

## FRANCHISE DISCLOSURE DOCUMENT



L & L Franchise, Inc.  
a Hawaii Corporation  
2138 Algoroba Street  
Honolulu, Hawaii 96826  
Tel: (808) 951-9888  
Fax: (808) 951-0888  
Email: [franchising@llhawaii.com](mailto:franchising@llhawaii.com)

L & L Franchise, Inc. offers franchises for a quick service Hawaiian-style restaurant under the name L & L Hawaiian Barbecue.

The total investment necessary to begin operation of an L & L Hawaiian Barbecue franchised restaurant is from ~~\$252,450~~ \$253,950 to \$838,460. This includes \$35,000 that must be paid to us or our affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all agreements carefully. You must receive this Disclosure Document at least fourteen (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 the 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 L & L Franchise at 2138 Algoroba Street, Honolulu, Hawaii 96826, or call 808-951-9888.

The terms of your contract will govern your franchise relationship. Do not rely on this Disclosure Document alone to understand your contract. Read your entire contract and the attachments 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 the publication entitled "[A Consumer's Guide to Buying a Franchise](#)," can help you understand how to use this Disclosure Document. This publication is available from the Federal Trade Commission (FTC) by contacting 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 website 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 specific to state. Ask your state agencies about them.

## 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~~Franchisor by mediation, arbitration and/or litigation only in ~~the city and state where the franchisor's principal offices are located at the time the demand is filed, or in Hawaii, specifically in Honolulu, at the franchisor's option. The venue of~~Hawaii. 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 the city and state where the franchisor's principal offices are located, or in Honolulu,~~Franchisor in Hawaii, than in your own ~~locality~~state.
2. **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.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **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 franchised business.

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

Type Of Fee (Note 1)	Amount	Due Date	Remarks
Insurance	The cost of the required insurance coverage	On demand	If you fail to obtain and maintain the required insurance, we may, at our option, in addition to any other rights we may have, procure such insurance without notice and you must pay the premiums and our costs in taking such action.
Administrative Non-Compliance Fee	\$2,500	On demand	If you commit any breach of the Franchise Agreement, we may require that you pay us this fee to partially compensate us for the time and resources that we expend addressing this default.

Notes:

Note 1: All fees are non-refundable. ~~All~~Except as described in the chart above, all fees are uniformly ~~applied to system franchisees. However, we~~imposed. We have in the past waived some of ~~these~~the fees in this Item 6 due to special circumstances, and we may in the future waive some or all of these fees when it is appropriate to do so.

Note 2: You must pay your Royalty Fee and Advertising Contribution to us by the 10th day of each month, based on the Gross Sales of the preceding month. You must make all payments to us by the method or methods that we specify from time to time. We may require payment via wire transfer or electronic debit to your bank account, and you must maintain sufficient balance in your operating account to meet the payment requirements. You must furnish us and your bank with all authorizations necessary to effect payment by the methods we specify. Our current form of electronic funds transfer

(including Workmen's Compensation) (See Note 8)						
Travel and Living Expenses During Training (See Note 9)	\$3,800 per person	\$7,600 for 2 trainees	Lump sum or financed, as agreed	As incurred	No	Suppliers of food, lodging and transportation
Utility Deposits (See Note 10)	\$0	\$3,000	Lump sum or financed, as agreed	As incurred	Yes	Suppliers
Professional Fees (See Note 11)	\$3,000	\$8,000	As incurred	As arranged	No	Professionals
Grand Opening Advertising (See Note 12)	Currently \$5,000	Currently \$5,000	As incurred	Within the 60 days before and up to 90 days after opening of the Restaurant	Advertising suppliers	Grand Opening Advertising
Other Opening Costs (See Note 13)	\$20,000	\$24,000	As incurred	As incurred	No	Suppliers
Additional funds (for 3 months) (See Note 14)	\$20,000	\$36,000	As incurred	As incurred	No	Suppliers, cost of operation
<b>TOTAL ESTIMATED INITIAL INVESTMENT FOR L &amp; L RESTAURANT</b> (See Note 15)	<del>\$252,450</del> <u>25</u> <u>3,950</u>	\$838,460				

Notes:

- Please note that we do not offer direct or indirect financing to you for any items. The availability and terms of financing from other sources will likely depend on factors such as the availability of financing generally, your creditworthiness, and the policies of lending institutions.
- Except as otherwise stated, all amounts payable to us are nonrefundable. Whether payments you make to third-party suppliers and service providers are refundable is something you will have to negotiate with them.

Obligation	Section in Franchise Agreement	Disclosure Document Item
u. Renewal	2.2 in Franchise Agreement	6 and 17
v. Post-termination obligations	16 in Franchise Agreement	6 and 17
w. Non-competition covenants	17 in Franchise Agreement	17
x. Dispute resolution	25 in Franchise Agreement	17
y. Other (taxes, permits)	3, 4.2.1, and 6.9 in Franchise Agreement	7
z. Other (personal guarantee)	See Appendix C in Franchise Agreement	Not applicable

**ITEM 10. FINANCING**

We do not offer direct or indirect financing. We will not guarantee your note, lease, or other obligations.

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

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your business, we will provide certain assistance and services to you:

A. When you sign your Franchise Agreement, you ~~will~~ may be required to sign a Site Selection Addendum, unless we have already approved an existing location that you own, control or lease. Under the Site Selection Addendum, you will receive certain site selection assistance. The assistance provided includes:

1. A copy of our real estate guidelines (which will be part of the Manuals), which will describe our procedures and policies regarding the selection and leasing of

locations, including our minimum standards for a location for L & L Hawaiian Barbecue Restaurants. (Franchise Agreement, Site Selection Addendum, Section 1)

B. We will provide you:

1. A sample of our prototypical conceptual schematic designs and other specifications for the construction and/or build-out of a Restaurant, improvement of the premises, and for the layout of fixtures, furnishings, equipment, and signs (Franchise Agreement, Section 4.2); and

2. Any additional materials that we may develop (such as templates for contract bids, and sample development checklists) regarding the construction and preparation of the L & L Hawaiian Barbecue Restaurant. (Franchise Agreement, Section 4.2)

C. We will provide you with our initial training program, which includes opening procedures, our protocols, equipment training, and marketing training, at times scheduled by us. (Additional information about training can be found below under “**Training**.”) (Franchise Agreement, Section 5.1).

D. We will allow you access, for the duration of the Franchise Agreement, to the Manuals. We typically provide you with electronic access to the Manuals at (or before) the initial training program. Attached to this Disclosure Document (at Exhibit [DC](#)) is a list of those topics that are covered in the Manuals. If printed, the Manuals currently consist of at least 95 pages. (Franchise Agreement, Section 11)

E. We will review your proposed Grand Opening Advertising Program, which you must conduct at your expense after receiving our approval of your proposed program, as further described below. (Franchise Agreement, Section 9.6)

### **Post-Opening Obligations**

Under the Franchise Agreement, we are required to provide certain assistance and services to you during the operation of your Franchised Business:

A. We will make available additional training programs, as we deem appropriate. (Franchise Agreement, Section 5.2)

B. We may conduct, as we deem advisable, periodic inspections of the Franchised Business, and we may interview employees and customers and review your business records. (Franchise Agreement, Section 6.8)

C. We will make available to you information about new developments, products, techniques, and improvements in the areas of operations, management, and marketing, if you are in good standing, to the same extent as we make the information available to other franchisees in good standing. We may provide this information through the distribution of printed or filmed material, an extranet or other electronic forum, meetings or seminars, training programs, telephone, or other forms of

You must execute a lease which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. Our approval of any lease is conditioned upon inclusion in the lease (as a rider to the lease) of the specified terms and conditions included in Appendix F to the Franchise Agreement. We are not responsible for review of the lease for any terms other than those contained in the Lease Rider Terms.

If we have recommended, approved or given you information regarding a site, that is not a representation or warranty of any kind, express or implied, of the suitability of the site for a L & L Hawaiian Barbecue Restaurant or any other purpose. Our recommendation indicates only that we believe that the site meets our then criteria. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and changeable nature of these criteria and factors are beyond our control, and we are not responsible if a site and premises we recommend or approve fail to meet your expectations. Your acceptance of the obligation to develop the Franchised Business will be based on your own independent investigation of the suitability of the site for the Franchised Business.

### **Time Between Signing the Franchise Agreement and Opening the Franchised Business**

The typical length of time between your signing of the Franchise Agreement and the opening of your business is expected to be roughly twelve months. Factors that may affect this typical time period include the landlord or developer's ability to deliver the site, your ability to negotiate and obtain a lease at a satisfactory location, negotiate and obtain financing, procure the requisite building permits, comply with zoning and local ordinances, install equipment, fixtures, and signage, recruit competent staff, and schedule and complete the required initial training courses. You must satisfy all conditions pertaining to opening the Franchised Business and be prepared to open for business not later than the opening deadline specified in your Franchise Agreement, which will be six months after the date you and we enter into your Franchise Agreement, unless you and we agree to a longer period.

If you do not secure an approved location, sign a lease, and open your Restaurant for business within eighteen months of the effective date of your Franchise Agreement, we can terminate the Franchise Agreement, and keep all fees.

### **Pricing**

We reserve the right to establish minimum and maximum prices for the products and services that we authorize Franchised Businesses to offer, subject to federal and state law. We also reserve the right to limit the number and/or value of free, low-cost or discounted products and services that you and/or other franchisees may offer.

**ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**

<b>Systemwide Outlet Summary for years 2022 to 2024</b>				
<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2022	<del>202</del> <u>201</u>	<del>207</del> <u>206</u>	5
	2023	<del>207</del> <u>206</u>	<del>220</del> <u>218</u>	<del>13</del> <u>12</u>
	2024	<del>220</del> <u>218</u>	<del>222</del> <u>220</u>	2
<b>Company Owned</b>	2022	7	7	0
	2023	7	7	0
	2024	7	7	0
<b>Total Outlets</b>	2022	<del>209</del> <u>208</u>	<del>214</del> <u>213</u>	5
	2023	<del>214</del> <u>213</u>	<del>227</del> <u>225</u>	<del>13</del> <u>12</u>
	2024	<del>227</del> <u>225</u>	<del>229</del> <u>227</u>	2

**Table 2**

<b>Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) for years 2022 to 2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>CA</b>	2022	5
	2023	4
	2024	3
<b>CO</b>	2022	1
	2023	0
	2024	0
<b>HI</b>	2022	0
	2023	3
	2024	2
<b>NV</b>	2022	0
	2023	1

**Status of Franchise Outlets  
for years 2022 to 2024**

	4							
<b>Total</b>	202 2	201	9	0	0	0	<del>5</del> <u>4</u>	206
	202 3	206	17	0	0	0	5	<del>219</del> <u>218</u>
	202 4	<del>219</del> <u>218</u>	8	0	0	0	6	220

Table 4

Status of Franchise Outlets for years 2022 to 2024								
State	Year	Outlets at Start of Year	Outlets Opened	Termi- nations	Non- Renewals	Reacquire d by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
AK	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
AZ	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
CA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
CO	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
FL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
GA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

## **ITEM 21. FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit [GD](#) are our audited, financials of L & L Franchise, Inc. for fiscal years 2022, 2023, and 2024.

## **ITEM 22. CONTRACTS**

The following agreements are attached to this Disclosure Document:

- Franchise Agreement – Exhibit A
- General Release – Exhibit L
- Franchisee Compliance Certification – Exhibit J

## **ITEM 23. RECEIPTS**

The last two pages of the disclosure document (following the exhibits and attachments) are documents acknowledging receipt of the disclosure document by you (one copy for you and one to be signed for us).

<p><b>MICHIGAN</b>  Michigan Department of Attorney General  Consumer Protection Division  G. Mennen Williams Building, 1st Floor  525 West Ottawa Street  Lansing, Michigan 48933  (517) 373-7117</p>	<p><b>WASHINGTON</b>  Department of Financial Institutions  Securities Division  150 Israel Road, S.W.  Tumwater, Washington 98501  (360) 902-8760</p>
<p><b>MINNESOTA</b>  Commissioner of Commerce  Minnesota Department of Commerce  85<sup>7th</sup> Place East, Suite 280  St. Paul, Minnesota 55101  (651) <del>296-4026</del><a href="tel:6515391600">539-1600</a></p>	<p><b>WISCONSIN</b>  Commissioner of Securities  Department of Financial Institutions  Division of Securities  4822 Madison Yards Way, North Tower  Madison, Wisconsin 53705  (608) 261-9555</p>

<p><b>INDIANA</b>  Indiana Secretary of State  302 West Washington, Room E-018  Indianapolis, Indiana 46204  (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>  Department of Labor and Regulation  Division of Insurance – Securities  Regulation  124 S. Euclid Avenue, Suite 104  Pierre, South Dakota 57501  (605) 773-4823</p>
<p><b>MARYLAND</b>  Maryland Securities Commissioner  200 St. Paul Place  Baltimore, Maryland 21202-2020  (410) 576-6360</p>	<p><b>VIRGINIA</b>  Clerk of the State Corporation Commission  1300 East Main Street, 1<sup>st</sup> Floor  Richmond, Virginia 23219  (804) 371-9733</p>
<p><b>MICHIGAN</b>  Michigan Department of Attorney General  Consumer Protection Division  G. Mennen Williams Building, 1st Floor  525 West Ottawa Street  Lansing, Michigan 48933  (517) 373-7117</p>	<p><b>WASHINGTON</b>  Department of Financial Institutions  Securities Division  150 Israel Road, S.W.  Tumwater, Washington 98501  (360) 902-8760</p>
<p><b>MINNESOTA</b>  Commissioner of Commerce  Minnesota Department of Commerce  85<sup>th</sup> Place East, Suite 280  St. Paul, Minnesota 55101  (<del>612</del>651) <del>296-4026</del><a href="tel:2964026539">296-4026539</a>-1600</p>	<p><b>WISCONSIN</b>  Commissioner of Securities  Department of Financial Institutions  Division of Securities  4822 Madison Yards Way, North Tower  Madison, Wisconsin 53705  (608) 261-9555</p>

## STATE-SPECIFIC ADDENDA TO THE FDD

1. Hawaii
- | 2. [Illinois](#)
3. ~~2.~~ Maryland
4. ~~3.~~ Minnesota
5. ~~4.~~ Virginia

## ILLINOIS ADDENDUM TO THE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 –705/44 applies, the terms of this Addendum apply.

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.
3. Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.
4. Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with compensation requirements.
5. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or **any other law of Illinois** is void.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effective of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

### **State Cover Page and Item 17, Additional Disclosures:**

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

### **Item 13, Additional Disclosures:**

[The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.](#)

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

### **Item 17, Additional Disclosures:**

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

## STATE-SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT

1. Hawaii
2. [Illinois](#)
3. ~~2.~~ Maryland
4. ~~3.~~ Minnesota
5. ~~4.~~ Virginia

## ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with compensation requirements.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or **any other law of Illinois** is void.

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**FRANCHISOR:**

**FRANCHISEE:**

**L & L Franchise, Inc.**

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

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

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

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

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

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

## **MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT**

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense

directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

~~Franchisee consents~~ The franchisee cannot consent to the franchisor ~~seeking~~ obtaining injunctive relief ~~without the necessity of showing actual or threatened harm.~~ The franchisor may seek injunctive relief. A court ~~shall~~ will determine if a bond ~~or other security~~ is required.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

4. 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.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

*Signatures Appear on Following Page.*

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**FRANCHISOR:**

**FRANCHISEE:**

**L & L Franchise, Inc.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_