial Training Program to our satisfaction within thirty (30) days of their appointment as your new Designated Manager. If, in our sole judgment, your Storefront is not being managed properly, or your employees are not being adequately supervised, at any time after the Designated Manager's termination, resignation, death, or disability, we will have the right (but not the obligation) to exercise our step-in rights under Section 17.8.

## 16. COMPETITION; PROTECTION OF OUR CONFIDENTIAL INFORMATION

16.1. Your Acknowledgement. You acknowledge that you will obtain knowledge of our Confidential Information that is essential to the operation of your Storefront, without which information you could not effectively and efficiently operate it. You further acknowledge that such Confidential Information was not known to you prior to execution of this Agreement. You further acknowledge and agree that all of the Confidential Information is our sole property, represents our valuable assets, and that we have the right to use the Confidential Information in any manner we wish at any time.

16.2. Use and Disclosure of Confidential Information. You will not use any Confidential Information for any purpose other than in the manner we permit or direct. You may disclose Confidential Information only to such of your employees, agents, independent contractors and representatives as reasonably necessary in order to operate your Storefront. You may not, during the Term or afterward, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees and independent agents as must have access to it in order to operate your Storefront, and you agree that your use of Confidential Information for any purpose other than the development and operation of your Storefront in accordance with this Agreement would constitute unfair competition. Any and all Confidential Information may not be used for any purpose other than conducting your Storefront. You agree not to make any copies of, reproductions of, or extracts of any Confidential Information except strictly incidental to, and solely in furtherance and within the scope of your relationship with us. You will never reveal any Confidential Information to any person, except as permitted by this Agreement or pursuant to an order from a court of competent jurisdiction. In the event that you should receive such a court order, you must provide us immediate oral and written notice of such order, and must cooperate with us in protecting the secret nature of the Confidential Information. If you at any time conduct, own, consult with, are employed by, or otherwise assist a similar or Competitive Business, the doctrine of “inevitable disclosure” will apply, and it will be presumed that you are in violation of this covenant. It will be your burden to prove that you are not in violation of this covenant.

16.3. Preservation of Confidentiality. You must not permit any person (including your Owners, Designated Managers, principals, officers, directors, independent contractors and employees) to access Confidential Information (including the Operations Manual) without first requiring them to execute confidentiality agreements, in a form we approve, requiring that all Confidential Information that may be acquired by or imparted to such person be held in strict confidence and used solely for the benefit of you and us. All confidentiality agreements described in this paragraph must include a specific identification of us as a third-party beneficiary with the independent right to enforce the agreement. Our current approved form is attached to our Franchise Disclosure Document as **Exhibit IG-3**.

16.4. Covenant Not to Compete: During Term. You covenant and agree that, during the Term and any successor term(s), neither you nor your Owners, Designated Manager(s), officers, directors, members, and partners will directly or indirectly own, invest in, partner with, direct, serve as an officer or director for, be employed by, act as consultant for, represent, act as an agent for, or divert or attempt to divert any customer, person, or business to, any Competitive Business anywhere.

16.5. Covenant Not to Compete: After Term. For the reasons stated in Section 16.2 above, you covenant and agree that, for a period of two (2) years after the termination of this Agreement or any successor to this Agreement, regardless of the reason, cause, purpose, or source of the termination (including but not limited to your Transfer of this Agreement), neither you nor your Owners, managers, Designated Manager(s), officers, directors, members, and partners will directly or indirectly own, invest in, partner with, direct, serve as an officer or director for, be employed by, act as a consultant for, represent, or act as an agent for,

any Competitive Business within: (a) fifteen (15) miles of the Territory or any Storefront then in existence or under construction; or (b) the territory of any Storefront or Food Truck that is then in operation.

16.6. Covenant Not to Divert Customers. You agree that, during the Term or any successor term(s), and for a period of two (2) years after the termination or expiration of this Agreement or any successor agreement(s), you will not divert or attempt to divert any customer to any Competitive Business.

16.7. You Acknowledge that these Covenants Are Reasonable. You agree that all covenants in this Agreement and this Article 16 are fair and reasonable in both duration and area, and will not impose any undue hardship on you. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to enforcement by us of the covenants in this Article. You further acknowledge that a violation of any covenant in this Article 16 will cause us irreparable harm, the exact amount of which may not ascertainable, and therefore, you consent that in the event of such violation, we will, as a matter of right, be entitled to apply for injunctive relief to restrain you, or anyone acting for you or on your behalf, from violating said covenants. Such remedies, however, are cumulative and in addition to any of the remedies to which we may then be entitled. The covenants set forth in this Article 16 will survive the termination, expiration or Transfer of this Agreement. You agree to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, that we incur in connection with our enforcement of the covenants in this Article 16. YOU EXPRESSLY ACKNOWLEDGE THAT YOU POSSESS SKILLS AND ABILITIES OF A GENERAL NATURE AND HAVE OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, YOU REPRESENT TO US THAT ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE YOU OF THE ABILITY TO EARN A LIVING.

16.8. Covenants Are Severable; Tolling. The parties agree that each covenant in this Article 16 must be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and part of this Agreement. Any period of time specified in this Article 16 will be tolled and suspended for any period of time during which you are in violation of any restrictive covenant.

16.9. Limited Exclusion. The restrictions contained in Sections 16.4 and 16.5 above will not apply to ownership of less than five percent (5%) of the shares of a company.

## 17. DEFAULT; TERMINATION

17.1. Automatic Termination Without Notice. You will be in default under this Franchise Agreement, and we may automatically terminate all rights granted to you by this Franchise Agreement without notice if: (i) you file or cause to be filed a petition in bankruptcy or you are adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws); or (ii) you admit to your inability to meet your financial obligations as they become due, or make a disposition for the benefit of its creditors (unless prohibited by law); or (iii) a receiver or custodian (permanent or temporary) is appointed for any of your assets or property; or (iv) a final judgment in excess of \$25,000 against you remains unsatisfied or of record for thirty (30) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment), except that we may provide you with additional time to satisfy the judgment if you demonstrate that you are using commercially reasonable efforts to resolve the issues related to the judgment.

17.2. Immediate Termination With Notice and No Opportunity to Cure. We will have the right to terminate this Agreement immediately, without providing you an opportunity to cure, upon our delivery of written notice to you under any of the following circumstances:

17.2.1. Failure to Open. You fail to open your Storefront on or before the Opening Deadline (as extended, if applicable) through no fault of ours.

17.2.2. Abandonment. Except as may be allowed by us in the Operations Manual or otherwise in writing, you fail to keep your Storefront operating for a period of three (3) or more consecutive days, or engage in any other conduct under which it is reasonable for us to conclude that you have abandoned the operations of your Storefront.

17.2.3. Certain Acts. Conduct or activity by you, your Designated Manager(s), or Owners that is reasonably likely to have an adverse effect or reflect unfavorably on your Storefront, us, the System, the Marks, or the goodwill associated with them, including (but not limited to) a felony conviction of you or of any of your Owners, or Designated Manager(s).

17.2.4. Unauthorized Assignment. You or an Owner purport to sell, assign, Transfer or encumber this Agreement, your Storefront or an interest in you without our prior written consent in violation of Article 15.

17.2.5. Failure to Comply With Laws. You fail to comply with any material Legal Requirement applicable to the operation of your Storefront, and fail within the time period allowed by law (if applicable) to cure the noncompliance following your receipt of notice of the noncompliance. If no time period is specified, the cure period will be twenty-four (24) hours from the receipt of such notice.

17.2.6. Repeated Defaults. We deliver to you two (2) or more written notices of default pursuant to this Article 17 within any twelve (12) month period, regardless of whether the defaults described in the notices ultimately are cured.

17.2.7. Understating Gross Sales. You submit on two or more occasions during the Term a report, financial statement, tax return, schedule or other information or supporting record (including submission by or through the CML Mobile App and POS System) which understates your Gross Sales by more than two percent (2%). This provision will not apply if you demonstrate that the understatement did not result from an inadvertent error or error made by the CML Mobile App or POS System.

17.2.8. Material Misrepresentations. You make any material misrepresentations relating to the acquisition of your Storefront or in connection with the operation of your Storefront.

17.2.9. Failure to Allow Audit or Inspection. You refuse to allow or cooperate with the audits or inspections by us described in Article 12.

17.2.10. Violation of Restrictive Covenants. You or your Owners violate any of the restrictive covenants against competition or use or disclosure of our Confidential Information in Article 16.

17.2.11. Interference With Relationships. You interfere or attempt to interfere with our actual or prospective contractual relations with Approved Suppliers, other Storefronts, advertising agencies or any third parties.

17.2.12. Intellectual Property Misuse. If you challenge the validity of, materially misuse, or make any unauthorized use disclosure, or duplication of, the Marks or Confidential Information (excluding only independent acts of employees or others if you exercised your best efforts to prevent such disclosures or use).

17.2.13. Failure to Pay Amounts Owed. You do not, within five (5) days of our sending notice to you: (a) pay any amounts due to us, our Affiliates, a Cooperative of which you are a member, the Advertising Fund, or an Approved Supplier (other than payments which are subject to a bona fide dispute); or (b) replace the amounts in your Deposit Account that we apply to past-due amounts you owe us or our Affiliate(s) so that the balance of \$20,000 remains on deposit with us.

17.2.14. Anti-Terrorism Laws. You violate, or make any misrepresentation regarding your compliance with, or violation of, Anti-Terrorism Laws by you, your Owners, officers, directors, Designated Managers, managers, members, partners, or agents.

17.2.15. Failure of Inspections. You: (i) fail to achieve or exceed the minimum score under a System standards inspection two (2) or more times in any twelve (12)-month period; or (ii) fail to correct any operational deficiency noted on a System standards inspection within five (5) days of receiving notice from us.

17.2.16. Operation Within Another Franchisee's Territory. You advertise, offer or sell any products or services within the territory of another System franchise, or otherwise knowingly infringe on rights we have granted to a third party.

17.2.17. Sale of Unapproved Seafood, Soups, or Bread. You offer or sell any seafood, soup, or bread items that are not approved by us.

17.2.18. Sale of Other Unapproved Products. You: (a) offer or sell any unapproved product, service or program (other than seafood or soup items); (b) do not sell all Authorized Products or Services we require; or (c) do not use or disseminate (as applicable) all materials, notices and procedures specified by us, and you do not cure such default within forty-eight (48) hours of receiving notice from us of such default.

17.2.19. Failure to Participate in Promotional Campaign. If you fail to participate in a promotional campaign, discount program, or honor a coupon according to the terms we establish within five (5) days of our sending notice to you of your failure, unless the program or campaign is optional and you have previously timely notified us of your election not to participate.

17.3. Termination After 14-day Cure Period. We have the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within fourteen (14) days after delivery of written notice: (a) you do not obtain or maintain required insurance coverage; (b) you fail to obtain and maintain any permit or license necessary for the operation of your Storefront; (c) your Owners are engaged in a dispute with one another (deadlock) that materially affects the operation of your Storefront, which dispute or deadlock remains unresolved after the expiration of the fourteen (14) day cure period; (d) you fail to resolve customer complaints and/or disputes as required by Section 9.11; or (e) you breach any other term of this Agreement that is not specifically identified in Sections 17.1 or 17.2 of this Agreement, and you do not correct such failure after we deliver to you notice of your failure to comply. The description of any breach in any notice served by us upon you will in no way preclude us from specifying additional or supplemental breaches in any action, arbitration, hearing or suit relating to this Agreement or its termination.

17.4. Effect of Laws. If applicable law will not allow the termination of this Agreement as stated in Sections 17.1, 17.2, or 17.3 above, the concerned default will be subject to the provisions of, and the cure period stated in, Section 17.3. If applicable law requires a longer cure period than that specified in this Agreement, the longer period will apply.

17.5. Our Pre-Termination Options. If you fail to pay any amount owed under this Agreement, or fail to comply with any term of this Agreement or the Operations Manual (subject to applicable notice and cure periods), then, in addition to our right to terminate this Agreement or to bring a claim for damages, we have the following options as we deem necessary:

17.5.1. To suspend all services provided to you under this Agreement or otherwise, including training, marketing assistance, and the sale of products and supplies.

17.5.2. To eliminate listing you in any advertising, marketing or promotional materials, including any directory listings, approved or published by us, and our principal website.

We may continue taking these actions until you comply with the requirements of any default notice that we have sent to you, and we acknowledge your compliance in writing. In the event you breach this Agreement by failing to pay amounts owed to us, or to our Affiliate for food and inventory items that you received, we also have the right to require you to pay via wire transfer for all Royalty Fees, Advertising Fund Contributions, and to pay in advance via wire transfer for shipments of food and other inventory items from our Affiliate, even if you timely cure your breach. The options in this Section 17.5 will have no effect on, and will not release you from, any obligation you owe to us or to our Affiliates.

17.6. Termination by You. You can terminate this Agreement prior to the end of the Term only with our prior written consent, or if we commit a material breach of this Agreement that is not cured within sixty (60) days after written notice from you. If the nature of the breach is such that we will be unable to cure it within the required sixty (60) day period, we can take such additional time as may be reasonably necessary within which to cure said breach provided that we have begun taking corrective action within the sixty (60) day period, and we pursue it diligently to completion.

17.7. Cross-Default. Any default by you under any agreement between you and us or you and our Affiliates, and your failure to cure within any applicable cure period, will be considered a default under this Agreement and will provide an independent basis for us to terminate this Agreement. If the default under the other agreement is such that it would entitle us to immediately terminate that other agreement, then we will be entitled to immediately terminate this Agreement in the manner stated in Section 17.2.

17.8. Step-In Rights and Management. To prevent any interruption of business of your Storefront and any injury to the goodwill and reputation of your Storefront, the System, or other Storefronts or Storefronts which may be caused by such interruption, in the event of: (a) your default under this Agreement; (b) our termination of the Agreement under Sections 17.1 through 17.3; (c) our reasonable belief that a condition of your Storefront or any product sold at your Storefront poses a threat to the health or safety of customers; or (c) your death or permanent incapacity (mental or physical), we will have the right (but not the obligation) to operate your Storefront for as long as we deem necessary and practical. You hereby authorize us to undertake such operation, and agree that our operation of and making corrections to, your Storefront within our reasonable business judgment will not make us or our agents guilty of trespass or any other tort, and that our exercising these rights will not constitute a waiver of any other rights or remedies we may have under this Agreement. If we operate your Storefront, we will have the right to collect and pay from the revenues of your Storefront all expenses relating to the operation of your Storefront including, without limitation, Royalty Fees, Advertising Fund Contributions, payments for inventory and supplies (including payments to our Affiliates), employee salaries, reimbursement of our expenses incurred in connection with

such operation (including travel, lodging, and living expenses), and our then-current, reasonable management fee. You must indemnify and hold us harmless from any and all claims arising from the alleged acts and omissions of us and our representatives in exercising rights under this Section.

## **18. POST TERMINATION OBLIGATIONS**

Upon termination or expiration of this Agreement for any reason, or (to the extent applicable) a Transfer by you:

18.1. Cease Use of Marks and System Materials. You must immediately cease all use of the Marks and Trade Dress, the Operations Manual, Confidential Information, Intellectual Property, materials relating to the System and its operation, and Confidential Information, and you must not use any trademarks, tradenames, service marks, or other commercial symbols that indicate or suggest a connection with us.

18.2. Representations of Affiliation. You must immediately refrain from making any representation whatsoever that you are our franchisee, or that you are or have been affiliated with us, and you must immediately take any affirmative action necessary to remove any use of the Marks in connection with your Storefront. You must, at our option and request, assign to us all rights to all telephone numbers, e-mail addresses, URLs, domain names, social media identities, Internet listings, and Internet accounts related to your Storefront. If you do not voluntarily comply with this Section 18.2, we may, at our option, execute in your name and on your behalf, any and all documents necessary to end your use of the Marks and you irrevocably appoint the person serving as our manager or president as your attorney-in-fact to do so. You must take all actions as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks. You must never use any trade name, trademark, or other identifying symbol that is confusingly similar to any of the Marks.

18.3. Payments; Security Interest. You must pay all sums owed under the terms of any agreement with us or our Affiliates within seven (7) days of termination or expiration of this Agreement, or such later date that any amounts due have been determined by us. Those sums will include:

18.3.1. The balance of all outstanding and unclaimed gift cards issued by you.

18.3.2. All interest, damages, costs and expenses, including reasonable attorneys' fees, incurred by us, whether or not the sums are incurred prior to or subsequent to the termination or expiration of this Agreement.

18.3.3. Liquidated Damages.

18.3.4. All other costs and expenses, including, without limitation, reasonable attorneys' fees, costs, and expenses incurred by us in obtaining injunctive or other relief to enforce the provisions of this Agreement.

You grant to us a security interest (which will be subordinate to any purchase money security interest) in any equipment, inventory, supplies, furniture and fixtures and goods used or related to your Storefront, to the extent that we have not received all funds due and owing from you. This Agreement will constitute a security agreement granting to us a security interest in the above mentioned collateral, and you must execute any and all financing statements required by us to perfect our security interest in the collateral. We have the right to apply any amounts remaining in your Deposit Account to the money you owe us or our Affiliate(s).

18.4. Return of Operations Manual and Other Confidential Information. You must, within ten (10) days of the termination, deliver to us the Operations Manual and all Confidential Information, Intellectual Property, records, files, computer programs, software, Customer Information, records, files, instructions, correspondence, and any and all other materials relating to the operation of your Storefront that were provided to you, or held by a third party on your behalf, and all copies of those items (all of which you acknowledge is our property). You will retain no copy or record of any of the items listed in this Section 18.4, with the exception only of your copy of this Agreement, correspondence between the parties and any other documents which you reasonably need to comply with law.

18.5. Modify Appearance of Storefront. You must make reasonable modifications to the interior and exterior of any retained Storefront to remove all Marks and otherwise reduce the Storefront's identification as a part of our System. These modifications will include, but will not be limited to, reasonable alterations to the Storefront to eliminate any possibility of consumer confusion.

18.6. Our Right to Purchase Tangible Assets. We have the option to purchase your interest in any or all of your Storefront's inventory, equipment, supplies, advertising materials and signs for a purchase price equal to the lesser of your cost or then-current fair market value, to be determined by a qualified independent third party of our choosing and that we pay for, and we may set off against the purchase price any amounts that you owe us. We will exercise our option by delivering written notice before or within thirty (30) days after this Agreement expires or is terminated.

18.7. Liquidated Damages. If an early termination of this Agreement occurs (which will mean any termination of the Agreement before the end of the Term, other than due to a mutual termination, your valid termination under Section 17.6, or your valid and approved Transfer of the Agreement), you will, within fifteen (15) days of such early termination, pay to us liquidated damages ("**Liquidated Damages**"). You agree that the Liquidated Damages are not a penalty, and that it would be impracticable or extremely difficult for us to calculate the actual amount you would have been obligated to pay us as Royalty Fees and Advertising Fund Contributions through the end of the Term. As a result, the parties agree that the following method of calculation represents a fair and reasonable estimate of our damages. Liquidated Damages will be equal to:

The greater of the combined monthly average of Royalty Fees and Advertising Fund Contributions (without regard to any fee waivers or other reductions) that are owed by you to us during the six (6) month period prior to the date of early termination; or (b) three thousand five hundred dollars (\$3,500),

multiplied by

The lesser of: (i) twenty-four (24), or (ii) the number of full months remaining in the Term.

18.8. Use of Customer Information and Other Information. We have the right, during and after the Term, to access and use: (i) all information you provide to us contained in your sales and transaction reports, through the CML Mobile App ~~or~~ and POS System, and in such other operational reports that we request from you; (ii) Customer Information; and (iii) the contact information of you or your Owners. We may use this information for business purposes that may include, without limitation, public relations, advertising, statistical compilations, investigations and resolutions of client complaints, and quality surveys. After termination or expiration of the Agreement, we will have the exclusive right to use the information referred to in this Section 18.8, and to make the Customer Information available to other Storefronts for such purposes as we deem appropriate.

18.9. Comply with Covenants. You must comply with each and every one of your covenants and obligations that apply after the termination, expiration, or Transfer of this Agreement as stated in Article 16.

18.10. Termination Without Prejudice. The expiration or termination of this Agreement will not relieve you of any of your obligations to us existing at the time of expiration or termination, nor will it terminate those of your obligations which, by their nature, survive the expiration or termination of this Agreement. The expiration or termination of this Agreement will be without prejudice to our rights against you; and in the event of a termination which is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all other rights and remedies that are available to us at law or in equity.

## 19. GOVERNING LAW; DISPUTE RESOLUTION

19.1. Governing Law. This Agreement is governed by and must be interpreted in accordance with the laws of the state of Maine, without reference to conflict of laws principles. By agreeing to the application of Maine law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or other statute, rule, or regulation of the state of Maine to which this Agreement or the parties' relationship would not otherwise be subject without the application of this Section 19.1. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

19.2. Mandatory Mediation. Except as provided in Section 19.4, if any Dispute cannot be settled through direct discussions, the parties agree to submit the Dispute to mediation before resorting to arbitration. Mediation will be administered by the American Arbitration Association ("AAA") under its then-current Commercial Mediation Procedures ("**Mediation Procedures**") and before a mediator selected under them. Mediation will not defer or suspend our exercise of any termination right under Article 17. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and must not be offered or admissible in any other proceeding or legal action whatsoever.

19.2.1. Deadline for Mediation. The party requesting mediation must provide written notice of the request for mediation to the other party in the manner prescribed in the Mediation Procedures. The request must specify with reasonable particularity the matters for which mediation is sought. Mediation must be concluded within thirty (30) days of the issuance of the written request for mediation, or such longer period as the parties may agree upon in writing.

19.2.2. Location. The mediation must be held in Portland, Maine or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Portland, Maine.

19.2.3. Cost of Mediation and Consequences of Failure to Comply. The parties will equally share the cost of the mediation, including administrative costs and mediator fees. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this Agreement, and the Dispute may proceed directly to arbitration without mediation. Any costs or fees, including attorney fees, incurred by the non-defaulting party in pursuing mediation may be sought as damages in arbitration.

19.3. Arbitration. Except as specifically provided in this Agreement, any Dispute that is not resolved through mediation must be settled by binding arbitration administered by the American Arbitration Association in accordance with its then-current Commercial Arbitration Rules ("**Commercial Rules**"). Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction over the parties.

19.3.1. Governed by Federal Arbitration Act. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce, and that any arbitration conducted under this Agreement will be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act, and that arbitration must be conducted as provided in this Section 19.3.

19.3.2. Appointment of Arbitrator. The Dispute will be heard by a single arbitrator, chosen in accordance with the Commercial Rules. The arbitrator, and not any court, will have the sole authority to decide the Dispute, as well as to determine arbitrability of any Dispute.

19.3.3. Qualifications of the Arbitrator. At the option of either party, the arbitrator must be selected from a list of retired federal or state judges supplied by AAA, if available, who have substantive experience in franchise law.

19.3.4. Claims Barred. In connection with any arbitration proceeding, each party must submit any Dispute or claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) in the arbitration. Any such claim which is not submitted or filed as described above will be forever barred.

19.3.5. Payment of Fees and Costs. The parties will equally bear all administrative costs and arbitrator fees in accordance with the Commercial Rules. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrator compensation or administrative charges will constitute a waiver by that party to present any evidence or cross-examine witnesses. In such event, the other party will be required to present evidence and legal argument as the arbitrator may require for the making of an award. Such waiver will not allow for a default judgment or award against the non-paying party in the absence of evidence presented as provided for above.

19.3.6. Mandatory Exchange of Information. The parties must exchange the following information within twenty (20) days of the appointment of the arbitrator without further order from the arbitrator. The parties must exchange the name and, if known, the address and telephone number of each individual likely to have information regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of another party to the Dispute. The disclosure must include any witness anticipated for impeachment or rebuttal. The identifying party must identify the subject(s) on which the witness may provide testimony. The parties must also disclose and provide a copy of all documents, data compilations, and tangible things that are in the possession, custody, or control of the party regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of the other party. The arbitrator may entertain a request to compel the exchange of information or documents not provided by a party in possession of them.

19.3.7. Discovery. Each side may take three (3) depositions. Neither side's depositions may consume more than a total of eighteen (18) hours. No party may make a speaking objection at a deposition, except to preserve privilege. The total period for the taking of depositions shall not exceed six weeks. No interrogatories or requests to admit may be propounded by either party.

19.3.8. Location. The arbitration must be held in Portland, Maine or at the AAA office closest to our then-current headquarters if we are no longer headquartered in Portland, Maine.

19.3.9. Time of Final Arbitration Hearing or Written Decision. The final arbitration hearing must be held no later than nine (9) months from the date of the arbitration demand. Except as otherwise noted in this Agreement, hearings will take place under the Commercial Rules.

19.3.10. Timing; Type of Award. The arbitrator must agree to comply with the schedule stated in Section 19.3.9 before accepting appointment. However, this time limit may be extended by the arbitrator for good cause shown, or by mutual agreement of the parties. The award of the arbitrator must be accompanied by a reasoned opinion, but they may not declare any trademarks owned by us or our Affiliates generic or invalid.

19.3.11. Award of Fees and Costs. The arbitrator must award to the prevailing party, if any, as determined by the arbitrator(s), all of their costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including arbitrator fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney fees. "Prevailing party" is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided. The "net award" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and the arbitrator's judgment.

19.4. Injunctive Relief. You acknowledge that a breach of this Agreement by you, which relates to any of the matters set out below, will cause us irreparable harm for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) the obligations of you upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; (vii) covenants not to compete with us; and (viii) any act or omission by you or your employees that: (a) constitutes a violation of any Legal Requirement; (b) is dishonest or misleading to customers of your Storefront or other Storefronts or Storefronts; (c) constitutes a danger to your employees or to the public; or (d) may impair the goodwill associated with the Marks or the System. You are entitled to seek and obtain the entry of temporary and permanent injunctions to prevent our improper termination of this Agreement. The parties agree that such requests may be heard by the arbitrator or by a court (subject to Section 19.10), at the election of the party seeking the same. Neither party will be required to first mediate any claim for injunctive relief. Should a party elect to have its request heard by arbitrator, all such requests shall be heard in accordance with the then-current Commercial Rules. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay to us an amount equal to the aggregate of our costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, that we incur in obtaining such relief. You agree that your sole remedy, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held. You waive all claims for damages by reason of the wrongful issuance of any such injunction.

19.5. Waiver of Right to Jury Trial. Each party hereby irrevocably waives its rights to trial by jury regarding any Dispute or proceeding arising out of this Agreement or the transactions relating to its subject matter.

Your Initials: \_\_\_\_\_ Our Initials: \_\_\_\_\_

*[This Area is Intentionally Left Blank]*

19.6. Waiver of Right to Bring Class, Group, or Collective Action. Arbitration or litigation of any Dispute must proceed solely on an individual basis. The parties expressly and irrevocably waive the right for any Dispute to be arbitrated or litigated on a class action basis, or on bases involving Disputes arbitrated or litigated in a purported representative capacity on behalf of others. The authority of a court or arbitrators to resolve Disputes and make written awards or judgments is limited to Disputes between you and us alone. Disputes may not be joined or consolidated with any other Dispute(s) unless agreed to in writing by all parties. No arbitration award or court decision will have any preclusive effect as to issues or claims in any Dispute with any person or entity not a named party to the arbitration. No previous course of dealing will be admissible to explain, modify, or contradict the terms of this agreement.

Your Initials: \_\_\_\_\_ Our Initials: \_\_\_\_\_

19.7. Waiver of Claim for Punitive Damages. To the extent permitted by applicable law, neither of the parties may assert, and each party waives, any claim against the other party (including their respective Affiliates, partners, stockholders, members, officers, directors, agents, employees and controlling persons), on any theory of liability for special, indirect, consequential, or punitive damages (as opposed to direct or actual damages) for any Dispute. The parties further agree that in the event of a Dispute, each of the parties will be limited to the recovery of any: (a) actual damages sustained by it; (b) Liquidated Damages as provided in Section 18.7; and (c) statutory trademark law treble damages. If such claims for punitive damages cannot be waived by law, then the parties agree that any recovery will not exceed two (2) times actual damages.

Your Initials: \_\_\_\_\_ Our Initials: \_\_\_\_\_

19.8. Limitations of Claims. If you or we discover an arbitrable claim, the party discovering that claim will have one (1) year from the date of discovery but not to exceed two (2) years from the date the claim occurred, in which to settle the claim or to commence arbitration on the claim. Otherwise the claim or demand will be deemed abandoned and will be barred. This limitations period will not apply to a claim by either party seeking indemnification under this Agreement.

19.9. Legal Fees and Expenses. The prevailing party in a judicial or other proceeding between the parties will be entitled to reimbursement of its costs and expenses, including reasonable and actual attorney fees. "Costs and expenses" mean all reasonable pre-award expenses of the arbitration, including arbitrators fees, administrative fees, travel expenses, actual and ~~documented~~ documented out-of-pocket expenses, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney fees. "Prevailing party" is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided.

19.10. Choice of Forum. To the extent that a judicial action is expressly permitted by Section 19.4, the parties agree that any such cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in a court of competent jurisdiction in Portland, Maine or, if our principal place of business is in a city other than Portland, Maine,

then the federal or state court for the jurisdiction in which we then have our principal place of business. **Both parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of said courts. This Section 19.10 will survive the termination of this Agreement. You acknowledge that you are aware of the business purposes and needs underlying the language of this Section 19.10.**

## 20. GENERAL PROVISIONS.

20.1. Severability. All provisions of this Agreement are severable. If pursuant to the decision of any court having jurisdiction, any provisions are not enforceable in whole or in part, the remainder of this Agreement will continue to be in full force and effect, and the affected provisions will be superseded and modified by such applicable law.

20.2. Approvals. Whenever this Agreement requires our prior approval or consent before you take any action, you must make a timely written request to us, and our approval or consent must be obtained in writing. We will not unreasonably withhold or unreasonably delay our response. By providing any waiver, approval, consent, or suggestion to you or in connection with any consent, or by reason of any neglect, delay, or denial of any request, we make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you.

20.3. No Modifications; Waivers. No waiver or modification of this Agreement or of any covenant, condition, or limitation will be valid unless it is made in writing and duly executed by the party to be charged with it. No evidence of any waiver or modification may be offered or received in evidence in any proceeding between the parties arising out of or affecting this Agreement, or the rights or obligations of any party, unless such waiver or modification is in writing, duly executed. Our waiver of your breach of any term of this Agreement applies only to that one breach and that one term, and not to any subsequent breach of any term. Acceptance by us of any payments due under this Agreement will not be deemed to be a waiver by us of any preceding breach by you of any term.

20.4. Force Majeure. Except for monetary obligations under, or as otherwise specifically provided for in, this Agreement, if either party to this Agreement is delayed or hindered in or prevented from the performance of any act required under this Agreement by Force Majeure, then performance of such act is excused for the period of the delay, but no such delay will exceed ninety (90) days. If your Storefront is damaged or destroyed due to a Force Majeure event, you must initiate within thirty (30) days (and continue until completion) all repairs or reconstruction to restore your Storefront to its original condition. If, in our reasonable judgment, the damage or destruction is of such a nature that it is feasible, without incurring substantial additional costs, to repair or reconstruct your Storefront in accordance with the then-standard layout and décor specifications for Storefronts, we may require you to repair or reconstruct your Storefront in accordance with those specifications.

20.5. Rights are Cumulative. Our and your rights under this Agreement are cumulative, and no exercise or enforcement by us or you of any right or remedy will preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce, except as specifically limited by this Agreement.

20.6. Definitions and Captions. Unless otherwise defined in the body of this Agreement, capitalized terms have the meanings ascribed to them in the Appendix or as defined in this Agreement. All captions in this Agreement are intended for the convenience of the parties, and none may be deemed to affect the meaning or construction of any provision of this Agreement. Wherever the word “including” is used, it means “including but not limited to.”

20.7. Persons Bound. This Agreement will be binding on the parties and their respective successors and assigns.

20.8. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement may be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two (2) or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

20.9. Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties will be deemed so delivered: at the time delivered, if by hand; one (1) business day after transmission, if by overnight delivery service; one (1) business day after transmission, if by facsimile or other electronic system expressly approved in the Operations Manual as appropriate for delivery of notices under this Agreement (with confirmation copy sent by regular U.S. mail); or three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Information for notices is as follows, and you will immediately notify us of any changes to the following contact information:

If to us: CML Storefront, LLC 125 John Roberts Road, Unit #2 South Portland, ME 04106	If to you:  The address listed in <b><u>Addendum 1</u></b>
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20.10. Execution/Counterparts. Two (2) copies of this Agreement may be signed, each of which, when signed, is an original, and which, together, constitute one and the same instrument. This Agreement may be executed in two (2) or more counterparts, each of which constitutes an original, and all of which, when taken together, constitutes one Agreement.

20.11. Survival. All provisions, including the understandings, representations and warranties, which, as a matter of logic or otherwise, need to continue in force and effect subsequent to and notwithstanding the expiration or termination of this Agreement in order to achieve an intended result, will continue in full force and effect despite the absence of such specific language with respect to each of them.

20.12. Third Party Beneficiaries. This Agreement is not for the benefit of any third parties and is only for the benefit of you, us, and our Affiliate(s). Our Affiliate(s) have the right to enforce any terms of this Agreement.

20.13. Release for Prior Agreements. If you or any of your Affiliates, Owners, managers, directors, officers, agents, servants, and employees, have before the date of this Agreement signed any other agreement with us or any of our Affiliates, you hereby release, acquit and forever discharge us and our respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to our, or our Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with us to the Effective Date. It your express intention that this release be

CML Storefront FA

as broad as permitted by law, but this Release does not apply to claims that arise under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

20.13 Entire Agreement. This Agreement, the Addenda attached to it, and any other agreements executed by you and us concurrently with our execution of this Agreement represent the entire fully integrated agreement between you and us, and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement will disclaim or require you to waive reliance on any representation that we made in the Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you in connection with this Storefront offering. Except for those changes permitted to be made unilaterally by us, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to in writing by you and us, and executed by your and our authorized officers or agents.

**CML STOREFRONT, LLC**

**FRANCHISEE:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX**  
**GLOSSARY OF TERMS**

**AAA:** Defined in Section 19.2.

**Affiliate:** A person or Business Entity which is united, attached, connected, or allied with, or is controlling or under common control with a party.

**Agreement:** This franchise agreement and any of its amendments.

**Anti-Terrorism Laws:** Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the 15.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the 15.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the 15.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Territory of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

**Approved Suppliers:** The various companies with which we and / or our Affiliates have authorized to sell products or services to you (including Authorized Products or Services), or are contracted to do business with us and / or our Affiliates, and which may provide products to you through us and / or our Affiliates. Our Affiliate is the only Approved Supplier of lobster, seafood, and certain inventory items that you must purchase and sell.

**Approved Location:** The location that we have approved as the site for your Storefront, identified on **Addendum 1**.

**Authorized Menu:** Defined in Section 9.3.

**Authorized Products:** The specific products and items that are specified by us from time to time in the Operations Manual, or as otherwise directed by us in writing, for sale at your Storefront, prepared, sold and/or manufactured in strict accordance with our standards and specifications.

**Authorized Services:** The specific services that are specified by us from time to time in the Operations Manual, or as otherwise directed by us in writing, for sale at your Storefront, rendered or provided in strict accordance with our standards and specifications.

**Advertising Fund:** The marketing and promotional fund that we operate in accordance with Articles 6 and 8, using the Advertising Fund Contributions we receive from our franchisees.

**Advertising Fund Contribution:** Defined in Section 6.3.

**Business Entity:** A corporation, a general or limited partnership or a limited liability company.

**Capital Modifications:** Defined in Section 9.10.

**CML Mobile App:** Defined in Section 9.15.

**Commencement Date:** Defined in Section 5.1.

**Commercial Rules:** Defined in Section 19.3.

**Competitive Business:** Any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) products that are the same as or similar to those provided by Storefronts or in

which Intellectual Property or other Confidential Information could be used to the disadvantage of us, any of our Affiliates, or any Storefront or Food Truck, other than a franchise operated under a franchise agreement with us. A “Competitive Business” will not include a Storefront or Food Truck operated under a Franchise Agreement with us.

**Confidential Information:** Our confidential and/or proprietary information including without limitation: sales and marketing methods and data; information regarding the System; operating and other business data; computer programs; trade secrets; the Intellectual Property; business plans; advertising and promotional methods; financial information and data; product information; information regarding current or prospective customers, other Storefronts, agencies, Approved Suppliers, and other related information; the economic and financial characteristics of the System, the Storefront, other Storefronts, and Food Trucks; capital and debt structures; our ~~recipes~~recipes; Customer Information; and the Operations Manual. Confidential Information will not include information which was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed: (a) at or prior to the time you received it; or (b) at or prior to the Effective Date, whichever occurred first.

**Cooperatives:** Defined in Section 8.10.

**Credit Card Vendors:** Defined in Section 9.13.

**Customer Information:** ~~Defined in Section 11.2.~~Any information that: (i) can be used (alone or when used in combination with other information) to identify, locate or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Customer Information can be in any media or format, including computerized or electronic records as well as paper-based files.

**Delayed Opening Fee:** Defined in Section 3.8.

**Deposit Account:** Defined in Section 6.6.

**Designated Manager:** Defined in Section 9.1.

**Dispute:** Any and all disagreements, controversies, or claims of any sort between you and us or our Affiliates arising out of, or in any way relating to, this Agreement, any of the parties’ respective rights and obligations arising out of this Agreement, or the making, performance, breach, interpretation, or termination of this Agreement, including any claims based in tort.

**Effective Date:** The date we sign the Agreement, as indicated in our signature block.

**EFT:** Defined in Section 6.5.

**Food Truck:** A vehicle equipped with cooking facilities from which food is prepared and sold under the System and the Marks using our Intellectual Property and Confidential Information, and which can be in the form of a truck, mobile container, cart or other design which has the capacity of mobility.

**Force Majeure:** This includes war, riot, strikes, materials shortages, fires, floods, earthquakes, and other acts of God, or governmental action or force of law, but excluding a shortage of funds, which results in your or our inability to build, equip, or operate your Storefront or otherwise perform an obligation under this Agreement, and which the party responsible for performance could not by the exercise of due diligence have avoided. Force Majeure does not excuse any of your obligations to pay us or our Affiliate(s).

**Gross Sales:** All consideration, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly from the operation of your Storefront, including the credit value given for all merchandise trades, the full retail value of any item sold at

your Storefront (regardless of any discounts or giveaways), the full retail value of any gift certificate or coupon sold for use at your Storefront (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales), and insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that “Gross Sales” does not include:

- (i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by you to the appropriate governmental authority; or
- (ii) tips from customers given to your employees.

Gross Sales are deemed received by you at the time the products or services from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer’s personal check) actually has been received by you. Gross Sales consisting of property, products or services will be valued at the retail prices applicable and in effect at the time that they are received. Any amounts deposited in your Storefront’s bank accounts are deemed Gross Sales unless proven otherwise.

**Improvement(s):** Defined in Section 9.18

**Indemnified Parties:** Defined in Section 14.1.

**Initial Franchise Fee:** Defined in Section 6.1.

**Initial Training Program:** Defined in Section 10.1.

**Intellectual Property:** Inventions, discoveries, know-how, show-how, processes, methods, unique materials, copyrightable works, original data and other creative or artistic works that have value. Intellectual Property includes that which is protectable by statute or legislation, such as proprietary products, methods, procedures, patents, copyrights, trademarks, service marks and trade secrets, as well as the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matters, and records of research.

~~**Interim Term:** Defined in Section 5.3.~~

**Legal Requirements:** Any law, code, ordinance, order, rule or regulation (including Anti-Terrorism Laws), of any governmental entity, and any political or other subdivision of any governmental entity, and any agency, department, commission, board, bureau, court or instrumentality of any of them, which, at any time, has competent jurisdiction over you, us, any part of your Storefront, or in your Territory, including but not limited to Privacy Laws.

**Liquidated Damages:** Defined in Section 18.7.

**Marks:** Certain trade names, service marks, trademarks, logos, emblems, Trade Dress and other indicia of origin, including but not limited to the mark “Cousins Maine Lobster®” and such other trade names, service marks, trademarks, copyrights, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress (including designs and specifications and the motif, decor, and color combinations for a Storefront or Food Truck), and all other visual identification, as are now designated, and may hereafter be designated by us, for use in connection with the System.

**Mediation Procedures:** Defined in Section 19.2.

**Non-Traditional Location:** A Cousins Maine Lobster® Storefront or Food Truck that is located at or in a transportation facility (including airports, rail or bus terminals, toll road plazas and highway rest stops); port of call; arena or stadium; urban office building; convention center; social club; retirement and/or senior living facility or other special use facility; institutional feeding facility; government or military institution, base, or facility; shopping mall; educational facility; casino; hotel; vacation club or timeshare; resort property; amusement park or amusement center.

**Opening Deadline:** Defined in Section 3.6.

**Operations Manual:** The primary source of information regarding the System and the construction and operation of Storefronts, which includes our operations and training manuals, and any other written directives related to the System, as they may be amended and revised by us from time to time, including all bulletins, updates and ancillary and additional manuals and written directives established by us and given to you in any format.

**Owner:** Any person who owns any stock, units, membership, partnership or other ownership interest in you, directly or indirectly.

**POS System:** Defined in Section 11.1.

**Privacy Laws:** All applicable federal, state, and local laws, regulations, and rules, as they currently exist or may be enacted or amended in the future, that govern the collection, use, storage, protection, disclosure, and management of personal information and data. This includes, but is not limited to, laws such as the California Consumer Privacy Act (CCPA), the General Data Protection Regulation (GDPR) to the extent applicable, and any other similar laws enacted by any state or federal authority in the United States.

**Royalty Fee:** A fee paid by you to us at the times designated by us in the Operations Manual, in accordance with Article 6.

**Special Account:** A customer whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single Cousins Maine Lobster® business.

**Storefront:** A fixed-location restaurant operating under the Marks using our System, Intellectual Property, and Confidential Information. A Storefront may be in a Non-Traditional Location.

**Successor Franchise Agreement:** Defined in Section 5.2.2.

~~**Technology Products:** Defined in Section 11.1.~~

~~**Territory:** The geographic area in which we grant to you the limited right of exclusivity as described in Article 4. Your Territory will consist of the area identified on Addendum 1.~~

**System:** A system for establishing and operating restaurants, including standards, specifications, and procedures for operations along with related computer software programs; procedures for quality control; the Operations Manual; the Authorized Menu; Trade Dress; the Marks, management programs, accounting methods, training and ongoing operational assistance; advertising and promotional techniques; personnel training; trade secrets; methods of marketing and selling of food and merchandise as well as related items, prepared, purchased, or displayed in accordance with our methods; all relating to the operation and promotion of Food Trucks and Storefronts, all of which we may change, improve, and further develop from time to time.

**Technology Products:** Defined in Section 11.1.

**Territory:** The geographic area in which we grant to you the limited right of exclusivity as described in Article 4. Your Territory will consist of the area identified on **Addendum 1.**

**Term:** Defined in Section 5.1.

**Trade Dress:** The decorative, non-functional components of a Storefront or Storefront that provide the establishment of a distinctive, memorable appearance.

**Transfer:** Defined in Section 15.2.

**Unassigned Territory:** Defined in Section 3.

**Updates:** Defined in Section 9.10.

**We, us, or our:** Defined in the Recitals to the Agreement.

**You or your:** Defined in the Recitals to the Agreement.

**ADDENDUM 1**

**INFORMATION CONCERNING FRANCHISEE  
AND THE BUSINESS**

**A. IDENTITY AND STRUCTURE OF FRANCHISEE**

Franchisee's Name: \_\_\_\_\_

Entity type and jurisdiction of formation: \_\_\_\_\_

Date of entity formation: \_\_\_\_\_

Provide name and address of each Owner who owns a percentage of the legal entity, and show what percentage of stock, partnership interest, or membership interest is owned by each.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address for Notices: \_\_\_\_\_

Attention: \_\_\_\_\_

Email Address: \_\_\_\_\_

Designated Manager's Name (Section 9.1): \_\_\_\_\_

**B. GENERAL DESCRIPTION OF YOUR TERRITORY (Section 4.1)** We and you agree that the general description of the location for your Storefront will be as listed below. Your exclusive rights will only attach once you and we have agreed on the Approved Location and entered it in Item C of this Addendum, which you and we will do only after you receive our approval of the Approved Location.

\_\_\_\_\_

**C. YOUR APPROVED LOCATION AND PROTECTED AREA (Sections 3.1 and 4.1)** We and you have mutually agreed upon a Territory based on the site for your Storefront which is indicated below. You acknowledge that the Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

(1) Approved Location for your Storefront: The Approved Location for your Storefront, as provided in Sections 3.1 and 3.2 of the Agreement, is:

\_\_\_\_\_  
\_\_\_\_\_

(2) Territory: The Territory, as provided in Section 4.1 of the Agreement, is:

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By signing below, you acknowledge that the information above is true and correct. Use additional sheets if necessary. Any and all changes to the above information must be reported to us in writing.

CML STOREFRONT, LLC

FRANCHISEE

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM 2**  
**FRANCHISE OWNER AGREEMENT**

This Franchise Owner Agreement (this “**Agreement**”) is entered into by: (i) each of the undersigned Owners of Franchisee (defined below); and (ii) the spouse of each such Owner, in favor of CML Storefront, LLC, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as “you.”

1. **Acknowledgments.**

a. **Franchise Agreement; Franchisee.** The term “**Franchisee,**” as used in this Agreement, is the party that entered, or is entering, into a Franchise Agreement with effective as of \_\_\_\_\_ (“**Franchise Agreement**”). Capitalized words not defined in this Agreement will have the same meanings given to them in the Franchise Agreement.

b. **Owners’ Role.** Owners are the beneficial Owners of all of the equity interest in Franchisee. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s Owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Agreement.

c. **Your Access to Our Confidential Information.** In your capacity as an Owner of Storefront, or the spouse of an Owner of Storefront, you may gain knowledge of our System, Confidential Information, and Intellectual Property (collectively, the “**Know-how**”). You understand that protecting the Intellectual Property is vital to our success and that of our Storefronts and that you could seriously jeopardize our entire Storefront system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to “Owners” and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to Owners.

2. **System Protection Covenants.** In light of your above acknowledgements, you covenant and agree to the following:

a. **Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than operating the Storefront; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you or your spouse are no longer an Owner of Franchisee, as applicable. You further agree that you will not use the Know-how for any purpose other than the development and operation of Franchisee’s Cousins Maine Lobster® Storefront under the terms of the Franchise Agreement and Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvements developed by you, including the right to grant sublicenses. If any Legal Requirement precludes you from assigning ownership of any Improvement to us, then you covenant, promise and agree that you will perpetually license that Improvement to us free of charge, with full rights to use, commercialize, and sublicense the Improvement.

b. **Unfair Competition During Relationship.** You agree not to unfairly compete with us at any time while you are an Owner of the Storefront, or while your spouse is an Owner of the Storefront, as applicable, by engaging in any of the following (collectively, the “**Prohibited Activities**”): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant,

shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our Affiliates, Storefronts, or Storefronts); and/or (iii) inducing (a) any of our employees or managers (or those of our Affiliates, Storefronts, or Storefronts) to leave their position or (b) any customer of ours (or of one of our Affiliates, Storefronts, or Storefronts) to transfer their business to you or to any other person that is not then a Franchisee of ours.

c. Unfair Competition After Relationship. You agree that, for a period of two (2) years after the termination of the Franchise Agreement or any successor to it (the “**Restricted Period**”) not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within: (a) fifteen (15) miles of the Territory or any Storefront then in existence or under construction; or (b) the territory of any Storefront that is then in operation (the “**Restricted Territory**”). If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

d. Immediate Family Members. You acknowledge that your disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) could potentially circumvent the purpose of this Agreement. You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

e. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE. Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 2 of this Agreement upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 2 of this Agreement to ensure that the terms and covenants are enforceable under applicable law.

f. Breach. You agree that failure to comply with the covenants in this Section 2 will cause substantial and irreparable damage to us and/or other Storefronts for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

3. Transfer Restrictions. If you are an Owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect Ownership interest in Franchisee. Accordingly, you agree that you will not, directly or

indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect Ownership interest in Franchisee except in accordance with the terms and conditions set forth in Article 15 of the Franchise Agreement. You acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Agreement and the Franchise Agreement.

4. Personal Guarantee. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an Affiliate of ours and any promissory note related to payments owed to us (collectively, the "**Secured Agreements**"), you agree to personally guarantee all of Franchisee's financial obligations under the Secured Agreements.

a. Payment. Each of you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee will punctually fulfill all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements.

b. Waiver of Notice. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

c. Liability is Joint and Several. You agree that: (1) your direct and immediate liability under this guarantee will be joint and several with Franchisee and all other persons who sign this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability will not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guarantee, which will be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer.

d. Bankruptcy Filing. This guarantee will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

e. Indemnification. You agree to indemnify, defend and hold harmless us, all of our Affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or

(b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

f. No Exhaustion of Remedies. You acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

g. Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations that exist under this Agreement or the Storefront ~~Agreement~~Agreement at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Dispute Resolution. Any dispute between the parties relating to this Agreement must be brought in accordance with the dispute resolution procedures stated in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures stated in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement will prevail. You acknowledge and agree that a breach of this Agreement by you will constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.

6. Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce your obligations under this Agreement. You acknowledge and agree that there is no adequate remedy at law for your failure to fully comply with the requirements of this Agreement. You further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper.

7. Miscellaneous.

a. Attorney Fees. If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

b. Defenses. Any claim, defense or cause of action that you may have against us, our Affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

c. Severability. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it will not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. Notice. You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery will be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice must be delivered in the manner and to the address listed in the Franchise Agreement.

e. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns and our Affiliates) any rights or remedies under or by reason of this Agreement.

f. Construction. No provision of this Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Agreement, or because of the nature or type of this Agreement. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

g. Binding Effect. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

IN WITNESS WHEREOF, each of **Owner** or **spouse of an Owner** has executed this Agreement as of the date or dates set forth below.

(Add additional pages and signature lines, if necessary for each Owner or spouse of an Owner)

By: \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_

Telephone: \_\_\_\_\_

~~ADDENDUM~~**ADDENDUM 3**  
~~Electronic Funds Transfer Authorization~~  
**ELECTRONIC FUNDS TRANSFER AUTHORIZATION**  
**BY AND BETWEEN [BUSINESS NAME]**

**AND \_\_\_\_\_ (“DEPOSITOR”)**  
**EFT AUTHORIZATION AGREEMENT (DIRECT DEBITS)**

The undersigned depositor (“Depositor”) hereby authorizes Cousins Maine Lobster® (“Company”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“Depository”) to debit such account pursuant to Company’s instructions:

\_\_\_\_\_  
Depository Branch

\_\_\_\_\_  
Address City, State, Zip Code

\_\_\_\_\_  
Bank Transit/ABA Number Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor’s termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor’s account, Depositor will have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty five (45) days after posting, whichever occurs first, Depositor will have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

**DEPOSITOR:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM 4**  
**COLLATERAL ASSIGNMENT OF LEASE**

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_ a \_\_\_\_\_  
 (“Assignor”), hereby assigns, transfers and sets over unto CML Storefront, LLC a Maine limited liability  
 company (“Assignee”) all of Assignor's right, title and interest as tenant in, to and under that certain lease,  
 a copy of which is attached hereto as Exhibit 1 (the "Lease"), respecting the premises commonly known as  
 \_\_\_\_\_. This Assignment is for collateral purposes only and except  
 as specified herein, Assignee will have no liability or obligation of any kind whatsoever arising from or in  
 connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by  
 the Lease pursuant to the terms of this Assignment of Lease and assumes Assignor’s obligations under the  
 Lease.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and  
 its interest in the Lease and that Assignor has not previously, and is not obligated to, assign or transfer any  
 of its interest in the Lease or the premises demised thereby. Upon a default by Assignor under the Lease or  
 a default or expiration under the Franchise Agreement by and between Assignor and Assignee for a CML  
 Storefront (the “**Franchise Agreement**”), or in the event of a default by Assignor under any document or  
 instrument securing said Franchise Agreement or under any other agreement between Assignor and  
 Assignee or its Affiliates, Assignee will have the right and is empowered to take possession of the premises  
 demised by the Lease, expel Assignor from the Lease and premises, and, in such event, Assignor will have  
 no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of  
 the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement  
 and any renewal of or successor to it, Assignor agrees that it will elect and exercise all options to extend  
 the term of or renew the Lease not less than thirty (30) days prior to the last day that any such option must  
 be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in  
 writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated in this Assignment  
 of Lease, Assignor will and hereby does appoint Assignee as its true and lawful attorney in fact to exercise  
 such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting  
 such extension or renewal.

Assignee: CML Storefront, LLC	Assignor: _____
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

**ADDENDUM 5**  
**ADDENDUM TO LEASE**

This Addendum to Lease ("**Addendum**"), dated \_\_\_\_\_, 20\_\_, is entered into by and between \_\_\_\_\_ ("**Lessor**"), and \_\_\_\_\_ ("**Lessee**"). In the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease to which it is attached, the terms and provisions of this Addendum will control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect. All defined terms not specifically defined in this Addendum will be given the same meaning as the defined terms in the Lease.

A. The parties hereto have entered into a certain Lease Agreement ("**Lease**"), dated \_\_\_\_\_, 20\_\_, and pertaining to the premises located at \_\_\_\_\_ ("**Premises**").

B. Lessor acknowledges that Lessee intends to operate a Cousins Maine Lobster<sup>®</sup> franchise from the leased Premises pursuant to a Franchise Agreement ("**Franchise Agreement**") with CML Storefront, LLC ("**Franchisor**") under the name "Cousins Maine Lobster<sup>®</sup>" or other name designated by Franchisor (herein referred to as "**Franchised Business**").

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. Remodeling and Decor. Lessor agrees that Lessee will have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as Lessee is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Lessee may operate a Franchised Business on the Premises.

2. Assignment or Subletting. Lessee must agree to attorn to any assignee of Lessor provided such assignee will agree not to disturb Lessee's possession of Premises. Lessee will have the right to assign or sublet all of its right, title and interest in the Lease, at any time during the term of the Lease, including any extensions or renewals thereof, without charge and without first obtaining Lessor's consent in accordance with the Collateral Assignment of Lease attached as Addendum 4: (a) to Franchisor or Franchisor's parent, subsidiary, or affiliate; (b) to a duly authorized franchisee of Franchisor; (c) in connection with a merger, acquisition, reorganization or consolidation; or (d) in connection with the sale of Lessee's corporate stock or assets. However, no assignment or sublease will be effective until such time as Franchisor or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document will make Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor of it, and will not create any liability or obligation of Franchisor or Franchisor's parent, subsidiary or affiliate unless and until the Lease is assigned or sublet to, and accepted in writing by Franchisor or Franchisor's parent, subsidiary or affiliate. In the event of any assignment or sublease, Lessee will at all times remain liable under the terms of the Lease. Franchisor will have the right to reassign or sublease the Lease to another franchisee without the Lessor's consent in accordance with Section 4(a) below. Lessor understands and agrees that, in connection with Lessee's assignment or subletting of the Lease to a duly authorized franchisee of Franchisor, Franchisor will be permitted to charge "additional rent" or "percentage rent" or other charges to its franchisee as part of its regular plan of franchising, and Lessor will not be entitled to any consideration or additional rent as a result of any fees paid to Franchisor by franchisee pursuant to the Lease or otherwise.

3. Default and Notice:

a. In the event there is a default or violation by Lessee under the terms of the Lease, Lessor must give Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. If Lessor gives Lessee a default notice, Lessor must contemporaneously give Franchisor a copy of the notice. Franchisor will have the right, but not the obligation, to cure the default. Franchisor will

~~notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee's interest as provided in Paragraph 4(a). Franchisor will have an additional fifteen (15) days from the expiration of Lessee's cure period in which it may exercise the option, but it is not obligated to cure the default or violation.~~

- ~~b. All notices to Franchisor must be sent by registered or certified mail, postage prepaid, or by a recognized overnight courier or delivery services to the following address:~~

~~CML Storefront, LLC  
125 John Roberts Road, Unit #2  
South Portland, ME 04106~~

~~Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent.~~

- ~~c. Following Franchisor's approval of the Lease, Lessee agrees not to terminate, or in any way alter or amend the same during the Initial Term of the Franchise Agreement or any extension thereof without Franchisor's prior written consent, which will be granted or denied in Franchisor's sole discretion, and any attempted termination, alteration or amendment will be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect will be included in the Lease.~~

#### 4. Termination or Expiration:

- ~~a. Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest and at any time thereafter to re-assign or sublet the Lease to a new franchisee without Lessor's consent and to be fully released from any and all liability to Lessor upon the reassignment, provided the new franchisee agrees to assume Lessee's obligations and the Lease.~~

- ~~b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Lessor will cooperate with and assist Franchisor in securing possession of the Premises and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Cousins Maine Lobster<sup>®</sup> marks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its option to purchase assets of Lessee, Lessor will permit Franchisor to remove all the assets being purchased by Franchisor.~~

#### 5. Consideration; No Liability:

- ~~a. Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its Franchised Business and Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by Addendum 4.~~

- ~~b. Lessor further acknowledges that Lessee is not an agent or employee of Franchisor and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.~~

~~6. Sales Reports and Inspection. If requested by Franchisor, Lessor will provide Franchisor with whatever information Lessor has regarding Lessee's sales from its Franchised Business. Lessor acknowledges that the Franchise Agreement grants Franchisor the right of inspection of Lessee's Premises, and Lessor agrees to cooperate with Franchisor's efforts to enforce Franchisor's inspection rights.~~

~~7. No Radius Clause. The radius restriction set forth in the Lease, if any, is hereby deleted.~~

~~8. Hazardous Materials. Lessor represents and warrants that the Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "Hazardous Materials"). Notwithstanding any provision of this Lease to the contrary, Lessee will have no obligation to make any repairs, alterations or improvements to the Premises or incur any costs or expenses whatsoever as a result of Hazardous Materials in or about the center in which the Premises are located (the "Center"), the Building or the Premises, other than those Hazardous Materials brought onto such areas by Lessee. Lessor will be solely responsible for any changes to the Premises relating to Hazardous Materials, unless those Hazardous Materials were brought onto the Premises by Lessee. Lessor will indemnify and hold Lessee harmless from and against all liabilities, costs, damages and expenses which Lessee may incur (including reasonable attorney fees) as the result of a breach of Lessor's representation and warranty set forth in this paragraph or the presence of Hazardous Materials in or about the Center, the Building or the Premises, unless those Hazardous Materials were brought onto such areas by Lessee.~~

~~9. Insurance and Waiver of Subrogation. Lessee may maintain the required liability insurance in the form of a blanket policy covering other locations of Lessee in addition to the Premises. Lessee may self insure plate glass, so long as Lessee agrees not to hold Lessor liable for any losses resulting to plate glass. Whenever (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty is incurred to the Premises or contents thereof by either party to this Lease, and (ii) such party is covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by such insurance.~~

~~10. Lessor Warranties. Lessor represents, covenants and warrants (i) that Lessor has lawful title to the Center and has full right, power and authority to enter into this Lease; (ii) that the Center is in compliance with the Americans with Disabilities Act ("ADA"); (iii) that the permitted "use" of the Premises does not currently violate the terms of any of Lessor's insurance policies; (iv) that Lessor currently maintains all risk of physical loss coverage for the full replacement cost of the Center and will maintain throughout the term of this Lease general liability insurance coverage for the Center consistent with that being maintained from time to time by reasonably prudent owners of properties similar to the Center in the same area; and (v) that so long as Lessee pays all monetary obligations due under this Lease and performs all other covenants contained herein, Lessee will peacefully and quietly have, hold, occupy and enjoy the Premises during the term of this Lease and its use and occupancy thereof must not be disturbed. Lessor covenants and agrees that Lessor will take no action that will interfere with Lessee's intended usage of the Premises. Lessor must indemnify and hold harmless Lessee and its officers, partners, agents and employees from and against any loss, cost, liability, damage or expense arising out of (x) Lessor's operation of the Center, (y) Lessor's breach in the performance of any of its obligations under this Lease, or (z) any violation of law by Lessor or any other act or omission of Lessor or its contractors, agents or employees. The foregoing indemnification will survive expiration or termination of this Lease.~~

~~11. Mitigation. Lessor must use reasonable efforts to mitigate its damages in the event of a Lessee default.~~

~~12. Removal of Trade Dress/Personal Property. Lessor must permit Lessee fifteen (15) days from the termination or expiration of the Lease to remove Lessee's property. Lessor will permit Lessee to remove its Trade Dress within fifteen (15) days after the termination or expiration of the Lease or within fifteen (15) days after Lessee has received proper notice from Lessor of the termination or expiration pursuant to Section 4, whichever later occurs.~~

~~13. Alterations. Lessor's consent will not be required for non structural or non mechanical alterations, additions or changes to the Premises.~~

~~14. Amendments. No amendment or variation of the terms of the Lease or this Addendum to the Lease will be valid unless made in writing and signed by the parties hereto.~~

~~15. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions and covenants of the Lease will remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.~~

~~16. Beneficiary. Lessor and Lessee expressly agree that Franchisor is a third party beneficiary of this Addendum.~~

~~IN WITNESS WHEREOF~~, witness the signatures of the parties hereto as of the day, month and year first written above.

<b>LESSOR:</b> _____	<b>LESSEE:</b> _____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

**ADDENDUM 6**  
**CONDITIONAL ASSIGNMENT**

\_\_\_\_\_ ("you") operate your Storefront within the Territory listed in Addendum 1 to the Franchise Agreement between you and CML Storefront, LLC ("us"). In consideration of the promises, undertakings, covenants and agreements in the Franchise Agreement, you assign to us all telephone numbers, telephone and internet listings, website addresses, domain names, and social media identities you use in the operation of the franchise. We assume the performance of all of the terms, covenants and conditions of your agreement with the telephone company, domain name registrar, internet service provider, or social media company (the "**Company**") concerning the telephone numbers, telephone listings, website addresses, domain names, or social media identities with the full force and effect as if they had originally been issued to us. We will hold this assignment, and will deliver it to the Company or other interested third parties only upon termination of the Franchise Agreement between us.

**DATED this \_\_\_\_\_ day of \_\_\_\_\_, 202\_**

FRANCHISOR

By: \_\_\_\_\_  
Its: \_\_\_\_\_

FRANCHISEE

By: \_\_\_\_\_  
(Individual)

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**ADDENDUM 7**  
**FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT**

Welcome to the Cousins Maine Lobster® team. Because you are becoming a part of the Cousins Maine Lobster® franchise system, it is important that you understand and acknowledge who your employer is, and who is not.

You have been hired and are employed by \_\_\_\_\_ (Legal Name of franchisee) (“franchisee”, “Employer”, “we” or “us”), which is an independent business and franchise owner within the Cousins Maine Lobster franchise system (the “System”). As part of the Cousins Maine Lobster® franchise System, we are licensed and required to operate under the same name, same look, and same way as the other Cousins Maine Lobster® food trucks or restaurants, however, \_\_\_\_\_ (Legal Name of franchisee) is **not** part of the same company as our franchisor, Cousins Maine Lobster (CML Storefront, LLC); or its Affiliates.

Cousins Maine Lobster and its Affiliates are separate companies which own rights to the Cousins Maine Lobster® name and have devised rules, systems of operation, and policies and procedures that all of its franchisees, including \_\_\_\_\_ (Legal Name of franchisee) must follow. This enables each independently owned Cousins Maine Lobster® Storefront or Storefront to look and operate the same at every location.

Each Cousins Maine Lobster® franchise owner, including \_\_\_\_\_ (Legal Name of franchisee) is solely responsible for their own business operations, employees, and all employee related issues. As such, it is important that you understand and acknowledge that \_\_\_\_\_ (Legal Name of franchisee) is your **only** employer and we are solely responsible for giving you your paycheck, establishing your hours, and any and all decisions relating to your employment relationship.

You hereby accept and acknowledge that our franchisor, Cousins Maine Lobster (CML Storefront, LLC), and its Affiliates are **not** your employer, and if a Cousins Maine Lobster representative ever gives you direction, training, or advice, it is intended **only** to ensure consistency of the Cousins Maine Lobster® brand and to maintain a uniformed customer experience throughout all Cousins Maine Lobster® locations within the franchise System.

If you have any questions about your employment relationship or about this Franchise Relationship Acknowledgement, please direct them to \_\_\_\_\_ (Legal Name of franchisee), as your Employer.

I have read this Franchise Relationship Acknowledgement and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Franchisee (Employer) Authorized Signature

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Franchisee (Employer) Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**ADDENDUM 8**  
**RENEWAL ADDENDUM TO FRANCHISE AGREEMENT**

This addendum (“**Addendum**”) to the Agreement is between CML Storefront LLC (“**we**” “**us**” or “**our**”) and \_\_\_\_\_ and its Owners, \_\_\_\_\_ and \_\_\_\_\_ (collectively, “**you**” or “**your**”), and is made and entered into on the date we sign it below (the “**Effective Date**”). This Addendum adds, deletes, amends, changes and modifies certain terms and conditions of the Agreement between us and you.

**RECITALS**

A. We and you entered into a franchise agreement dated \_\_\_\_\_ for the operation of a Cousins Maine Lobster<sup>®</sup> Storefront (the “**Renewing Storefront**”) in the \_\_\_\_\_ counties of \_\_\_\_\_ (the “**Expiring Agreement**”).

B. Simultaneously with signing this Addendum, you and we are signing a new, successor franchise agreement to the Expiring Agreement (the “**New Agreement**”).

C. Because you are renewing your relationship with us through the New Agreement, certain provisions in the New Agreement will not apply to you.

D. Further, as a condition of entering into the New Agreement with you, you agreed that we can require you to make such changes as may be necessary to bring your Storefront up to our current standards, including, without limitation, installation of new equipment and software and the remodeling and/or renovation of the Storefront to reflect the then current standards and image of the System.

E. The Renewing Storefront is not compliant with our current standards for new or renewing Cousins Maine Lobster franchises. To become compliant with these standards, you will need to make certain updates to the Renewing Storefront to allow you to continue operating.

F. As an additional inducement for you and consideration for the New Agreement, we and you wish to modify the terms of the Agreement by agreeing to the following terms, which will modify the New Agreement as provided herein.

NOW, THEREFORE, IN CONSIDERATION of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**AGREEMENT**

**1. Definitions.** All capitalized terms not otherwise defined in this Addendum refer to the definitions set forth in the Agreement.

**2. Initial Franchise Fee.** Section 6.1 of the New Agreement is hereby amended to reflect that the Initial Franchise Fee is zero dollars (\$0).

**3. Commencement of Business.** Subject to your compliance with Section 4 of this Addendum, we approve the Renewing Storefront as meeting our requirements for your Storefront, and we approve their continued and uninterrupted operation within your Territory under the New Agreement. Sections 3.1, 3.3, and 3.4 of the New Agreement are hereby amended accordingly.

**4. Initial Training Program.** Because you are a renewing franchisee, we will not require you or your previously trained Designated Manager to attend the Initial Training Program in regards to your existing Storefronts. We [may] [will] require you and your Designated Manager to attend re-training with us within \_\_\_\_\_ days of signing the New Agreement. You agree to pay us \$300 per attendee, per day to attend our re-training. [OR] You agree to pay us \$500 per day plus our reasonable travel expenses for us to train you at your Storefront.

**5. Updating Requirements.** As soon as possible, and no later than \_\_\_\_\_, you will make the following changes to your Renewing Storefront:

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

You agree that time is of the essence for your obligations under this Section 5. For each of the above items, you agree to send to us photographic evidence showing your compliance with these matters on or before the deadline.

**6. Inspection and Cleaning.** On or before \_\_\_\_\_, you will:

- a. Engage a third party foodservice equipment inspection company of your choice to conduct an inspection of your Renewing Storefront for items we designate. Prior to such inspection, you will coordinate with our representative for our then-current requirements, which will include but are not limited to all kitchen equipment. After the inspection, you must: (i) submit to us receipts from the inspection company, the inspection report, and any related notes or communications from the company; and (ii) complete all repairs suggested in the inspection within twenty (20) days after the inspection date.
- b. Engage a third party foodservice cleaning company to deep clean the Storefront, and submit to us receipts, photographs, and a video indicating that the cleaning was performed and showing the Storefront both before and after the cleaning.

**7. Renewal Fee.** We agree to charge you, and you agree to pay, a renewal fee of \_\_\_\_\_ as required by the Expiring Agreement. You will pay us this amount via ACH on or before the Effective Date.

**8. General Release.** You (including each and every one of your Owners), on your, her and his own behalf and on behalf of all of your owners, heirs or personal representatives, agents, affiliates, legal entities, and attorneys (including but not limited to \_\_\_\_\_) (collectively your “**Constituents**”), hereby release us, our parent companies and subsidiaries, all of our and its respective affiliates (including but not limited to Cousins Maine Lobster, LLC, Cousins Seafood Distribution, LLC, and CML Franchise, LLC), predecessors and successors, and all of our and its respective present or former officers, directors, shareholders, managers, members, partners, franchisees, master franchisees, licensors, representatives, employees, agents, attorneys, employee benefit programs, and the trustees, administrators, fiduciaries and insurers of such programs, and the respective affiliates of each of the foregoing (collectively the “**Released Parties**”), from any and all claims for relief of any kind, whether known or unknown, which in any way arise out of or relate to the negotiation, sale, purchase, operation, or relationship created by the Agreements and your franchise arrangement with us or any of Released Parties, any agreements between us or any of Released Parties and any of the Constituents, or the parties’ relationship with one another from the beginning of time to the date of this Release, including, but not limited to, any and all claims of discrimination of any kind, and any contractual, equitable, tort or other claims of any kind or nature. This includes all claims, including but not limited to breach of contract, quasi contract, implied contract, quantum meruit, unjust enrichment, compensation, deferred compensation, equity interest, any tort claims, any and all claims under any applicable federal laws or under any applicable state or local laws or ordinances or any other legal restrictions on our rights. However, this release does not waive your rights to enforce the terms of this Amendment. This release also does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

- a. You, on your own behalf and on behalf of the Constituents, acknowledge that you are familiar with Section 1542 of the California Civil Code, which reads as follows:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by**

**~~him or her, would have materially affected his or her settlement with the debtor or released party.~~**

~~b. With respect to those claims being released pursuant to this Section 7, you on your own behalf and on behalf of the Constituents, acknowledge that you are releasing unknown claims and waives all rights you have or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. For purposes of this Section 10, each of the Constituents will be considered to be a creditor of each of the Released Parties.~~

~~e. You, on your behalf and on behalf of the Constituents, acknowledge that this general release extends to claims which you do not know or suspect to exist in your favor at the time of executing this Amendment, which if known by you may have materially affected your decision to enter into this Amendment. You understand that the facts in respect of which this Amendment is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. You therefore expressly assume the risk of the facts turning out to be so different and agree that this Amendment shall be in all respects effective and not subject to termination or termination by any such difference in facts.~~

~~You and your Constituents are not giving this general release predicated on any factual representations by us, except for the representations expressly contained in this Amendment.~~

~~**9. Conflict with Agreement.** In the event of a conflict between terms stated in the Agreement (including all schedules, attachments, or addenda to the Agreement) and those in this Addendum, the terms stated in this Addendum will control.~~

~~**10. Addendum Binding.** This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.~~

~~**11. No Further Changes.** Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Agreement will remain in full force and effect as originally written and signed (and subsequently amended).~~

~~**12. Counterparts.** This Addendum may be executed in counterparts, all of which shall be given the same force and effect as the original. This Addendum will be effective when the signatures of all parties have been affixed to counterparts or copies.~~

~~IN WITNESS WHEREOF, you and we have executed this Addendum as of the dates appearing below.~~

<b>CML STOREFRONT LLC</b>	<b>FRANCHISEE:</b>
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

**CML Storefront, LLC**

**EXHIBIT C**

**Financial Statements and  
Guarantees of Performance**

**CML Storefront, LLC**

## **EXHIBIT C-1**

### **Financial Statements of Franchisor**

We have included audited financial statements for our fiscal years 2021, 2022, and 2023.

~~We have also enclosed non-audited financial statements dated March 31, 2024. THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.~~

CML STOREFRONT, LLC

FINANCIAL STATEMENTS

DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023

~~VH~~ VELEZ • HARDY

*CPAs and Advisors*

~~VH~~ VELEZ • HARDY  
~~(Add)~~ | ~~(Add)~~

**CML STOREFRONT, LLC  
FINANCIAL STATEMENTS  
DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023**

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*Independent Auditor's Auditor's Report*

To the Members  
CML Storefront, LLC

Opinion

We have audited the accompanying financial statements of CML Storefront, LLC, which comprise the balance sheets as of December 31, 2024 and 2023 ~~and 2022~~, and the related statements of income and members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CML Storefront, LLC as of December 31, 2024 and 2023 ~~and 2022~~, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the ~~Auditor's~~ Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CML Storefront, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CML Storefront, ~~LLC's~~ LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an ~~auditor's~~ auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CML Storefront, LLC's LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CML Storefront, LLC's LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(Mod) *x & Hardy*

~~February 29~~ April 14, 2024  
Las Vegas, NV

**CML STOREFRONT, LLC**

CML STOREFRONT, LLC

**BALANCE SHEETS****DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023**

	<u>2023</u> <b>2024</b>	<u>2022</u> <b>2023</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 66,195 <u>74,811</u>	\$ 36,850 <u>66,195</u>
Accounts receivable, net	<u>20,249</u> <u>24,337</u>	<u>23,529</u> <u>20,249</u>
Prepaid expenses	<u>1,911</u> <u>1,574</u>	<u>894</u> <u>1,911</u>
Total current assets	<u>88,355</u> <u>200,722</u>	<u>61,273</u> <u>88,355</u>
<b>Restricted Cash</b>	<u>69,166</u> <u>65,117</u>	<u>51,736</u> <u>69,166</u>
<b>Total Assets</b>	\$ 157,521 <u>265,839</u>	\$ 113,009 <u>157,521</u>
<b>LIABILITIES AND MEMBERS' DEFICIT</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 8,087 <u>2,420</u>	\$ 8,087 <u>8,087</u>
Accrued expenses	<u>23,320</u> <u>7,490</u>	<u>29,360</u> <u>23,320</u>
Due to related parties, net	<u>93,320</u> <u>155,343</u>	<u>52,448</u> <u>93,320</u>
Current maturities of deferred franchise fees	<u>28,788</u> <u>11,390</u>	<u>51,188</u> <u>28,788</u>
Total current liabilities	<u>153,515</u> <u>176,643</u>	<u>132,096</u> <u>153,515</u>
<b>Long-Term Liabilities:</b>		
Deferred franchise fees, net of current	<u>18,633</u> <u>43,406</u>	<u>73,046</u> <u>18,633</u>
Long-term debt, net of current	<u>95,665</u>	<u>95,665</u>
Total long-term liabilities	<u>114,298</u> <u>139,071</u>	<u>168,711</u> <u>114,298</u>
<b>Total Liabilities</b>	<u>267,813</u> <u>315,714</u>	<u>301,707</u> <u>267,813</u>
<b>Members' Deficit</b>	<u>(110,292)</u> <u>249,875</u>	<u>(188,698)</u> <u>110,292</u>
<b>Total Liabilities and Members' Deficit</b>	\$ 157,521 <u>265,839</u>	\$ 113,009 <u>157,521</u>

**CML STOREFRONT, LLC**

*See accompanying notes to the financial statements.*

CML STOREFRONT, LLC

CML STOREFRONT, LLC

**STATEMENTS OF INCOME AND MEMBERS' DEFICIT  
FOR THE YEARS ENDED DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023**

	<u>2023</u> <del>2024</del>	<u>2022</u> <del>2023</del>
<b>Revenue</b>	\$ 490,076 <u>396,227</u>	\$ 494,343 <u>490,076</u>
<b>Operating Expenses:</b>		
Brand advertising	89,232 <u>299,423</u>	76,750 <u>89,232</u>
Insurance	1,593 <u>1,743</u>	6,000 <u>1,593</u>
Legal and professional fees	21,905 <u>30,564</u>	32,346 <u>21,905</u>
Office expenses and other	1,187 <u>10,837</u>	13,357 <u>1,187</u>
Outside services	60,373 <u>31,084</u>	40,399 <u>60,373</u>
Rent	4,768	4,800 <u>4,768</u>
Salaries, wages and related	192,894 <u>137,216</u>	196,463 <u>192,894</u>
Taxes and licenses	235 <u>289</u>	835 <u>235</u>
Training	13,462 <u>20,337</u>	24,493 <u>13,462</u>
Travel and meals	212	3,608
Total operating expenses	<u>385,649</u> <u>331,705</u>	<u>399,051</u> <u>385,649</u>
<b>Income from Operations</b>	<u>104,427</u> <u>64,522</u>	<u>95,292</u> <u>104,427</u>
<b>Other Income (Expense):</b>		
Other income		61,987
Interest expense	(3,548)	(3,624)
Total other income (Interest expense)	<u>(3,548)</u> <u>4,002</u>	<u>58,363</u> <u>(3,548)</u>
<b>Net Income</b>	100,879 <u>60,520</u>	153,655 <u>100,879</u>
<b>Members' Deficit, Beginning of Year</b>	(188,698) <u>110,292</u>	(319,265) <u>188,698</u> )
Member distributions	(22,473) <u>103</u>	(23,088) <u>22,473</u>
<b>Members' Deficit, End of Year</b>	\$ (110,292) <u>49,875</u>	\$ (188,698) <u>110,292</u> <u>2</u>

**CML STOREFRONT, LLC**

*See accompanying notes to the financial statements.*

**CML STOREFRONT, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

CML STOREFRONT, LLC  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
	<u>2024</u>	<u>2023</u>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 100.87	\$ 153.655 <u>100,879</u>
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Accrued interest	960,520	
Bad debt expense	3,548 <u>2,495</u>	3,624 <u>3,548</u>
Changes in:		
(Increase) decrease in accounts receivable	3,280 <u>(4,088)</u>	(2,354) <u>3,280</u>
(Increase) decrease in prepaid expenses	(1,017) <u>337</u>	20,686 <u>(1,017)</u>
Increase (decrease) in accounts payable	8,087 <u>(5,667)</u>	-8,087
Increase (decrease) in accrued expenses	(9,588) <u>18,325</u>	(53,399) <u>9,588</u>
Increase (decrease) in due to related parties	40,872 <u>62,023</u>	(111,684) <u>40,872</u>
Increase (decrease) in deferred franchise fees	(76,813) <u>7,375</u>	(81,791) <u>76,813</u>
Net cash provided by (used in) operating activities	69,248 <u>104,670</u>	(68,820) <u>69,248</u>
<b>Cash Used In Financing Activities:</b>		
Member distributions	(22,473) <u>103</u>	(23,088) <u>22,473</u>
<b>Net Change in Cash</b>	46,775 <u>104,567</u>	(91,908) <u>46,775</u>
<b>Cash, Beginning of Year</b>	88,586 <u>135,361</u>	180,494 <u>88,586</u>
<b>Cash, End of Year</b>	\$ 135,361 <u>239,928</u>	\$ 88.586 <u>135,361</u>
<b><u>Supplemental disclosure of cash flow information:</u></b>		
Cash paid for interest	\$ 1,507	\$ =

**CML STOREFRONT, LLC**

*See accompanying notes to the financial statements.*

## CML STOREFRONT, LLC

~~CML STOREFRONT, LLC~~

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### **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023**

#### **NOTE 1 – NATURE OF THE BUSINESS**

The Company was organized in February 2017 as a limited liability company under the laws of the state of Maine. The principal activity of the Company is the sale of franchises that operate a restaurant serving lobster, seafood, and other items under the name "Cousins Maine Lobster" from a storefront location.

#### **NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of CML Storefront, LLC (the "Company") is presented to assist in understanding the ~~Company's~~Company's financial statements. The financial statements and notes are representations of the ~~Company's~~Company's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

##### **Basis of Presentation**

The financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

##### **Use of Estimates in Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

The Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

##### **Accounts Receivable**

The ~~Company's~~Company's receivables are primarily generated from ongoing business relationships with franchisees as a result of franchise agreements. Accounts receivable is stated at the amount the Company expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2024 and 2023 ~~and 2022~~, the Company did not have any allowance for credit losses reported.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts Receivable (Continued)**

The contract related receivables were as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ <u>24,337</u>	\$ 20,249	\$ 23,529	\$
	23,618			

**Revenue Recognition**

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales or a percentage fee for each franchise awarded. Subject to the ~~Company's~~Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

The Company has determined that the services provided in exchange for these initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the ~~franchisee's~~franchisee's right to use and benefit from intellectual property.

The ~~Company's~~Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, deferred franchise fees consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred franchise fees	\$ <u>54,796</u>	\$ 47,421	\$ 124,234	\$ 206,025
Less: current maturities	<u>(11,390)</u>	(28,788)	(51,188)	(89,300)
	<u>\$ 43,406</u>	\$ 18,633	\$ 73,046	\$ 116,725

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

<del>As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise</del>	
2024	\$
2025	7,390\$ <u>11,390</u>
2026	7,388 <u>11,390</u>
2027	3,855 <u>7,349</u>
<u>2028</u>	<u>4,667</u>
<u>2029</u>	<u>4,000</u>

**CML STOREFRONT, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2023 AND 2022**

Thereafter

16,000

\$ 47,421,54,796

The Company has determined that services provided in connection with royalties collected and brand building activities provided to the franchisees are distinct. As a result, they are recognized at a point in time and are recognized monthly based as a percentage of revenues earned by the franchisees.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

Expenses incurred to provide brand building services are presented on the statement of income and members' deficit under the caption "brand advertising". Brand advertising funds received but not yet spent are accrued until such time as funds are expended.

As of December 31, the timing and recognition of revenue was as follows:

	<u>2024</u>		<u>2023</u>		<u>2022</u>
Services transferred at a point in time	\$ <u>363,602</u>	\$	403,265	\$	401,002
Services transferred over time	<u>32,625</u>		86,811		93,341
	\$ <u>396,227</u>	\$	490,076	\$	494,343

Various economic factors such as supply and demand, laws and policies and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

**Restricted Cash**

For purposes of the balance sheets and the statements of cash flows, restricted cash consists of amounts contributed by franchisees which have been restricted for the marketing and advertising of the Company and its franchisees. The following table provides a reconciliation of cash and restricted cash within the balance sheets that aggregate to the same amounts presented in the statements of cash flows.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash		\$ 174,811	\$ 66,195
Restricted cash	65,117	69,166	
Total cash and restricted cash presented in the statements of cash flows	<u>\$239,928</u>	<u>\$135,361</u>	

**Income Taxes**

Cash		\$ 66,195	\$ 36,850
Restricted cash	69,166		51,736
Total cash and restricted cash presented in the statements of cash flows		<u>\$ 135,361</u>	<u>\$ 88,586</u>

As a limited liability company, the Company's taxable income or loss is allocated to the members. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

**CML STOREFRONT, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

As defined by Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

As of December 31, ~~2023~~2024, the tax years that remain subject to potential examination by taxing authorities begin with the year ended December 31, ~~2020~~2021.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recent Accounting Pronouncements**

In March 2022, the FASB issued ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial instruments. Under the new standard, the existing incurred loss model was replaced with a current expected credit loss (CECL) model for most receivables and various other financial instruments. Receivable assets under the standard are presented at the net amount expected to be collected through an allowance for credit losses. Expanded disclosures are also required. This ASU is effective for the Company for the year ended December 31, ~~2023~~. Management of the Company doesn't believe ~~2024~~. The adoption of this guidance ~~has~~did not have a material impact ~~to~~on the Company's ~~Company's~~ financial statements.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current ~~year's~~year's format. Members'' deficit was unchanged due to these reclassifications.

**Advertising**

Advertising costs are expensed as incurred.

**NOTE 3 — RELATED PARTY TRANSACTIONS**

As of December 31, the Company had the following balances due to (from) various entities related through common ownership for transactions such as loans and cost sharing of insurance and ~~worker's~~worker's compensation insurance:

	<u>2024</u>		<u>2023</u>		<u>2022</u>
	\$				
	<u>160,7</u>				
Due to CML Franchise LLC	<u>62</u>	\$	87,406	\$	59,972
<del>Due to CML WEHO, LLC</del>					54
Due to (from) Cousin Maine Lobster, LLC, net	<u>(2,884)</u>		1,869		<u>(12,303)</u>
Due to <u>(from)</u> Cousins Seafood Distribution, LLC	<u>(2,535)</u>		4,045		4,725
	\$				
	<u>155,3</u>	\$	93,320	\$	52,448
	<u>43</u>				

**CML STOREFRONT, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 4 — LONG-TERM DEBT**

As of December 31, long-term debt consisted of the following:

	<u>2023</u>	<u>2022</u>
	<u>2024</u>	<u>2023</u>
On June 11, 2020, the Company was granted an Economic Injury Disaster Loan (EIDL) from a financial institution in the aggregate amount of \$100,700, (EIDL) pursuant to Section 7(b) of the Small Business Act, as amended. The loan matures in June 2050 and bears interest at a fixed rate of 3.75% per annum, payable monthly commencing in July 2022. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used as working capital to alleviate economic injury caused by the disaster occurring in the month of January 2020. The loan is collateralized by assets of the Company.	<u>\$ 95,665</u>	<u>\$ 95,665</u>
	<u>\$ 95,665</u>	<u>\$ 95,665</u>

As of December 31, long-term debt matures as follows:

On June 11, 2020, the Company was granted an Economic Injury Disaster Loan (EIDL) from a financial institution in the aggregate amount of \$100,700, (EIDL) pursuant to Section 7(b) of the Small Business Act, as amended. The loan matures in June 2050 and bears interest at a fixed rate of 3.75% per annum, payable monthly commencing in July 2022. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used as working capital to alleviate economic injury caused by the disaster occurring in the month of January 2020. The loan is collateralized by assets of the Company.

As of December 31, long-term debt matures as follows:

<u>2025</u>	\$	-
2024		
2025		
2026		
2027		
2028		
Thereafter		2,359
er		93,306 <u>14</u>
		\$
<u>2027</u>		95,665 <u>2,345</u>

**CML STOREFRONT, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2024 AND 2023**

<u>2028</u>	<u>2,435</u>
<u>2029</u>	<u>2,527</u>
<u>Thereafter</u>	<u>88,344</u>
	<u>\$ 95,665</u>

**NOTE 5 – ~~MANAGEMENT'S~~MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS**

Management has evaluated subsequent events through ~~February 29, 2024~~April 14, 2025, the date on which the financial statements were available to be issued. No other events were identified that required adjustment or disclosure in the financial statements.

**CML Storefront, LLC**

## **EXHIBIT C-2**

### **Financial Statements of CMLF**

We have included audited financial statements for fiscal years 2022, 2023, and 2024.

We have also enclosed non-audited financial statements dated March 31, ~~2024~~2025. THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

**CML Storefront, LLC**

**EXHIBIT C-3**

**Guarantee of Performance (Minnesota)**

## GUARANTEE OF PERFORMANCE

For value received, **CML FRANCHISE LLC**, a Maine limited liability company located at 125 John Roberts Road, Unit #2, South Portland, ME 04106 (the "**Guarantor**"), absolutely and unconditionally guarantees to assume the duties and obligations of **CML STOREFRONT, LLC**, a Maine limited liability company located at 125 John Roberts Road, Unit #2, South Portland, ME 04106 (the "**Franchisor**"), under its franchise registration in the State of Minnesota, and under its Franchise Agreement identified in its June 10, 2022 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time.

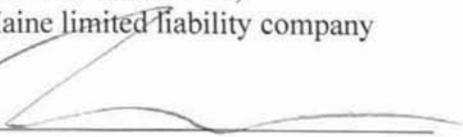
This guarantee continues until all such initial pre-opening obligations of the Franchisor under its franchise registrations in Minnesota and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees in Minnesota under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee in Minnesota against the Franchisor remains outstanding.

Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Saco, Maine on the 2<sup>nd</sup> day of September, 2022.

**GUARANTOR:**

**CML Franchise LLC,**  
a Maine limited liability company

By: 

Name: Nicholas R. Loukes

Title: General Counsel

**CML Storefront, LLC**

## **EXHIBIT C-4**

### **Guarantee of Performance (Hawaii)**

### GUARANTEE OF PERFORMANCE

For value received, **CML FRANCHISE LLC**, a Maine limited liability company (the “**Guarantor**”), located at 125 John Roberts Road, Unit #2, South Portland, ME 04106, absolutely and unconditionally guarantees to assume the duties and obligations of **CML STOREFRONT, LLC**, a Maine limited liability company located at 125 John Roberts Road, Unit #2, South Portland, ME 04106, (the “**Franchisor**”), under its franchise registration in the State of Hawaii and under its Franchise Agreement identified in its May 2, 2024, Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time.

This guarantee continues until all such obligations of the Franchisor under its franchise registrations in Hawaii and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees in Hawaii under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee in Hawaii against the Franchisor remains outstanding.

Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Portland Maine, \_\_\_\_\_ on the \_\_\_\_ day of 8/18/2024, 2024.

Guarantor: CML FRANCHISE LLC

By: \_\_\_\_\_

Name: Sabin Lomac

Title: CEO

**CML Storefront, LLC**

**EXHIBIT C-5**

**Guarantee of Performance (Virginia)**

**GUARANTEE OF PERFORMANCE**

For value received, **CML FRANCHISE LLC**, a Maine limited liability company, located at 125 John Roberts Road, Unit #2, South Portland, ME 04106 (the “**Guarantor**”), absolutely and unconditionally guarantees to assume the duties and obligations of **CML STOREFRONT, LLC**, a Maine limited liability company located at 125 John Roberts Road, Unit #2, South Portland, ME 04106 (the “**Franchisor**”), under its franchise registration in the State of Virginia, and under its Franchise Agreement identified in its June 27, 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time.

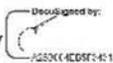
This guarantee continues until all such initial pre-opening obligations of the Franchisor under its franchise registrations in Virginia and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees in Virginia under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee in Virginia against the Franchisor remains outstanding.

Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Portland Maine, September on the 17 day of \_\_\_\_\_, 2023.

**GUARANTOR:**

**CML Franchise LLC,**  
a Maine limited liability company

By  \_\_\_\_\_  
Name: Sabin Lomac  
Title: CEO

**CML Storefront, LLC**

**EXHIBIT C-6**

**Guarantee of Performance (California)**

### GUARANTEE OF PERFORMANCE

For value received, CML FRANCHISE LLC, a Maine limited liability company, located at 125 John Roberts Road, Unit #2, South Portland, ME 04106 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of CML STOREFRONT, LLC, a Maine limited liability company located at 125 John Roberts Road, Unit #2, South Portland, ME 04106 (the "Franchisor"), under its franchise registration in the State of California, and under its Franchise Agreement identified in its May 2, 2024 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time.

This guarantee continues until all such initial pre-opening obligations of the Franchisor under its franchise registrations in California and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees in California under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee in California against the Franchisor remains outstanding.

Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at \_\_\_\_\_ City and State \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**GUARANTOR:**

**CML Franchise LLC,**  
a Maine limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DocuSigned by:  
SHAUN HIGGINS  
SHAUN HIGGINS

President

**CML Storefront, LLC**

## **EXHIBIT C-7**

### **Guarantee of Performance (South Dakota)**



CML Storefront, LLC

## EXHIBIT D

### **Operations Manual Table of Contents**



# Cousins Maine Lobster

## CML Storefront, LLC Franchise

### Operations Manual- 2019--Version 01.01.19

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CML Storefront, LLC

EXHIBIT E

**Form of General Release**

**GENERAL RELEASE**

As a condition to CML Storefront, LLC's ("Franchisor") consent to ~~[grant a Successor Franchise Agreement to]~~ ~~[the proposed transfer of the Franchise Agreement]~~ ~~[obtain an additional Cousins Maine Lobster® franchise]~~ by ~~[name of franchisee]~~ ("Franchisee") under the Franchise Agreement dated \_\_\_\_\_ ~~[date of Franchise Agreement]~~, the undersigned, and each of their respective corporate parents, subsidiaries, Affiliates, successors in interest, heirs and assigns, and each of their respective owners, Managers, directors, officers, agents, servants, and employees, as applicable, whether specifically mentioned herein or not, do hereby release, acquit and forever discharge Franchisor and its respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, Claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to Franchisor's, or Franchisor's Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with Franchisor to the date of this Release. It is the express intention of the undersigned that this Release be as broad as permitted by law. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Undersigned represents and warrants that execution hereof is free and voluntary; that no inducements, threats, representations, or influences of any kind were made or exerted by or on behalf of Franchisor; and that, prior to the execution hereof, undersigned was given the opportunity, if desired, to consult with counsel. This Release shall be binding upon the undersigned, their heirs, successors and legal representatives. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally.

~~NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS AND OWNERS / MANAGERS / SHAREHOLDERS AND A DULY AUTHORIZED OFFICER MUST EXECUTE THIS RELEASE (Attach Additional Sheets if Necessary).~~

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

CML Storefront, LLC

EXHIBIT FE

**State-Specific Addendum to Franchise Disclosure Document  
and Agreements**

**EXHIBIT FE**

**STATE-SPECIFIC ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND  
FRANCHISE AGREEMENT**

The following modifications are to the Franchise Disclosure Document between CML Storefront, LLC (“Franchisor,” “we,” “us,” or “our”) and may supersede certain portions of the Franchise Agreement and Related Agreements between Franchisor and you (“you,” “you,” or “your” dated \_\_\_\_\_, 20\_\_.

The state-specific amendments of this State Law Addendum to Franchise Disclosure Document, Franchise Agreement, and Related Agreements (“**State Addendum**”) supersede the related provisions of those agreements, and apply only to those persons residing or operating Food Trucks in the following states:

**FOR THE STATE OF CALIFORNIA:**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

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](http://www.dfpi.ca.gov).

**The Franchise Disclosure Document is hereby amended as follows:**

The franchisor, any person or franchise broker in Item 2 of the FDD is not 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.

California Business and Professions Code 20000 through 20043 provide 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.

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.).

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.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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.

The financial performance representation does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur

in operating your franchised business. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043). Accordingly, the Compliance Questionnaire attached as Exhibit ~~G~~F to the Franchise Disclosure Document is not required to be completed by California franchisees and in the event you complete the Compliance Questionnaire, we will destroy, disregard, and not rely on such Compliance Questionnaire.

**The Franchise Agreement is hereby amended as follows:**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. Any condition, stipulation, or provision in the Franchise Agreement which would result in your waiver of compliance with any provision of the California Franchise Relations Act is void to the extent that such provision violates such act.
2. California Business and Professions Code 20000 through 20043 provide rights to a franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contain a provision that is inconsistent with the law, the law will control.
3. No statement, questionnaire, or acknowledgment signed 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.

For the purposes of Cal. Bus. & Prof. Code Section 20022, the parties agree as follows:

The parties agree that they will use the declining-balance depreciation method to calculate the value of Franchisee's inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by us under Section 20022. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

The parties agree that for the purposes of Section 20022, you are not able to provide to us "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including: a) purchase money security interest; b) blanket security interest; c) right of first refusal; d) lien by franchisee's landlord; or e) tax lien.

The parties agree that for the purposes of Section 20022(h), our right of offset will include the following amounts owed by you to us or our Affiliates: a) Royalty Fees; b) Advertising Fund

Contributions; c) Social Media fees; d) Liquidated Damages; e) Transfer Fees; and f) any other type of fee owed by you to us or our Affiliates.

For the purposes of Cal. Bus. & Prof. Code Section 20035, the parties agree as follows:

“Fair market value of the franchise assets” means the value of your Assets, valued according to the declining-balance method of depreciation. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

“Fair market value of the franchised business” means the “fair market value of the franchise assets” as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by you to us within the 12-month period immediately before our termination or failure to renew you in violation of the California Franchise Relations Act.

The Department of Financial Protection and Innovation 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 requirement for us to obtain a Guarantee of Performance from a guarantor who shows financial ability to meet the franchisor’s obligations. Our guarantor is CML Franchise LLC and their financial statements are attached to this FDD in Exhibit C-6. We will provide you with a copy of the Guarantee of Performance upon request.

**The Compliance Questionnaire is hereby amended as follows:**

California Franchisees are not required to complete the Compliance Questionnaire. If any California franchisee completes the Compliance Questionnaire, we will destroy, disregard, and will not rely on such Compliance Questionnaire.

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.

**FOR THE STATE OF CONNECTICUT:**

The following statement is added to the cover page of the Franchise Disclosure Document:

**The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.**

The following statement is added to Item 3 of the Franchise Disclosure Document:

There are no pending or completed actions against us relating to Securities Laws; Business Opportunity Laws; Actions Brought by Present or Former Purchaser-Investors Involving Franchise; or Business Opportunity Relationships that are required to be disclosed in this Disclosure Document.

The FDD and Franchise Agreement are hereby modified to state that, if we require you to purchase products, equipment or supplies from us but fail to provide those products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the required opening date stated in your contract, you may notify us in writing and demand that the contract be canceled.

**FOR THE STATE OF HAWAII:**

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

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.

**FOR THE STATE OF ILLINOIS:**

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The Franchise Disclosure Document and Franchise Agreement are amended accordingly.

The governing law or choice of law clause described in the Franchise Disclosure Document and contained in the Franchise Agreement may not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable. Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.”

To the extent that the Franchise Agreement would otherwise violate Illinois law, the agreements are amended by providing that all litigation by or between you and us, arising directly or indirectly from the franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

17(v), Choice of Forum, of the Franchise Disclosure Document is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

17(w), Choice of Law, of the Franchise Disclosure Document is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

The termination and non-renewal provisions in the Franchise Disclosure Document and Franchise Agreement may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement are inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede those provisions.

You must open your franchised business within 10 months of signing your Franchise Agreement or the Franchisor may terminate the Agreement and you will lose your investment.

**The Franchise Agreement and Franchise Disclosure Document are hereby amended as follows:**

Due to our financial condition, the Office of the Attorney General of the State of Illinois has required us to defer all initial fees until your business is open and operating. All of your initial fees, including your initial franchise fee (if any) will be deferred until our initial obligations to you are complete and your business is open and operating.

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.

See the last page of this Exhibit ~~F~~E for your required signature.

**FOR THE STATE OF INDIANA:**

Item 8 of the Franchise Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person,

other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the Franchise Disclosure Document is amended to add the following:

17(e) is amended subject to Indiana Code 23-2-2.7-1(7), which makes it unlawful for us to unilaterally terminate your franchise agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

17(m) is amended subject to Indiana Code 23-2-2.7-1(5), which prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant will have a geographical limitation of the Territory granted to you.

17(v) is amended to provide that you will be permitted to begin litigation in Indiana for a cause of action under Indiana law.

17 (w) is amended to provide that if there is a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or Indiana Deceptive Franchise Practices Act.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Disclosure Document, the Franchise Agreement, or Maine law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Agreement to the extent the Agreement may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement which would require you to prospectively assent to a release, or, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The Franchise Agreement will be modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

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.

**FOR THE STATE OF IOWA**

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

**NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Sabin Lomac at CML Storefront, LLC, 125 John Roberts Road, Unit #2, South Portland, ME 04106, phone (855) 855-4265 or email: [sabin@cousinsmainelobster.com](mailto:sabin@cousinsmainelobster.com), not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

## **FOR THE STATE OF MARYLAND**

The Franchise Disclosure Document, Franchise Agreement, and Compliance Questionnaire are amended as stated below.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and or assignment, will not apply to liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

The Franchise Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 *et seq.*).

The Franchise Agreement and Compliance Questionnaire are amended to state: “[a]ll 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.”

### **The Franchise Agreement and Franchise Disclosure Document are hereby amended as follows:**

Due to our financial condition, the State of Maryland Office of the Attorney General Securities Division has required us to defer all initial fees until your business is open and operating. All of your initial fees, including your initial franchise fee (if any) will be deferred our initial obligations to you are complete and your business is open and operating.

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.

## **FOR THE STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

**The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:**

**A prohibition on the right of a franchisee to join an association of franchisees.**

**A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.**

**A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.**

**A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of our intent not to renew the franchise.**

**A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.**

**A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.**

**A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:**

- (i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.***
- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.***
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.***
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.***

**A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised**

**value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c)**

**A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.**

**The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General  
Consumer Protection Division  
Attn: Franchise  
670 Law Building  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

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.

**FOR THE STATE OF MINNESOTA:**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement that would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Agreement relating to arbitration.

4. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subdivisions. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Agreement and our System standards. Notwithstanding anything to the contrary in the Franchise Agreement, we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the provisions of the Franchise Agreement that require you to sign a general release prior to renewing or transferring your franchise are hereby deleted from the Franchise Agreement.

7. The following language will be added to the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

9. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues.

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.

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**FOR THE STATE OF NEW YORK:**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY ST. 21<sup>ST</sup> FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend,**" and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST CML FRANCHISE LLC

\_\_\_\_\_  
Witness Name:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Franchisee:

Witness: \_\_\_\_\_

\_\_\_\_\_

**FOR THE STATE OF NORTH DAKOTA:**

Sections of the Franchise Disclosure Document, Franchise Agreement requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

The Franchise Agreement and Confidentiality / Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(v) of the Franchise Disclosure Document and Section 19 of the Franchise Agreement provide that franchisees must consent to the jurisdiction of courts in Maine. The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the statement in Item 17(v) of the Franchise Disclosure Document and Section 19 of the Franchise Agreement that franchisees must consent to the jurisdiction of courts in Maine are hereby deleted.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Section 19.8 of the Franchise Agreement requires you to consent to a limitation of claims within one year. The North Dakota Securities Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision is hereby amended to read the statute of limitations under North Dakota Law will apply.

Section of the Franchise Disclosure Document and Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

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.

**FOR THE STATE OF OHIO:**

The following language will be added to the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

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**NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Sabin Lomac at CML Storefront, LLC, 125 John Roberts Road, Unit #2, South Portland, ME 04106, phone (855) 855-4265 or email: sabin@cousinsmainelobster.com, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

you: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE STATE OF RHODE ISLAND:**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The Franchise Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

The above language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and you intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

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.

**FOR THE STATE OF VIRGINIA:**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17(h) of the Disclosure Document. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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.

**FOR THE STATE OF WASHINGTON:**

Arbitration shall take place in the state of Washington. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The post-termination non-competition provision in Section 16.5 of the Franchise Agreement may not be enforceable in Washington.

Section 16.7 of the Franchise Agreement is hereby deleted in its entirety.

Section 17.7 of the Franchise Agreement is hereby deleted in its entirety.

Section 17.8 of the Franchise Agreement is hereby amended and restated as follows:

17.8. **Step-In Rights and Management.** To prevent any interruption of business of your Food Truck and any injury to the goodwill and reputation of your Food Truck, the System, or other Food Trucks or Storefronts which may be caused by such interruption, in the event of: (a) your default under this Agreement; (b) our reasonable belief that a condition of your Food Truck or any product sold at your Food Truck poses a threat to the health or safety of customers; or (c) your death or permanent incapacity (mental or physical), we will have the right (but not the obligation) to operate your Food Truck for a reasonable period, not to exceed six (6) months. You hereby authorize us to undertake such operation, and agree that our operation of and making corrections to, your Food Truck within our reasonable business judgment will not make us or our agents guilty of trespass or any other tort, and that our exercising these rights will not constitute a waiver of any other rights or remedies we may have under this Agreement. If we operate your Food Truck, we will have the right to collect and pay from the revenues of your Food Truck all expenses relating to the operation of your Food Truck including, without limitation, Royalty Fees, Advertising Fund Contributions, payments for inventory and supplies (including payments to our Affiliates), employee salaries, reimbursement of our expenses incurred in connection with such operation (including travel, lodging, and living expenses), and our then-current, reasonable management fee. You must indemnify and hold us harmless from any and all claims arising from the alleged acts and omissions of us and our representatives in exercising rights under this Section.

Section 18.7 of the Franchise Agreement is hereby amended and restated as follows:

18.7 **Liquidated Damages.** If an early termination of this Agreement occurs (which will mean any termination of the Agreement before the end of the Term, other than due to a mutual termination, your valid termination under Section 17.6, or your valid and approved Transfer of the Agreement), you will, within fifteen (15) days of such early termination, pay to us liquidated damages ("**Liquidated Damages**"). You agree that the Liquidated Damages are not a penalty, and that it would be impracticable or extremely difficult for us to calculate the actual amount you would have been obligated to pay us as Royalty Fees through the end of the Term. As a result, the parties

agree that the following method of calculation represents a fair and reasonable estimate of our damages. Liquidated Damages will be equal to:

The greater of the combined monthly average of Royalty Fees (without regard to any fee waivers or other reductions) that are owed by you to us during the six (6) month period prior to the date of early termination; or (b) three thousand five hundred dollars (\$3,500),

multiplied by

The lesser of: (i) twenty-four (24), or (ii) the number of full months remaining in the Term.

The last sentence of Section 20.2 is hereby deleted.

Section 2(e) of the Franchise Owner Agreement (Addendum 2 to the Franchise Agreement) is hereby deleted in its entirety.

Exhibit ~~HG-2~~ to the Franchise Disclosure Document ("~~Confidentiality and Non-Compete~~Sample System Protection Agreement") to remove the following paragraph from Section 5:

You acknowledge and agree that the restrictions set forth herein are reasonable, in terms of scope, duration, geographic area, and otherwise that the protections afforded to Cousins Maine Lobster hereunder are necessary to protect its legitimate business interests.

The following risk factor is added to "Special Risks to Consider About *This Franchise*:"

**Use of Franchise Brokers.** The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

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.

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**FOR THE STATE OF WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document and Franchise Agreement are amended accordingly.

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.

**ACKNOWLEDGMENT:**

It is agreed that the applicable foregoing State-Specific Addendum, if any, supersedes any inconsistent portion of the Franchise Disclosure Document, Franchise Agreement, and Related Agreements dated the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, and the parties further acknowledge and agree that this State-Specific Addendum is applicable only to those persons specifically subject to the protections of the state laws referenced in this State-Specific Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this State Law Addendum as of the Effective Date of the Franchise Agreement between the parties.

<b>CML Storefront, LLC</b>	you: _____
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

**CML Storefront, LLC**

**EXHIBIT GF**

**Compliance Questionnaire**

## EXHIBIT G

### COMPLIANCE QUESTIONNAIRE

As you know, CML Storefront LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of one or more Cousins Maine Lobster® Restaurants. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below. **If there is not enough room in the space we provide on this questionnaire to give a complete written explanation, please attach additional pages as necessary.**

**We will not ask you to complete this form, and we will disregard any answers from you, if you live or plan to operate your franchise in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin.**

1.        Yes\_\_ No\_\_    Have you received and personally reviewed the Franchise Agreement, and each attachment or exhibit attached to them that we provided?
  
2.        Yes\_\_ No\_\_    Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
  
3.        Yes\_\_ No\_\_    Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
  
4.        Yes\_\_ No\_\_    Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
  
5.        Yes\_\_ No\_\_    Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
  
6.        Yes\_\_ No\_\_    Have you had the opportunity to discuss the benefits and risks of developing and operating a Cousins Maine Lobster® Restaurant with an existing Cousins Maine Lobster® franchisee?
  
7.        Yes\_\_ No\_\_    Do you understand the risks of developing and operating a Cousins Maine Lobster® Restaurant?
  
8.        Yes\_\_ No\_\_    Do you understand the success or failure of your Cousins Maine Lobster® Restaurant will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?

9. Yes\_\_ No\_\_ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Maine, if not resolved informally or by mediation?
10. Yes\_\_ No\_\_ Do you understand that you must satisfactorily complete the initial training program before we will allow your Cousins Maine Lobster® Restaurant to open or consent to a transfer of the Cousins Maine Lobster® Restaurant to you?
11. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Cousins Maine Lobster® Restaurant that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Cousins Maine Lobster® Restaurant will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes\_\_ No\_\_ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Cousins Maine Lobster® Restaurant, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?
15. Yes\_\_ No\_\_ Do you understand that as a natural (and live) product, there are several factors that can affect the amount of usable meat that is in any processed batch of lobster, including the season in which the lobster is harvested; the manner in which the product is handled on your end; the company that processes the lobster; and the water weight content of the processed lobster, and that due to these and other factors, we cannot control the amount of usable lobster meat yielded per pound of lobster that you order?
16. Yes\_\_ No\_\_ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

[Questionnaire Continues on Next Page]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

CML Storefront, LLC

## EXHIBIT HG

### ~~Confidentiality and Non-Compete Agreement~~ Contracts for use with the Cousins Maine Lobster® Franchise

The following contracts contained in Exhibit G are contracts that you are required to utilize or execute after signing the Franchise Agreement in the operation of the Cousins Maine Lobster® franchise. The following are the forms of contracts that CML Storefront LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.

**Exhibit G-1**

**Sample General Release Agreement**

**EXHIBIT H**

**GENERAL RELEASE**

**CONFIDENTIALITY AND NON-COMPETE AGREEMENT**

As a condition to CML Storefront LLC's ("Franchisor") consent to [grant a Successor Franchise Agreement to] [the proposed transfer of the Franchise Agreement] [obtain an additional Cousins Maine Lobster® franchise or add an additional Food Truck to the existing Territory] by [name of franchisee] ("Franchisee") under the Franchise Agreement dated [date of Franchise Agreement], the undersigned, and each of their respective corporate parents, subsidiaries, Affiliates, successors in interest, heirs and assigns, and each of their respective owners, Managers, directors, officers, agents, servants, and employees, as applicable, whether specifically mentioned herein or not, do hereby release, acquit and forever discharge Franchisor and its respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, Claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to Franchisor's, or Franchisor's Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with Franchisor to the date of this Release. It is the express intention of the undersigned that this Release be as broad as permitted by law. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Undersigned represents and warrants that execution hereof is free and voluntary; that no inducements, threats, representations, or influences of any kind were made or exerted by or on behalf of Franchisor; and that, prior to the execution hereof, undersigned was given the opportunity, if desired, to consult with counsel. This Release shall be binding upon the undersigned, their heirs, successors and legal representatives. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS AND OWNERS / MANAGERS / SHAREHOLDERS AND A DULY AUTHORIZED OFFICER MUST EXECUTE THIS RELEASE (Attach Additional Sheets if Necessary).

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

**Exhibit G-2**  
Sample System Protection Agreement

THIS ~~CONFIDENTIALITY~~SYSTEM PROTECTION AGREEMENT ~~AND COVENANT NOT TO COMPETE~~ (“**Agreement**”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, between (“**you**”); and \_\_\_\_\_ (“**Franchisee**”).

**RECITALS**

A. Franchisee has entered into a franchise agreement with CML Storefront, LLC (“**Cousins Maine Lobster**”).

B. You are a Designated Manager, officer, director, or an entity affiliated with, or providing products or services to Franchisee.

C. As a result of Franchisee’s relationship with you, you will have access to certain confidential and proprietary information of Cousins Maine Lobster.

**NOW, THEREFORE**, in consideration of the foregoing and in order to induce Cousins Maine Lobster to enter into, or to continue, a relationship with you, the parties hereby agree as follows:

**1. Cousins Maine Lobster Is Third Party Beneficiary.** You and Franchisee acknowledge and agree that this Agreement is made for their mutual benefit and for the benefit and protection of ~~CML~~Cousins Maine Lobster, which is an intended third party beneficiary of this Agreement with rights to enforce the remedies provided herein.

**2. Confidential Information.** It is understood that as a result of your position or relationship with Franchisee, you will be afforded access to confidential and/or proprietary information of Cousins Maine Lobster. In consideration of Cousins Maine Lobster’s agreement to enter into and continue its business relationship with Franchisee and to continue to make available to you and Franchisee information, including confidential and/or proprietary information, relating to Cousins Maine Lobster and its business and operations, you agree not to disclose, furnish, divulge, communicate, or otherwise directly or indirectly use any of the confidential and/or proprietary information of Cousins Maine Lobster (including without limitation sales and marketing methods and data, operating and other business data, computer programs, trade secrets, business plans, advertising and promotional methods, financial information and data, product information, information regarding current or prospective customers and clients, other franchisees, agencies, Suppliers, and other related information) (hereinafter, “**Confidential Information**”), other than strictly incidental to, and solely in furtherance and within the scope of, your relationship with Cousins Maine Lobster and your employment or business relationship with Franchisee, which obligation applies at all times during and following your employment or relationship with Franchisee, regardless of the manner in which such employment or relationship ends or the reason for it ending. “Confidential Information” shall not include information which: (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt by you or the signing of the Franchise Agreement, whichever occurred first, was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed; or (c) is subsequently received by you or Franchisee from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

You agree not to make any copies of, reproductions of, or extracts of any Confidential Information of Cousins Maine Lobster except strictly incidental to, and solely in furtherance and within the scope of, your relationship with Cousins Maine Lobster and your employment or business relationship with Franchisee.

Upon termination of the Franchise Agreement (or of Franchisee's relationship with you, as the case may be), for any reason, you must return all lists, printouts, memoranda, reports, surveys, studies, notes, letters and all other documents then in your possession or under your control containing or relating to any Confidential Information, whether in paper, digital, or other form or medium, without retaining any copies or reproductions thereof in any form.

If you receive a subpoena or any other form of legal process seeking to compel the production of any Confidential Information, you will immediately provide Franchisee and Cousins Maine Lobster with written notice of the receipt of such subpoena or process and a copy thereof, and will cooperate with Franchisee and Cousins Maine Lobster in any action they take to oppose the production of Confidential Information or to obtain a protective order. Written notice to Cousins Maine Lobster shall be given to its President.

**3. Covenant Not to Compete.** While you maintain a relationship with Franchisee, you shall not engage in any activity which competes directly or indirectly with Cousins Maine Lobster in any state in which Cousins Maine Lobster is doing business or in which it has current plans to begin business, except with the written permission of Franchisee or Cousins Maine Lobster. If your relationship with Franchisee is terminated for any reason, you will be prohibited for a period of two (2) years from the date of such termination, from any place within fifteen (15) miles of Franchisee's ~~Territory~~location, from:

(a) Directly or indirectly soliciting any customer or client of Cousins Maine Lobster or Franchisee.

(b) Inducing, advising, suggesting or attempting to influence directly or indirectly anyone affiliated with Cousins Maine Lobster's franchisees to terminate employment or establish a professional relationship with another person or entity.

(c) Directly or indirectly participating in or being connected in any manner with the ownership, management or operation of any business or entity that competes with ~~CML Cousins Maine Lobster~~, in offering or selling services relating to ~~healthy, fast-casual foods~~ lobster, seafood, soups, or related products.

**4. Non-solicitation.** While you are employed by or associated with Franchisee, and for two (2) years after your employment or relationship ends, you must not, without prior written permission of ~~CML Cousins Maine Lobster~~, directly or indirectly solicit or attempt to solicit any customers or clients for whom you provided services while you were employed by or affiliated with Franchisee.

**5. Breach of Agreement.** You acknowledge and agree that your violation or breach of the "Covenant Not to Compete," disclosure of "Confidential Information," or the "Non-solicitation" provisions, as provided herein by this Agreement will cause irreparable injury to Cousins Maine Lobster for which there is no adequate remedy at law. Accordingly, you agree that in the event of any breach or violation of this Agreement, Cousins Maine Lobster and/or Franchisee will be entitled to enforce this Agreement by injunctive and any other equitable relief in any court of competent jurisdiction. Such relief will be in addition to other remedies available at law, including without limitation, recovery of damages. You agree to comply with a judgment forbidding you from violating these provisions in the event there is a finding of breach. In addition, Cousins Maine Lobster will be entitled to recover and obtain from you all costs including, without limitation, reasonable attorneys' fees associated with any legal action arising out of your breach of any of the provisions of this Agreement.

If any phrase, clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause or provision shall be deemed severed from this Agreement, but will not affect any other provisions of this Agreement, all of which will otherwise remain in full force and

effect.

You acknowledge and agree that the restrictions set forth herein are reasonable, in terms of scope, duration, geographic area, and otherwise that the protections afforded to Cousins Maine Lobster hereunder are necessary to protect its legitimate business interests.

**6. Choice of Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the state in which Franchisee's business is located, without respect to its conflict of laws principles.

_____	You: _____
[Name of Franchisee]	
By: _____	By: _____
Print Name: _____	Print Name: _____
Its: _____	Its: _____
Date: _____	Date: _____

**Exhibit G-3**  
**Sample Confidentiality Agreement**

THIS CONFIDENTIALITY AGREEMENT (“**Agreement**”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between (“**you**”); and \_\_\_\_\_ (“**Franchisee**”).

**RECITALS**

**A.** Franchisee has entered into a franchise agreement with CML Storefront LLC (“**Cousins Maine Lobster**”).

**B.** You are an employee of Franchisee.

**C.** As a result of Franchisee’s relationship with you, you will have access to certain confidential and proprietary information of Cousins Maine Lobster.

**NOW, THEREFORE,** in consideration of the foregoing and in order to induce Cousins Maine Lobster to enter into, or to continue, a relationship with you, the parties hereby agree as follows:

**1.** **Cousins Maine Lobster Is Third Party Beneficiary.** You and Franchisee acknowledge and agree that this Agreement is made for their mutual benefit and for the benefit and protection of Cousins Maine Lobster, which is an intended third party beneficiary of this Agreement with rights to enforce the remedies provided herein.

**2.** **Confidential Information.** It is understood that as a result of your position or relationship with Franchisee, you will be afforded access to confidential and/or proprietary information of Cousins Maine Lobster. In consideration of Cousins Maine Lobster’s agreement to enter into and continue its business relationship with Franchisee and to continue to make available to you and Franchisee information, including confidential and/or proprietary information, relating to Cousins Maine Lobster and its business and operations, you agree not to disclose, furnish, divulge, communicate, or otherwise directly or indirectly use any of the confidential and/or proprietary information of Cousins Maine Lobster (including without limitation sales and marketing methods and data, operating and other business data, computer programs, trade secrets, business plans, advertising and promotional methods, financial information and data, product information, information regarding current or prospective customers and clients, other franchisees, agencies, Suppliers, and other related information) (hereinafter, “**Confidential Information**”), other than strictly incidental to, and solely in furtherance and within the scope of, your relationship with Cousins Maine Lobster and your employment or business relationship with Franchisee, which obligation applies at all times during and following your employment or relationship with Franchisee, regardless of the manner in which such employment or relationship ends or the reason for it ending. “**Confidential Information**” shall not include information which: (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt by you or the signing of the Franchise Agreement, whichever occurred first, was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed; or (c) is subsequently received by you or Franchisee from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

You agree not to make any copies of, reproductions of, or extracts of any Confidential Information of Cousins Maine Lobster except strictly incidental to, and solely in furtherance and within the scope of, your relationship with Cousins Maine Lobster and your employment or business relationship with Franchisee. Upon termination of the Franchise Agreement (or of Franchisee’s relationship with you, as the case may be), for any reason, you must return all lists, printouts, memoranda, reports, surveys, studies, notes, letters and all other documents then in your possession or under your control containing or relating to any Confidential Information, whether in paper, digital, or other form or medium, without retaining any copies or reproductions thereof in any form.



**Exhibit G-4**  
Sample Collateral Assignment of Lease

**COLLATERAL ASSIGNMENT OF LEASE**

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_ a \_\_\_\_\_  
 (“**Assignor**”), hereby assigns, transfers and sets over unto CML Storefront, LLC a Maine limited liability  
 company (“**Assignee**”) all of Assignor's right, title and interest as tenant in, to and under that certain lease,  
 a copy of which is attached hereto as Exhibit 1 (the "**Lease**"), respecting the premises commonly known as  
 \_\_\_\_\_ . This Assignment is for collateral purposes only and except  
 as specified herein, Assignee will have no liability or obligation of any kind whatsoever arising from or in  
 connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by  
 the Lease pursuant to the terms of this Assignment of Lease and assumes Assignor’s obligations under the  
 Lease.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and  
 its interest in the Lease and that Assignor has not previously, and is not obligated to, assign or transfer any  
 of its interest in the Lease or the premises demised thereby. Upon a default by Assignor under the Lease or  
 a default or expiration under the Franchise Agreement by and between Assignor and Assignee for a CML  
 Storefront (the “**Franchise Agreement**”), or in the event of a default by Assignor under any document or  
 instrument securing said Franchise Agreement or under any other agreement between Assignor and  
 Assignee or its Affiliates, Assignee will have the right and is empowered to take possession of the premises  
 demised by the Lease, expel Assignor from the Lease and premises, and, in such event, Assignor will have  
 no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of  
 the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement  
 and any renewal of or successor to it, Assignor agrees that it will elect and exercise all options to extend  
 the term of or renew the Lease not less than thirty (30) days prior to the last day that any such option must  
 be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in  
 writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated in this Assignment  
 of Lease, Assignor will and hereby does appoint Assignee as its true and lawful attorney-in-fact to exercise  
 such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting  
 such extension of renewal.

<u>Assignee: CML Storefront, LLC</u>	<u>Assignor: _____</u>
<u>By: _____</u>	<u>By: _____</u>
<u>Print Name: _____</u>	<u>Print Name: _____</u>
<u>Its: _____</u>	<u>Its: _____</u>
<u>Date: _____</u>	<u>Date: _____</u>

**Exhibit G-5**  
**Sample Lease Addendum**

**ADDENDUM TO LEASE**

This Addendum to Lease (“Addendum”), dated \_\_\_\_\_, 20\_\_\_\_, is entered into by and between \_\_\_\_\_ (“Lessor”), and \_\_\_\_\_ (“Lessee”). In the event of any contradiction or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease to which it is attached, the terms and provisions of this Addendum will control and be interpreted in such a manner as to override any provision of the Lease which would prevent the spirit and letter of the terms and provisions of this Addendum from being given full force and effect. All defined terms not specifically defined in this Addendum will be given the same meaning as the defined terms in the Lease.

A.. The parties hereto have entered into a certain Lease Agreement (“Lease”), dated \_\_\_\_\_, 20\_\_\_\_, and pertaining to the premises located at \_\_\_\_\_ (“Premises”).

B. Lessor acknowledges that Lessee intends to operate a Cousins Maine Lobster® franchise from the leased Premises pursuant to a Franchise Agreement (“Franchise Agreement”) with CML Storefront, LLC (“Franchisor”) under the name “Cousins Maine Lobster®” or other name designated by Franchisor (herein referred to as “Franchised Business”).

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. Remodeling and Decor. Lessor agrees that Lessee will have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as Lessee is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Lessee may operate a Franchised Business on the Premises.

2. Assignment or Subletting. Lessee must agree to attorn to any assignee of Lessor provided such assignee will agree not to disturb Lessee’s possession of Premises. Lessee will have the right to assign or sublet all of its right, title and interest in the Lease, at any time during the term of the Lease, including any extensions or renewals thereof, without charge and without first obtaining Lessor’s consent in accordance with the Collateral Assignment of Lease attached as Addendum 4: (a) to Franchisor or Franchisor’s parent, subsidiary, or affiliate; (b) to a duly authorized franchisee of Franchisor; (c) in connection with a merger, acquisition, reorganization or consolidation; or (d) in connection with the sale of Lessee’s corporate stock or assets. However, no assignment or sublease will be effective until such time as Franchisor or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document will make Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor of it, and will not create any liability or obligation of Franchisor or Franchisor’s parent, subsidiary or affiliate unless and until the Lease is assigned or sublet to, and accepted in writing by Franchisor or Franchisor’s parent, subsidiary or affiliate. In the event of any assignment or sublease, Lessee will at all times remain liable under the terms of the Lease. Franchisor will have the right to reassign or sublease the Lease to another franchisee without the Lessor’s consent in accordance with Section 4(a) below. Lessor understands and agrees that, in connection with Lessee’s assignment or subletting of the Lease to a duly authorized franchisee of Franchisor, Franchisor will be permitted to charge “additional rent”

or “percentage rent” or other charges to its franchisee as part of its regular plan of franchising, and Lessor will not be entitled to any consideration or additional rent as a result of any fees paid to Franchisor by franchisee pursuant to the Lease or otherwise.

3. Default and Notice.

- a. In the event there is a default or violation by Lessee under the terms of the Lease, Lessor must give Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. If Lessor gives Lessee a default notice, Lessor must contemporaneously give Franchisor a copy of the notice. Franchisor will have the right, but not the obligation, to cure the default. Franchisor will notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee’s interest as provided in Paragraph 4(a). Franchisor will have an additional fifteen (15) days from the expiration of Lessee’s cure period in which it may exercise the option, but it is not obligated to cure the default or violation.
- b. All notices to Franchisor must be sent by registered or certified mail, postage prepaid, or by a recognized overnight courier or delivery services to the following address:

CML Storefront, LLC  
125 John Roberts Road, Unit #2  
South Portland, ME 04106

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor’s mailing address to which notices should be sent.

- c. Following Franchisor’s approval of the Lease, Lessee agrees not to terminate, or in any way alter or amend the same during the Initial Term of the Franchise Agreement or any extension thereof without Franchisor’s prior written consent, which will be granted or denied in Franchisor’s sole discretion, and any attempted termination, alteration or amendment will be null and void and have no effect as to Franchisor’s interests thereunder; and a clause to the effect will be included in the Lease.

4. Termination or Expiration.

- a. Upon Lessee’s default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee’s interest and at any time thereafter to re-assign or sublet the Lease to a new franchisee without Lessor’s consent and to be fully released from any and all liability to Lessor upon the reassignment, provided the new franchisee agrees to assume Lessee’s obligations and the Lease.
- b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Lessor will cooperate with and assist Franchisor in securing possession of the Premises and if Franchisor does not elect to take an assignment of the Lessee’s interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Cousins Maine Lobster® marks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its

option to purchase assets of Lessee, Lessor will permit Franchisor to remove all the assets being purchased by Franchisor.

5. Consideration; No Liability.

a. Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its Franchised Business and Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by Addendum 4.

b. Lessor further acknowledges that Lessee is not an agent or employee of Franchisor and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.

6. Sales Reports and Inspection. If requested by Franchisor, Lessor will provide Franchisor with whatever information Lessor has regarding Lessee's sales from its Franchised Business. Lessor acknowledges that the Franchise Agreement grants Franchisor the right of inspection of Lessee's Premises, and Lessor agrees to cooperate with Franchisor's efforts to enforce Franchisor's inspection rights.

7. No Radius Clause. The radius restriction set forth in the Lease, if any, is hereby deleted.

8. Hazardous Materials. Lessor represents and warrants that the Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "**Hazardous Materials**"). Notwithstanding any provision of this Lease to the contrary, Lessee will have no obligation to make any repairs, alterations or improvements to the Premises or incur any costs or expenses whatsoever as a result of Hazardous Materials in or about the center in which the Premises are located (the "**Center**"), the Building or the Premises, other than those Hazardous Materials brought onto such areas by Lessee. Lessor will be solely responsible for any changes to the Premises relating to Hazardous Materials, unless those Hazardous Materials were brought onto the Premises by Lessee. Lessor will indemnify and hold Lessee harmless from and against all liabilities, costs, damages and expenses which Lessee may incur (including reasonable attorney fees) as the result of a breach of Lessor's representation and warranty set forth in this paragraph or the presence of Hazardous Materials in or about the Center, the Building or the Premises, unless those Hazardous Materials were brought onto such areas by Lessee.

9. Insurance and Waiver of Subrogation. Lessee may maintain the required liability insurance in the form of a blanket policy covering other locations of Lessee in addition to the Premises. Lessee may self insure plate glass, so long as Lessee agrees not to hold Lessor liable for any losses resulting to plate glass. Whenever (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty is incurred to the Premises or contents thereof by either party to this Lease, and (ii) such party is covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by such insurance.

10. Lessor Warranties. Lessor represents, covenants and warrants (i) that Lessor has lawful title to the Center and has full right, power and authority to enter into this Lease; (ii) that the Center is in compliance with the Americans with Disabilities Act ("ADA"); (iii) that the permitted "use" of the Premises does not currently violate the terms of any of Lessor's insurance policies; (iv) that Lessor currently maintains all risk of physical loss coverage for the full replacement cost of the Center and will maintain throughout the term

of this Lease general liability insurance coverage for the Center consistent with that being maintained from time to time by reasonably prudent owners of properties similar to the Center in the same area; and (v) that so long as Lessee pays all monetary obligations due under this Lease and performs all other covenants contained herein, Lessee will peacefully and quietly have, hold, occupy and enjoy the Premises during the term of this Lease and its use and occupancy thereof must not be disturbed. Lessor covenants and agrees that Lessor will take no action that will interfere with Lessee's intended usage of the Premises. Lessor must indemnify and hold harmless Lessee and its officers, partners, agents and employees from and against any loss, cost, liability, damage or expense arising out of (x) Lessor's operation of the Center, (y) Lessor's breach in the performance of any of its obligations under this Lease, or (z) any violation of law by Lessor or any other act or omission of Lessor or its contractors, agents or employees. The foregoing indemnification will survive expiration or termination of this Lease.

11. Mitigation. Lessor must use reasonable efforts to mitigate its damages in the event of a Lessee default.

12. Removal of Trade Dress/Personal Property. Lessor must permit Lessee fifteen (15) days from the termination or expiration of the Lease to remove Lessee's property. Lessor will permit Lessee to remove its Trade Dress within fifteen (15) days after the termination or expiration of the Lease or within fifteen (15) days after Lessee has received proper notice from Lessor of the termination or expiration pursuant to Section 4, whichever later occurs.

13. Alterations. Lessor's consent will not be required for non-structural or non-mechanical alterations, additions or changes to the Premises.

14. Amendments. No amendment or variation of the terms of the Lease or this Addendum to the Lease will be valid unless made in writing and signed by the parties hereto.

15. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions and covenants of the Lease will remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

16. Beneficiary. Lessor and Lessee expressly agree that Franchisor is a third party beneficiary of this Addendum.

IN WITNESS WHEREOF, witness the signatures of the parties hereto as of the day, month and year first written above.

**LESSOR:** \_\_\_\_\_

**LESSEE:** \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit G-6**  
**SAMPLE RENEWAL ADDENDUM TO FRANCHISE AGREEMENT**

This addendum (“Addendum”) to the Agreement is between CML Storefront LLC (“we” “us” or “our”) and \_\_\_\_\_ and its Owners, \_\_\_\_\_ and \_\_\_\_\_ (collectively, “you” or “your”), and is made and entered into on the date we sign it below (the “Effective Date”). This Addendum adds, deletes, amends, changes and modifies certain terms and conditions of the Agreement between us and you.

**RECITALS**

A. We and you entered into a franchise agreement dated \_\_\_\_\_ for the operation of a Cousins Maine Lobster® Storefront (the “Renewing Storefront”) in the \_\_\_\_\_ counties of \_\_\_\_\_ (the “Expiring Agreement”).

B. Simultaneously with signing this Addendum, you and we are signing a new, successor franchise agreement to the Expiring Agreement (the “New Agreement”).

C. Because you are renewing your relationship with us through the New Agreement, certain provisions in the New Agreement will not apply to you.

D. Further, as a condition of entering into the New Agreement with you, you agreed that we can require you to make such changes as may be necessary to bring your Storefront up to our current standards, including, without limitation, installation of new equipment and software and the remodeling and/or renovation of the Storefront to reflect the then-current standards and image of the System.

E. The Renewing Storefront is not compliant with our current standards for new or renewing Cousins Maine Lobster franchises. To become compliant with these standards, you will need to make certain updates to the Renewing Storefront to allow you to continue operating.

F. As an additional inducement for you and consideration for the New Agreement, we and you wish to modify the terms of the Agreement by agreeing to the following terms, which will modify the New Agreement as provided herein.

NOW, THEREFORE, IN CONSIDERATION of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**AGREEMENT**

**1. Definitions.** All capitalized terms not otherwise defined in this Addendum refer to the definitions set forth in the Agreement.

**2. Initial Franchise Fee.** Section 6.1 of the New Agreement is hereby amended to reflect that the Initial Franchise Fee is zero dollars (\$0).

**3. Commencement of Business.** Subject to your compliance with Section 4 of this Addendum, we approve the Renewing Storefront as meeting our requirements for your Storefront, and we approve their continued and uninterrupted operation within your Territory under the New Agreement. Sections 3.1, 3.3, and 3.4 of the New Agreement are hereby amended accordingly.

**4. Initial Training Program.** Because you are a renewing franchisee, we will not require you or your previously-trained Designated Manager to attend the Initial Training Program in regards to your existing Storefronts. We [may] [will] require you and your Designated Manager to attend re-training with us within \_\_\_\_\_ days of signing the New Agreement. You agree to pay us \$300 per attendee, per day to attend our re-training. [OR] You agree to pay us \$500 per day plus our reasonable travel expenses for us to train you at your Storefront.

**5. Updating Requirements.** As soon as possible, and no later than \_\_\_\_\_, you will make the following changes to your Renewing Storefront:

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

You agree that time is of the essence for your obligations under this Section 5. For each of the above items, you agree to send to us photographic evidence showing your compliance with these matters on or before the deadline.

**6. Inspection and Cleaning.** On or before \_\_\_\_\_, you will:

- a. Engage a third-party foodservice equipment inspection company of your choice to conduct an inspection of your Renewing Storefront for items we designate. Prior to such inspection, you will coordinate with our representative for our then-current requirements, which will include but are not limited to all kitchen equipment. After the inspection, you must: (i) submit to us receipts from the inspection company, the inspection report, and any related notes or communications from the company; and (ii) complete all repairs suggested in the inspection within twenty (20) days after the inspection date.
- b. Engage a third-party foodservice cleaning company to deep-clean the Storefront, and submit to us receipts, photographs, and a video indicating that the cleaning was performed and showing the Storefront both before and after the cleaning.

**7. Renewal Fee.** We agree to charge you, and you agree to pay, a renewal fee of \_\_\_\_\_ as required by the Expiring Agreement. You will pay us this amount via ACH on or before the Effective Date.

**8. General Release.** You (including each and every one of your Owners), on your, her and his own behalf and on behalf of all of your owners, heirs or personal representatives, agents, affiliates, legal entities, and attorneys (including but not limited to \_\_\_\_\_) (collectively your “**Constituents**”), hereby release us, our parent companies and subsidiaries, all of our and its respective affiliates (including but not limited to Cousins Maine Lobster, LLC, Cousins Seafood Distribution, LLC, and CML Franchise, LLC), predecessors and successors, and all of our and its respective present or former officers, directors, shareholders, managers, members, partners, franchisees, master franchisees, licensors, representatives, employees, agents, attorneys, employee benefit programs, and the trustees, administrators, fiduciaries and insurers of such programs, and the respective affiliates of each of the foregoing (collectively the “**Released Parties**”), from any and all claims for relief of any kind, whether known or unknown, which in any way arise out of or relate to the negotiation, sale, purchase, operation, or relationship created by the Agreements and your franchise arrangement with us or any of Released Parties, any agreements between us or any of Released Parties and any of the Constituents, or the parties’ relationship with one another from the beginning of time to the date of this Release, including, but not limited to, any and all claims of discrimination of any kind, and any contractual, equitable, tort or other claims of any kind or nature. This includes all claims, including but not limited to breach of contract, quasi-contract, implied contract,

quantum meruit, unjust enrichment, compensation, deferred compensation, equity interest, any tort claims, any and all claims under any applicable federal laws or under any applicable state or local laws or ordinances or any other legal restrictions on our rights. However, this release does not waive your rights to enforce the terms of this Amendment. This release also does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

a. You, on your own behalf and on behalf of the Constituents, acknowledge that you are familiar with Section 1542 of the California Civil Code, which reads as follows:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

b. With respect to those claims being released pursuant to this Section 7, you on your own behalf and on behalf of the Constituents, acknowledge that you are releasing unknown claims and waives all rights you have or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. For purposes of this Section 10, each of the Constituents will be considered to be a creditor of each of the Released Parties.

c. You, on your behalf and on behalf of the Constituents, acknowledge that this general release extends to claims which you do not know or suspect to exist in your favor at the time of executing this Amendment, which if known by you may have materially affected your decision to enter into this Amendment. You understand that the facts in respect of which this Amendment is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. You therefore expressly assume the risk of the facts turning out to be so different and agree that this Amendment shall be in all respects effective and not subject to termination or termination by any such difference in facts.

You and your Constituents are not giving this general release predicated on any factual representations by us, except for the representations expressly contained in this Amendment.

**9. Conflict with Agreement.** In the event of a conflict between terms stated in the Agreement (including all schedules, attachments, or addenda to the Agreement) and those in this Addendum, the terms stated in this Addendum will control.

**10. Addendum Binding.** This Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

**11. No Further Changes.** Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Agreement will remain in full force and effect as originally written and signed (and subsequently amended).

**12. Counterparts.** This Addendum may be executed in counterparts, all of which shall be given the same force and effect as the original. This Addendum will be effective when the signatures of all parties have been affixed to counterparts or copies.

IN WITNESS WHEREOF, you and we have executed this Addendum as of the dates appearing below.

**CML STOREFRONT LLC**

**FRANCHISEE:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit G-7**  
**SAMPLE FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT**

Welcome to the Cousins Maine Lobster® team. Because you are becoming a part of the Cousins Maine Lobster® franchise system, it is important that you understand and acknowledge who your employer is, and who is not.

You have been hired and are employed by \_\_\_\_\_ (Legal Name of franchisee) (“franchisee”, “Employer”, “we” or “us”), which is an independent business and franchise owner within the Cousins Maine Lobster franchise system (the “System”). As part of the Cousins Maine Lobster® franchise System, we are licensed and required to operate under the same name, same look, and same way as the other Cousins Maine Lobster® food trucks or restaurants, however, \_\_\_\_\_ (Legal Name of franchisee) is **not** part of the same company as our franchisor, Cousins Maine Lobster (CML Storefront, LLC), or its Affiliates.

Cousins Maine Lobster and its Affiliates are separate companies which own rights to the Cousins Maine Lobster® name and have devised rules, systems of operation, and policies and procedures that all of its franchisees, including \_\_\_\_\_ (Legal Name of franchisee) must follow. This enables each independently owned Cousins Maine Lobster® Food Truck or Storefront to look and operate the same at every location.

Each Cousins Maine Lobster® franchise owner, including \_\_\_\_\_ (Legal Name of franchisee) is solely responsible for their own business operations, employees, and all employee related issues. As such, it is important that you understand and acknowledge that \_\_\_\_\_ (Legal Name of franchisee) is your **only** employer and we are solely responsible for giving you your paycheck, establishing your hours, and any and all decisions relating to your employment relationship.

You hereby accept and acknowledge that our franchisor, Cousins Maine Lobster (CML Storefront, LLC), and its Affiliates are **not** your employer, and if a Cousins Maine Lobster representative ever gives you direction, training, or advice, it is intended **only** to ensure consistency of the Cousins Maine Lobster® brand and to maintain a uniformed customer experience throughout all Cousins Maine Lobster® locations within the franchise System.

If you have any questions about your employment relationship or about this Franchise Relationship Acknowledgement, please direct them to \_\_\_\_\_ (Legal Name of franchisee), as your Employer.

I have read this Franchise Relationship Acknowledgement and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Franchisee (Employer) Authorized Signature

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Franchisee (Employer) Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Exhibit G-8**  
**Sample Electronic Funds Transfer Authorization**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION**

**BY AND BETWEEN [BUSINESS NAME]**  
**AND (‘DEPOSITOR’)**  
**EFT AUTHORIZATION AGREEMENT (DIRECT DEBITS)**

The undersigned depositor (‘Depositor’) hereby authorizes [Business Name] (‘Company’) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (‘Depository’) to debit such account pursuant to Company’s instructions:

Depository Branch

Address City, State, Zip Code

Bank Transit/ABA Number Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor’s termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor’s account, Depositor will have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor will have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

DEPOSITOR:

By:

Print Name:

Its:

Date:

**CML Storefront, LLC**

**EXHIBIT I**

**List of Franchisees**

**EXHIBIT I-1**  
**List of Current Franchisees**

**Cousins Maine Lobster Storefront Franchisees as of December 31, ~~2023~~2024**

State	City	Name	Address	Telephone
<u>CA</u>	<u>San Francisco</u>	<u>Worldwide Foods LLC</u>	<u>6841 Village Parkway Dublin, CA 94568</u>	<u>415-592-5933</u>
FL	Neptune Beach*	Three Seas Neptune, LLC	630 - 14 Atlantic Blvd Neptune Beach FL 32266	904-246-0304
GA	Atlanta	<del>Harrison Management Group</del> <u>Three Seas Atlanta, LLC</u>	3393 Peachtree Rd NE STE 3052 Atlanta, GA 30326-1199	770-212-2117
NC	Raleigh	Keller Family Bistros, LLC	411 W Morgan Street, Unit 106, Raleigh, NC 27603	919-867-6203
OH	Columbus	Cbus Ventures, LLC	1086 North Fourth St., Columbus, OH 43204	614-896-3111
NJ	Asbury Park	CML NJ, LLC	800 Ocean Ave N, Space #109-110, Asbury Park, NJ 07712	732-455-2939

\* Neptune Beach — This location closed in 2022 and reopened under new ownership.

**EXHIBIT I-2**  
**List of Franchisees – Sold But Not Yet Open As Of December 31, ~~2023~~2024**

State	City	Name	Address	Telephone
<b>Signed but not Opened</b>				
<u>CA</u>	San Francisco <u>Chicago</u>	WorldwideSmart Foods <u>Chicago 1</u> LLC	6841 Village Parkway Dublin, CA 94568- <u>3175 Steinway Street,</u> <u>Astoria, NY-11103</u>	415-592- <u>5933917 513</u> <u>3582</u>
<u>NC</u>	Charlotte <u>Chicago</u>	Chris and Caroline Papp Partnership <u>Smart</u> Foods <u>Chicago 2</u> LLC	426 Kirkbride Ct. Fort Mill, SC 29715- <u>3175 Steinway Street,</u> <u>Astoria, NY-11103</u>	732-882- <u>5240917 513</u> <u>3582</u>
<u>PA</u>	Philadelphia	<u>MM Brodie, LLC</u>	8 Veronica Ave Suite B Somerset <u>NJ 08873</u>	<u>908 616 8876</u>

**EXHIBIT I-3**  
**List of Franchisees That Left the System**

Below is a list of franchisees that left the system during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

State	Territory	Name	Address	Phone
<del>AZ</del> <del>OH</del>	<del>Tempe</del> <del>Columbus</del>	<del>BWI DevCo Tempe</del> <del>Cbus</del> <del>Ventures, LLC</del>	<del>511 S. Farmer Ave. Tempe, AZ</del> <del>85281</del> <del>1086 North Fourth St.,</del> <del>Columbus, OH 43201</del>	<del>602-834-7700</del> <del>614-</del> <del>896-3111</del>
<del>GA</del> <del>NC</del>	<del>Marietta</del> <del>Raleigh</del>	<del>Harrison Management</del> <del>Group</del> <del>Keller Family Bistros,</del> <del>LLC</del>	<del>68 North Marietta Parkway NW</del> <del>Marietta, GA 30060</del> <del>411 W</del> <del>Morgan Street, Unit 106,</del> <del>Raleigh, NC 27603</del>	<del>770-212</del> <del>919-867-</del> <del>2117</del> <del>6203</del>

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

CML Storefront, LLC

## EXHIBIT J

### **State Effective Dates and Franchise Disclosure Document Receipts**

### **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, 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:

<b>State</b>	<b>Effective Date</b>
California	<u>June 27, 2024</u> <u>Pending</u>
Hawaii	<u>August 26, 2024</u> <u>Pending</u>
Illinois	<u>May 3, 2024</u> <u>Pending</u>
Indiana	June 27, 2024
Maryland	<u>June 27, 2024</u> <u>Pending</u>
Michigan	<u>April 24, 2024</u> <u>Pending</u>
Minnesota	<u>August 20, 2024</u> <u>Pending</u>
New York	<u>Pending</u>
North Dakota	<u>June 2, 2024</u> <u>Pending</u>
Rhode Island	<u>August 25, 2024</u> <u>Pending</u>
South Dakota	<u>July 18, 2024</u> <u>Pending</u>
Virginia	<u>September 9, 2024</u> <u>Pending</u>
Washington	<u>February 18, 2025</u> <u>Pending</u>
Wisconsin	<u>May 15, 2024</u> <u>Pending</u>

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 CML Storefront, LLC 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. Under Iowa or New York law, if applicable, CML Storefront, LLC must provide this disclosure document to you at your 1<sup>st</sup> personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires CML Storefront, LLC to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If CML Storefront, LLC 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Jim Tselikis, Sabin Lomac, Barbara Corcoran, Shaun Higgins, Angela Coppler, Jameson Lyons, Allison Pillar, Mike Carmody, Esther Judah, Jane Olivia Paik, Jacob Conley, Lindsay Herberger, Rachel Solomon, and Nicholas Loukes at CML Storefront, LLC, 125 John Roberts Road, Unit #2, South Portland, ME 04106, phone (855) 855-4265. We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary):

---

See Exhibit A for CML Storefront, LLC’s registered agents authorized to receive service of process.

I have received a disclosure document dated ~~May 2, 2024~~ April 29, 2025 that included the following Exhibits:

- A. State Administrators / Agents for Service of Process    ~~GE. Compliance Questionnaire~~ State-Specific Addendum
- B. Franchise Agreement    ~~HF. Confidentiality and Non-Compete Agreement~~ Compliance Questionnaire
- C. Financial Statements    ~~IG. List of Franchisees~~ Sample Contracts for Use with Cousins Maine Lobster® business
- D. Operations Manual Table of Contents    ~~JH. State Effective Dates; Receipts~~ List of Franchisees
- E. Form of General Release    I. State Effective Dates; Receipts
- F. State-Specific Addendum

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Date	Signature	Printed Name
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Date	Signature	Printed Name
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Please sign and date both copies of the receipt. Please retain one copy for your records, and return the other copy to CML Storefront, LLC, 125 John Roberts Road, Unit #2, South Portland, ME 04106.

## 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 CML Storefront, LLC 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. Under Iowa or New York law, if applicable, CML Storefront, LLC must provide this disclosure document to you at your 1<sup>st</sup> personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires CML Storefront, LLC to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If CML Storefront, LLC 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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- |   |   |
|---|---|
| A. State Administrators / Agents for Service of Process | <del>GE. Compliance Questionnaire</del> <u>State-Specific Addendum</u>                                  |
| B. Franchise Agreement                                  | <del>HF. Confidentiality and Non-Compete Agreement</del> <u>Compliance Questionnaire</u>                |
| C. Financial Statements                                 | <del>IG. List of Franchisees</del> <u>Sample Contracts for Use with Cousins Maine Lobster® business</u> |
| D. Operations Manual Table of Contents                  | <del>JH. State Effective Dates; Receipts</del> <u>List of Franchisees</u>                               |
| <del>E. Form of General Release</del>                   | <u>I. State Effective Dates; Receipts</u>   |
| <del>F. State-Specific Addendum</del>                   |   |

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Date	Signature	Printed Name
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Date	Signature	Printed Name
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Please sign and date both copies of the receipt. Please retain one copy for your records, and return the other copy to CML Storefront, LLC, 125 John Roberts Road, Unit #2, South Portland, ME 04106.