DOCUMENT Number. _____

UNIT
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE DOCUMENT

Fish Shop Holdings LLC
A Delaware Limited Liability Company
1110 Rosecrans St, Suite 100
San Diego, CA 92106
(760) 436-4665
www.thefishshops.com
franchise@thefishshops.com

Fish Shop Holdings LLC ("Franchisor") offers franchises for a table service, quick service, and to-go restaurant serving seafood.

The total investment necessary to begin operation of a Fish Shop franchise ranges from $1,835,000 to $7,275,000. This includes an Initial Franchise Fee of $100,000 that must be paid to the Franchisor or an affiliate.

This Franchise Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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 governmental agency has verified the information contained in this document.**

You may wish to receive your Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchisor at franchise@thefishshops.com or (760) 436-4665.

The terms of your Franchise Agreement and related contracts will govern your franchise relationship. Do not rely on this Franchise Disclosure Document alone to understand your Franchise Agreement and related contracts. Read your Franchise Agreement and related contracts carefully. Show your Franchise Agreement, the related contracts, and this Franchise Disclosure Document to an advisor, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise Disclosure Document can help you decide whether to proceed. More information on franchising, such as *A Consumer's Guide to Buying a Franchise*, which can help you understand how to use this 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, D.C. 20580. You can also visit the FTC's website at 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.

Issued on March 16, 2026

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
How much can I earn?	Item 19 may provide information about outlet sales, costs, profits, or losses. You should also try to obtain this information from current and former franchisees. Their names and contact information appear in Item 20 or in an exhibit the Franchisor has included with this Franchise Disclosure Document.
How much will I need to invest?	Items 5 and 6 list the fees you will pay to the Franchisor or at the Franchisor's direction. Item 7 lists the initial investment required to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 includes financial statements. The Franchisor has also included financial statements as an exhibit to this Franchise Disclosure Document. Review those statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of Company-Owned / Affiliate-Owned and franchised outlets.
Will my business be the only one of franchisor's franchises business in my area?	Item 12 and the "Territory" provisions in the Franchise Agreement describe whether the Franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 explain whether the Franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a franchisee of franchisor?	Item 20 lists current and former franchisees, or the Franchisor has included a list as an exhibit to this Franchise Disclosure Document. You may contact them

	to ask about their experiences.
What else should I know?	These questions are only a few of the things you should consider. Review all 23 Items and all exhibits in this Franchise Disclosure Document to fully understand this franchise opportunity. See the table of contents for guidance.

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 Operations 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 the territory you operate in, your access to customers, what you sell, your pricing, 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 Franchise 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 lienholders and/or other creditors.

Some States, Provinces, Regions, or Countries Require Registration

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

"State, Province, Region, or Country Administrators" that is an exhibit to this Franchise Disclosure Document.

Your state, province, region, or country also may have laws that require special disclosures or amendments be made to your Franchise Agreement. If so, you should check the "Addendum to the Franchise Disclosure Document and Franchise Agreement" that is an exhibit to this Franchise Disclosure Document.

Special Risks to Consider About *This* Franchise

Certain states, provinces, regions, or countries require the Franchisor to highlight the following risks:

1. **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.

2. **Inventory and equipment purchase.** You must purchase nearly all inventory and equipment necessary to operate your business from the Franchisor, its affiliates, or suppliers the Franchisor designates, at prices set by the Franchisor, its affiliates, or suppliers. These prices may be higher than those available from other sources for the same or similar goods.

3. **Minimum royalty requirement.** You must maintain minimum Gross Revenue performance levels. If you fail to maintain these levels, you may lose any territorial rights the Franchisor grants you, the Franchisor may terminate your Franchise, and you may lose your investment.

4. **Out-of-area dispute resolution.** The Franchise Agreement requires you to resolve disputes with the Franchisor by mediation, arbitration, and/or litigation only in San Diego County, California. Out-of-state mediation, arbitration, or litigation may require you to accept a less favorable settlement. It also may cost more to mediate, arbitrate, or litigate with the Franchisor in San Diego County, California than in your own state.

5. **Short operating history.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

6. **Spousal liability.** Your spouse will be liable for all financial obligations under the Franchise Agreement even if your spouse has no ownership interest in the Franchise. This guarantee may place both your and your spouse's marital and personal assets—including your home—at risk if your Franchise fails. If the owners, partners, controlling shareholders, officers, or guarantors are married and the spouse is not an owner, partner, controlling shareholder, officer, or guarantor of the Franchise, certain provisions of the Franchise Agreement will also apply to that spouse.

Certain states may require the Franchisor to highlight other risks. If so, review the "Addendum to the Franchise Disclosure Document and Franchise Agreement" exhibit to this Franchise Disclosure Document.

THE FOLLOWING APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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 on 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 the Michigan Franchise Investment 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 30 days, to cure such 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 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 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 this State. 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 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.

(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 subdivision (c).

(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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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.

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.

You should direct any questions regarding this notice to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES.

Franchisor, Parent, Predecessor, and Affiliates

We are a Delaware limited liability company. Our principal place of business is 1110 Rosecrans Street, Suite 100, San Diego, California 92106. We currently do business under the name Fish Shop Holdings LLC. The Franchisor's agent for service of process is Thomas O'Connell, 655 West Broadway, Suite 1600, San Diego, California 92101.

Our predecessor's principal place of business is 1110 Rosecrans Street, Suite 100, San Diego, California 92106. In 2010, our predecessor, The Fish Shop, opened the first Fish Shop restaurant in Point Loma, California. In 2017, that predecessor formed Point Loma Fish Shop, LLC and transferred all of its assets to that entity. In 2025, that predecessor formed us and, as part of our franchise offering strategy, transferred to us a majority of the assets used in its business.

Point Loma Fish Shop, LLC is an affiliate of the Franchisor and is under common control with the Franchisor. Both entities are owned and controlled by the same principals. Point Loma Fish Shop, LLC operates the existing Fish Shop restaurants and its principal place of business is 1110 Rosecrans Street, Suite 100, San Diego, California 92106. Its agent for service of process is Thomas O'Connell, 655 West Broadway, Suite 1600, San Diego, California 92101.

None of our predecessors has previously offered franchises, and neither our predecessors nor we have ever offered franchises in any other line of business.

Except as described above, we do not have any other affiliates that are material to the franchise offering.

Businesses and Franchises Offered

We develop, operate, franchise, and service a system of restaurants that prepare and serve seafood for table service, quick service, and to-go orders under the Fish Shop System. The "Fish Shop System" or "System" is a restaurant operations concept that includes, among other things, certain rights in trademarks, Operations Manuals, recipes, and other confidential business information, along with the expertise and continuing information that we provide.

All Fish Shop restaurant businesses in the United States are operated under franchise agreements and are owned either by franchisees—who are independent third parties—or by entities that are affiliates of the Franchisor under common control ("FishCo Companies"). A list of current franchisee units ("Franchise Units") and affiliate-owned units ("Affiliate Units") can be found in the exhibits titled "Franchise Units" and "Affiliate Units."

Franchisor's restaurants offer the public a high standard of quality and uniformity in food and service. Our restaurants are located in freestanding buildings, storefronts, and other locations appropriate to the Franchisor's brand image. A grant of a Franchise authorizes you to operate a restaurant business at a specific location and to use the System in the operation of that restaurant for a specific period of time, as identified in the Franchise Agreement.

We may but currently do not grant Franchises for restaurant businesses located in airports, universities, shopping malls, and other diverse locations. We may call these satellite ("Satellite") locations. Satellites may serve a scaled-down menu compared to a traditional Fish Shop restaurant and, in some cases, operate under different terms. The term of the Franchise for a Satellite depends on its location. If we chose to offer Satellite locations, we will amend the Franchise Disclosure Document accordingly to include the fees and costs associated with opening that type of location.

All franchisees who operate a restaurant—whether a traditional or Satellite location—must sign the applicable form of our standard Franchise Agreement. A copy of the applicable Franchise Agreement is attached to this Franchise Disclosure Document.

The Market

As a Franchisee, you should not expect that the economic and demographic factors in your Restaurant's area will remain constant. Other Fish Shop restaurants—including those we may develop in the future—may affect the sales of your Restaurant, since customers often patronize multiple Fish Shop locations based on their travel patterns and other factors.

You will also compete with other restaurants and food service businesses that offer the same types of products you do. These competitors may be part of international, national, or regional chains (whether or not franchised) or may be locally owned, single-unit establishments.

In addition, you will compete with restaurants and food service businesses offering products different from those sold in a Fish Shop restaurant. Your Restaurant will offer products and services for both on-site and off-site consumption. The market for these products is well developed in some areas and still emerging in others, depending on the number of similar restaurants operating in the given area.

Industry Specific Regulations

You must comply with all federal, state, local, and applicable foreign laws, rules, and ordinances, including, without limitation, health and sanitation laws and menu-labeling requirements applicable to restaurant operations. Other laws apply to all businesses, including, but not limited to, the Americans with Disabilities Act. These regulations can vary significantly from one jurisdiction to another and may change over time.

We encourage you to investigate the regulations and requirements that may apply in the area where you intend to locate your Franchise and to consider the effect and cost of compliance. You should consult an attorney regarding these laws and regulations when evaluating your purchase of a Franchise. You are responsible for ensuring that you and your Franchise comply with all applicable laws.

ITEM 2: BUSINESS EXPERIENCE

Our executive officers and directors with management responsibility and their principal occupations during the past 5 years are as follows:

Eric Lietstein, Co-Owner

Mr. Leitstein is a founder and owner of the Franchisor and each of its predecessors and subsidiaries. In addition to his role with the Franchisor, he has held the following positions during the past five years:

- Since January 2002 – Partner, Sandbar Sports Grill, a full-service restaurant and bar in San Diego, California, known for its lively atmosphere, quality food, and oceanfront location.

- Since January 2004 – Owner, Vail AleHouse, a craft beer-focused restaurant in Vail, Colorado, featuring an extensive selection of local and regional brews, an eclectic menu, and live entertainment.

- Since January 2008 – Owner, Pacific Beach AleHouse, a microbrewery and restaurant in San Diego, California, offering house-brewed beers, classic American fare, and an ocean-view rooftop deck.

- Since October 2008 – Founder and Chief Executive Officer, OMG Hospitality Group, overseeing operations for multiple restaurant concepts, including Union Kitchen & Tap, Pacific Beach AleHouse, Molly's Mission Beach, and Moe's Steakhouse in San Diego, California.

- Since April 2011 – Owner, Union Kitchen & Tap, a neighborhood-focused restaurant and bar with locations in Encinitas and the Gaslamp Quarter of San Diego, California, known for its seasonal menus, craft cocktails, and inviting atmosphere.

- Since December 2013 – Owner, Gaslamp Union Kitchen & Tap, a restaurant in downtown San Diego blending rustic and modern aesthetics while offering inventive American cuisine and a robust drink selection.

- September 2014 to February 2024 – Owner, Backyard Kitchen & Tap, a coastal American eatery in San Diego, California, featuring indoor-outdoor dining, craft cocktails, live music, and a laid-back atmosphere.

- Since March 2022 – Owner, Moe's Steakhouse (formerly Saska's Steak & Seafood), a refined yet nostalgic steakhouse in Mission Beach, San Diego, known for its timeless neighborhood charm. The menu, led by Executive Chef Christopher Osborn, features hand-cut steaks, house-made pastas, fresh seafood, and a balanced cocktail program that blends classic and contemporary elements.

- Since April 2023 – Owner, Molly's Mission Beach, a vibrant brunch and café destination

in Mission Beach, San Diego, featuring an elevated pastry program, house-roasted coffee, and a curated menu of brunch and lunch offerings. The restaurant's inviting atmosphere includes two outdoor patios and an artisan bakery.

Mr. Leitstein has not held any other positions with any other entities during the past five years.

William Ramirez, Co-Owner

Mr. Ramirez is a founder and owner of the Franchisor and each of its predecessors and subsidiaries. In addition to his role with the Franchisor, he has held the following positions during the past five years:

- Since January 2006 – Operating Partner, Pacific Beach Shore Club, San Diego, California. Oversees all aspects of business operations, including bar design, concept development, marketing, staffing, licensing, and daily operations for a high-volume beachside bar and restaurant. Leads a team of more than 100 employees and manages cost controls, vendor relationships, and brand image.

- Since 2010 – Co-Founder and Operations Partner, The Fish Shop, a casual, fresh seafood restaurant concept with locations in Pacific Beach, Encinitas, Point Loma, and Oceanside, California. Works daily with unit managers and the district manager to ensure operational excellence across all units, focusing on cost control, marketing, staff management, supplier relations, and maintaining brand identity.

Mr. Ramirez has not held any other positions with any other entities during the past five years.

At this time, no franchise brokers are involved in the selling of our franchise.

ITEM 3: LITIGATION

Neither the Franchisor nor any person or company identified in Items 1 or 2 of this Franchise Disclosure Document has been involved in any litigation that must be disclosed in this Item.

ITEM 4: BANKRUPTCY

Neither the Franchisor nor any person or company identified in Items 1 or 2 of this Franchise Disclosure Document has been involved as a debtor in any proceedings under the United States Bankruptcy Code or any foreign bankruptcy law that must be disclosed in this Item.

ITEM 5: INITIAL FEES

All Franchisees pay a $100,000 lump-sum initial franchise fee except in the following situations:

- FishCo Companies – These entities do not pay any initial franchise fee.

- Multiple Unit Sales – Where we and the Franchisee mutually agree to the sale of multiple Franchise locations, after considering factors such as the restaurants' locations and their business and marketing potential for the Brand, the Franchisee will pay a lesser initial

franchise fee. This may result in a discount of between $25,000 and $50,000 per franchise location.

- Conversions – Where we and the Franchisee mutually agree to the conversion of the Franchisee's existing restaurant location, after considering factors such as the restaurant's location, current profitability, and marketing potential for the Brand, the Franchisee will pay a lesser initial franchise fee. This may result in a discount of between $25,000 and $50,000 per franchise location.

The Franchisee pays these amounts as consideration for the expenses we incur in training and licensing you under the Franchise Agreement and for lost or deferred opportunities to franchise your business to others (the "Franchise Fee"). This fee is uniform for all Franchisees unless otherwise noted above. The Franchise Fee is due in full upon execution of the Franchise Agreement by you, and the Franchisor has earned the Franchise Fee in full upon execution.

Refund or Adjustment

Franchisor-initiated rescission: If we determine, prior to or within 10 calendar days of completing the Initial Training (as defined below), that you will not be able to fulfill your obligations under the Franchise Agreement, we may rescind or cancel the Franchise Agreement. In that event, we will refund the Franchise Fee, less training costs we have incurred at an hourly rate of not less than $50.00 per hour, and purchase from you any items or equipment you purchased from us for the pro rata amount you paid, provided the items and equipment are in like-new condition. You expressly disclaim any right to compensation from us for any other fees, expenses, or charges incurred prior to rescission.

Franchisee-initiated rescission: If you determine, prior to or within 10 calendar days of completing the Initial Training, that you do not intend to proceed with your obligations under the Franchise Agreement, you may rescind or cancel the Franchise Agreement. In that event, we will refund the Franchise Fee, less training costs we have incurred at an hourly rate of not less than $50.00 per hour, and purchase from you any items or equipment you purchased from us for the pro rata amount you paid, provided the items and equipment are in like-new condition. You expressly disclaim any right to compensation from us for any other fees, expenses, or charges incurred prior to rescission.

The Franchise Agreement contains additional circumstances under which the Franchisor will grant a refund after the Initial Training. Except as described herein or in the Franchise Agreement, the Franchise Fee is not refundable and is fully earned when paid.

Equipment Purchases and Leases

You must acquire all required equipment and supplies before you begin operations. You must purchase from approved suppliers or sources identified in the Operations Manual. Our estimate of the amount you must spend on initial equipment, furniture, fixtures, signage, initial inventory, and supplies is provided in Item 7.

Concessions

We currently offer no financing and no price concessions other than those described above.

ITEM 6: OTHER FEES

The following is a summary of other fees and costs you may incur:

Type of Fee	Amount	Due	Remarks
Royalty	5% of Gross Revenue (2) of the Franchisee for the preceding month immediately ended	Payable on the 10th day of the next month.	The Royalty is subject to annual adjustment for increases in Consumer Price index and other factors and we may raise it up to 2% per year during the course of your Franchise Agreement.
Rent	Franchisor does not own or lease the land for most locations. Where it does, the amount will vary (3)	Franchisor does not own or lease the land for most locations. Where it does, the due date is on the 10th day of the month.	Where we lease the land and/or building, we will pass thru any rent escalations which occur throughout the lease term as pass thru rent.
Advertising Fund Contribution	Not less than 5% of the Gross Revenue of the Franchisee for the preceding month immediately ended	Payable on the 10th day of the next month.	The Advertising Fee is subject to annual adjustment for increases in advertising needs and costs up to 7.5% of Gross Revenue
Marketing Materials	Varies	Immediately upon billing.	We may make available to you certain marketing material for display in the Restaurant or in connection with the promotion, advertising and marketing of products and services offered by the Restaurant for purchase in an amount equal to our cost in supplying such marketing materials.
Inspection and Testing for Unapproved Suppliers, Products, or Equipment	Cost of inspection, if applicable, and cost of test.	Immediately upon billing.	Before approving a new supplier, product, or equipment, we may require you to pay the cost of testing the supplier's products and/or equipment and inspecting its facilities.
Quality Assurance Inspections	Cost of inspection, if applicable, and cost of follow-up inspection, if applicable	Immediately upon billing, if applicable.	If you receive a failing score on inspection, you will reimburse us for the cost of such inspection as well as the cost of a follow-up inspection to confirm you have cured quality deficiencies.

Audit Cost	Actual Cost	Immediately upon billing.	Only payable if audit shows you understated Gross Revenue by more than 2%.
Interest on Late Payments	The lesser of: (i) 18% per annum; or (ii) the maximum rate of interest permitted by law.	Immediately upon receipt of invoice	If Franchisee fails to make any payment when due, Franchisor shall furnish Franchisee with written notice and a five day right to cure. Thereafter, any overdue payments of Franchisee shall bear interest from the due date until paid at the rate of one and one-half percent per month. All such overdue interest shall be calculated at such rate and then paid to the Company on a monthly basis
Administrative/Territory Transfer Fee	$5,000	Immediately upon application	Not Refundable
Assignment/Transfer Application Fee	$20,000	Upon Franchisor granting consent to the assignment	Not Refundable
Renewal Fee	$20,000 to $100,000	Due with renewal application	Identical to the amount of the initial franchise fee that would be due based on per capita income of your territories at the time of renewal
Attorneys' Fees and Costs	Will vary	As incurred by you.	Payable only if you fail to comply with the Franchise Agreement and we have to enforce it against you.
Indemnification	Will vary	As incurred by you.	You are solely responsible and must indemnify and hold us harmless for all loss, damage, claims or demands arising from your Franchised Business.
Training Sessions or Workshops	Will vary. You are responsible for expenses incurred in providing additional training.	Immediately upon billing.	N/A

(1) Collection and Refundability – We impose, collect, and receive all fees. Fees are non-refundable and uniform unless otherwise noted. We may draft miscellaneous receivables you owe, and we draft Royalty Fees from your bank account in accordance with the Franchise Agreement.

(2) Definition of Gross Revenue – "Gross Revenue" means the total gross receipts from all sales of services and products at the Franchise location during a specified period, minus: (a) refunds and allowances issued during that period; (b) credits redeemed at the location; (c) sales of gift certificates (redemptions count as Gross Revenue in the period redeemed); and (d) sales tax collected and paid to governmental agencies.

(3) Rent Structure – For new and conversion traditional restaurants where the Franchisor owns both the land and building, Monthly Base Rent is based on our total investment in acquisition and development, with a finance factor applied to produce an appropriate return.

- If we lease from a third party, Monthly Base Rent is based on our total investment plus first-year rent paid to the landlord, with a finance factor applied to each.

- Pass-Through Rent: For leased locations, we may charge pass-through rent for rent escalations or additional lease costs above the prior term's average. We do not apply a finance factor to pass-through rent.

Payment Schedule; Pre-Authorized Transfers

You must submit all required monthly payments by the 10th day of each month. All other amounts are due upon receipt of our invoice. Payments must be made via pre-authorized transfers from your operating account, through special checks or electronic funds transfer, at the time any payment is due (including Royalty Fees).

Interest accrues from the date of underpayment. Fees paid to the Franchisor are non-refundable unless otherwise stated. Fees paid to third parties are refundable only as provided in your agreements with those third parties.

ITEM 7: ESTIMATED INITIAL INVESTMENT

You may incur the following estimated initial expenditures when establishing a Franchise. The amounts shown are estimates only, and your actual expenditures may vary significantly based on factors such as geographic location, market conditions, the size and configuration of the premises, local permitting requirements, and other circumstances. We describe factors regarding each expenditure category in the notes following the chart.

New Construction Space

Your Estimated Initial Investment				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Pre-Opening Costs				
Initial Franchise Fee (1)	$100,000	Cashier's Check Or Wire	Upon Signing Franchise Agreement	Us

Leasehold Improvements and Deposits (2)	$2,500,000 to $4,500,000	As Arranged	As Arranged	Contractor
Equipment, Furniture, Fixtures, and Signage (3)	$1,400,000 to $1,500,000	As Arranged	As Invoiced	Suppliers
Liquor License (4)	$1,000 to $20,000	As Arranged	As Invoiced	Government Agencies, Lawyers, & Other Third Parties
Business Licenses and Permits (5)	$3,000 to $15,000	As Arranged	As Invoiced	Government Agencies, Lawyers, & Other Third Parties
Initial Training Costs (6)	$50,000 to $75,000	As Arranged	As Invoiced	Employees and Suppliers
Initial Inventory & Supplies (7)	$50,000 to $150,000	As Arranged	As Arranged	Suppliers
Professional Services (8)	$5,000 to $50,000	As Arranged	As Arranged	Accountants, Architects, Attorneys, Site Evaluation, etc.
Restaurant Opening Promotion (9)	$10,000 to $25,000	As Arranged	As Arranged	Suppliers
Insurance (10)	$50,000 to $100,000	As Arranged	As Arranged	Insurance Broker
Additional Funds You May Need During First Three Months Of Operations				
Employee Wages	$300,000 to $500,000	As Required by Law	As Required by Law	Employees
Insurance (10)	$15,000 to $30,000	As Arranged	As Arranged	Insurance Broker
Worker's Compensation Premiums	$1,000 to $10,000	As Arranged	As Arranged	Government Agencies, Lawyers, & Other Third Parties
Additional Funds (11)	$100,000 to $200,000	As Arranged	As Arranged	Employees, suppliers, etc.

Total	$4,485,000 to $7,275,000

Conversion Space

Your Estimated Initial Investment				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Pre-Opening Costs				
Initial Franchise Fee (1)	$100,000	Cashier's Check Or Wire	Upon Signing Franchise Agreement	Us
Leasehold Improvements and Deposits (2)	$500,000 to $3,500,000	As Arranged	As Arranged	Contractor
Equipment, Furniture, Fixtures, and Signage (3)	$750,000 to $1,500,000	As Arranged	As Invoiced	Suppliers
Liquor License (4)	$1,000 to $20,000	As Arranged	As Invoiced	Government Agencies, Lawyers, & Other Third Parties
Business Licenses and Permits (5)	$3,000 to $15,000	As Arranged	As Invoiced	Government Agencies, Lawyers, & Other Third Parties
Initial Training Costs (6)	$50,000 to $75,000	As Arranged	As Invoiced	Employees and Suppliers
Initial Inventory & Supplies (7)	$50,000 to $150,000	As Arranged	As Arranged	Suppliers
Professional Services (8)	$5,000 to $50,000	As Arranged	As Arranged	Accountants, Architects, Attorneys, Site Evaluation, etc.
Restaurant Opening Promotion (9)	$10,000 to $25,000	As Arranged	As Arranged	Suppliers
Insurance (10)	$50,000 to $100,000	As Arranged	As Arranged	Insurance Broker
Additional Funds You May Need During First Three Months Of Operations				

Employee Wages	$300,000 to $500,000	As Required by Law	As Required by Law	Employees
Insurance (10)	$15,000 to $30,000	As Arranged	As Arranged	Insurance Broker
Worker's Compensation Premiums	$1,000 to $10,000	As Arranged	As Arranged	Government Agencies, Lawyers, & Other Third Parties
Additional Funds (11)	$100,000 to $200,000	As Arranged	As Arranged	Employees, suppliers, etc.
Total	$1,835,000 to $6,275,000			

(1) Initial Franchise Fee – Covers the Franchisor's costs for training, promotional assistance, materials, and other services. This fee is non-refundable. If you develop a single restaurant, the Initial Franchise Fee is $100,000. For multiple restaurants, the fee is as low as $50,000 per location, depending on the factors described above.

(2) Leasehold Improvements – Conversion Space: Assumes you will lease the restaurant premises and does not include land acquisition or new building construction costs. Includes cost of converting existing space (including patio areas) and adapting our prototypical architectural and design plans (including architect fees). *New Construction:* Includes site improvement and building construction costs but excludes land acquisition costs. Costs vary based on market conditions, lease negotiations, creditworthiness, labor costs, and location. Does not include pre-commencement rent or lease deposits. Assumes landlord provides utility connections. If the restaurant exceeds prototypical size, expect higher costs.

(3) Furniture, Fixtures, Equipment & Signage – Includes kitchen equipment (including approved grill system), décor, signage, POS system with multiple terminals, computer hardware and software, and audio-visual system. High estimate assumes all items are purchased new.

(4) Liquor License – Varies significantly by location, availability, transferability, and market value.

(5) Business Licenses & Permits – Expected costs for health, sanitation, and other operating licenses required at the local, regional, and state level.

(6) Training Expenses – We provide initial training for the designated operator, unit general manager, and all shift managers before the restaurant opens, at a certified training restaurant. You pay all travel, lodging, meals, and related expenses. Costs vary based on travel distance, lodging/dining selection, and transportation. Wages and salaries are not included in these

estimates. Lower estimate assumes trainees live near a certified training restaurant.

(7) Initial Inventory & Supplies – Food and paper inventory for the first week of operations, including training and pre-opening dry runs. High estimate includes an additional $500 for extra inventory.

(8) Professional Services – Includes costs for forming your entity, reviewing franchise documents, and hiring service providers to assist with licensing. May also include liquor license expenses. Costs vary by provider and state regulations.

(9) Grand Opening Marketing – You must conduct a grand opening promotion that meets our written specifications and is approved in advance.

(10) Insurance – You must obtain insurance coverage that meets our requirements in Item 8. Premiums vary based on location, insured values, and claims history.

(11) Additional Funds – First 3 Months – Working capital to cover operating expenses, including employee salaries. We cannot guarantee sufficiency; you may require more if sales are lower or fixed costs higher than expected.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved Suppliers

You must purchase certain ingredients for proprietary recipes from approved suppliers. We do not permit you to contract with any alternative suppliers for these proprietary items, and we do not provide specifications for them.

You must purchase the following from us or from suppliers we approve or designate:

- Fixtures, furniture, and equipment – including computer and audio-visual systems, interior and exterior signage, graphics, décor, restaurant design consulting services, general contractor services, engineering services, architect services, audio-visual installation services, and music and music video services.

- Food products and ingredients – developed by or for us pursuant to a special recipe, formula, or specifications.

- All fountain and bottled beverages, both alcoholic and non-alcoholic.

- Uniforms, shirts, memorabilia, and merchandise – including all items intended for retail sale, whether or not bearing our Marks.

- Advertising and promotional materials – including point-of-purchase materials and other printed marketing items.

- Gift certificates and stored value cards.

- Stationery, contracts, and forms.

- Bags, packaging, and supplies – bearing our Marks.

- All other goods and/or services as we may require from time to time.

We may also require you to buy your food, beverage, ingredient, and supply needs from third-party distributors we designate. Information about approved and designated suppliers will be provided in the Operations Manual and may include standards and specifications for certain non-proprietary products, services, and equipment.

You may purchase items and services for which we have not identified approved suppliers from any source, provided they meet our specifications. Specifications may include brand requirements. If brand requirements apply, you may purchase and use only approved brands.

We may require you to purchase upgrades, additions, enhancements, or replacements for hardware, software, or audio-visual systems. Some of these may be developed and licensed by us. You are solely responsible for acquiring, operating, maintaining, and upgrading your technology systems as required.

We may also issue written guidelines specifying the minimum standards and specifications for certain products, services, and equipment purchased from third parties. These standards are included in the Operations Manual and may be updated by written notice.

Approved Supplies and Suppliers

If we require purchases from an approved supplier and you wish to use a different supplier, you must submit a written request for approval. Your request must include all pertinent information about the proposed supplier as required in the Operations Manual. You may not purchase or lease the item from the proposed supplier unless and until we have approved the supplier in writing.

We may require additional details to evaluate your request, including but not limited to: product samples; supplier specifications; and permission to inspect the supplier's facilities.

We may also require that product samples be sent to us or to an independent laboratory we designate for testing.

We may condition our approval on factors including, but not limited to: product quality; pricing; consistency and reliability; financial stability; labor relations and client relations; delivery frequency; concentration of purchases; and service standards, such as prompt attention to complaints.

We may re-inspect an approved supplier's facilities and products at any time. If an approved supplier fails to meet our ongoing requirements, we may revoke approval, and you must promptly discontinue using that supplier.

You must reimburse us for all costs incurred in the supplier approval process, including inspections and testing. We are not obligated to approve any supplier. We will notify you in writing of our

approval or disapproval within 30 to 180 days after receiving your complete request, depending on factors such as the type of products involved.

Our product specifications and supplier approval criteria are generally issued through written communications and are available to Franchisees and approved suppliers.

Insurance Policies

You are required, at your sole expense, to maintain insurance policies in at least the following minimum amounts:

Type of Insurance	Limits
Business Automobile Liability, including owned, hired and non-owned automobile insurance	$1,000,000 (per occurrence)
"3-D" Comprehensive Crime Insurance / Employee Dishonesty	$300,000 (per occurrence)
Building and Personal Property Coverage	$1,000,000 (per occurrence & aggregate)
Commercial General Liability	$1,000,000 (per occurrence) $2,000,000 (general aggregate)
Comprehensive General Liability	$5,000,000 (per occurrence & aggregate)
Cyber Liability / Data Privacy Insurance	$2,000,000 (per occurrence & aggregate)
Employment Practices Liability Insurance	$1,000,000 (per occurrence) $2,000,000 (aggregate)
Excess or Umbrella Insurance	$10,000,000 (per occurrence & aggregate)
Liquor Liability Insurance	$10,000,000 (per occurrence & aggregate)
Workers Compensation Insurance	Statutory limits
Insurance Required Under Applicable Law	As required in state or locality

We reserve the right to require increased limits or additional coverages if you own or operate multiple locations or if otherwise commercially reasonable or required by local, state, or federal law.

ITEM 9: FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THE DISCLOSURE DOCUMENT.

	Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
a	Site selection and acquisition/lease	Section 2	Item 7
b.	Pre-opening purchases/leases	Section 3	Item 7
c.	Site development and other pre- opening requirements	Section 3	Items 6 and 11
d.	Initial and ongoing training	Section 4	Items 5 and 6
e.	Opening	Section 4	Item 7
f.	Fees	Section 6	Items 5 and 6

g.	Compliance with standards and policies contained in the Manual	Section 5	Item 11
h.	Trademarks and proprietary information	Section 8	Items 13 and 14
i.	Restrictions on products/services offered	Section 7	Items 8 and I 6
j.	Customer service requirements	Section 7	N/A
k.	Territorial development and sales quotas	Section 2	Item 12
l.	Ongoing product/service purchases	Section 7	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Section 10	Items 6 and 17
n.	Insurance	Section 11	Items 6, 7 and 8
o.	Advertising	Section 12	Item 6 and 11
p.	Indemnification	Section 13	Item 6
q.	Owner's participation/ management/staffing	Section 14	Item 15
r.	Records and reports	Section 7	Items 9 and 11
s.	Inspection and audits	Section 7	Items 6, 11 and I 3
t.	Transfer	Section 15	Items 9 and I 7
u.	Renewal	Section 18	Item 17
v.	Post-termination obligations	Section 19	Item 17
w.	Non-competition covenants	Section 16	Item 17
x.	Dispute resolution	Section 20	Item 17

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not require you to enter into any particular financing arrangement with us or with any third party. We do not guarantee your note, lease, or any other obligation.

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

Except as described in this Item, we are not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Restaurant, we, or a designated third party, will:

- Designate your protected Territory.
- Provide you with site selection criteria and general building and design requirements for your Restaurant.

- Review the site you propose for your Restaurant and either accept or reject the site.

- Provide you with contact information for our approved architect, general contractor, engineer, and audio-visual system providers. We must review and approve all plans and specifications for the finish-out or renovation of your Restaurant. We do not assist in conforming the building plans or premises to local ordinances and building codes, or in obtaining any permits required by your state or locality.

- Provide you with access to our Operations Manual.

- Provide you with a list of approved suppliers and preferred vendors, as set forth in the Operations Manual and in other written directives we deem appropriate.

- Review all new restaurant opening promotional materials and advertising.

- Provide the initial training program.

Post-Opening Obligations

After you open your Restaurant, we will:

- Require that certain employees successfully complete our mandatory online learning management system (LMS) training courses in accordance with the Operations Manual.

- Perform periodic quality assurance and contract compliance inspections to maintain high standards of quality, appearance, and service. These inspections may be conducted in person or remotely.

- Notify you of any additions, replacements, or other changes regarding menu items, pricing, or products and services approved for sale.

- Provide additional training programs for successor and replacement managers, Restaurant management personnel, and other on-site or Internet-based training programs and seminars as we deem appropriate. While we do not assist in hiring employees, all employees must be qualified for their roles, and managers must successfully complete the manager training program.

- Conduct meetings, seminars, and other activities regarding Restaurant operations, which you must attend unless we otherwise approve. You are responsible for any costs you or your personnel incur in attending such events.

- Consult with you regarding operational problems and issues and provide advice and written materials on techniques for managing and operating the Restaurant, including developments in Restaurant equipment, food products, packaging, preparation, and operational systems.

- Provide guidelines on pricing policies. While you may set your own pricing for food

products and merchandise, you must comply with our general guidelines on advertised pricing policies. Subject to applicable law, you must participate in and comply with all sales and promotional programs we implement.

- Approve or disapprove advertising, marketing, and promotional materials and programs you propose. We may also provide advertising materials to you at a reasonable cost. We do not currently require participation in any local or regional advertising cooperative. You may develop advertising materials at your own cost, but all such materials must receive our prior written approval.

- Establish or modify a gift card acceptance program and/or loyalty program at our discretion.

- Offer additional training and introduce new methods and materials through updates to the Operations Manual, personal consultation, and/or group seminars.

- Be available to answer routine questions regarding your business.

Except as described above, we are not obligated to provide additional assistance regarding the development or operation of your Restaurant.

Advertising

We have no obligation to conduct advertising except through the advertising fund described in this Item. We advertise nationally through our website and place most broadcast advertising in local and regional media. We direct all programs financed by the advertising fund, retaining sole control over creative concepts, materials, endorsements, geographic market focus, media placement, and allocation. Our in-house advertising team may work with outside regional and national advertising agencies. We have no obligation to spend a specific amount on advertising in any particular geographic area where a Franchisee is located.

We maintain and will continue to operate a website promoting the System and identifying the locations of both franchised and Company-Owned / Affiliate-Owned Restaurants. You authorize us to identify and promote your Restaurant on our website and to modify our website or conduct promotions on a System-wide basis, in which your Restaurant must participate. You are prohibited from establishing or using your own website, mobile applications, or social media pages to promote your Restaurant, except as outlined in the Operations Manual.

We will review and either approve or disapprove your local advertising, marketing, and promotional activities and campaigns. We may also develop and administer advertising, marketing, and sales promotional programs (including menu promotions and specialized marketing initiatives) in which you must participate, under the terms and conditions we prescribe. Additionally, we maintain customer loyalty and gift card programs, and you must honor redemptions of loyalty program rewards and gift cards at your Restaurant.

We will review your proposed budget and advertising plan for your grand opening and may require modifications. However, we will not require you to spend more than the "Grand Opening Amount" specified in your Franchise Agreement.

Advertising Cooperatives

We may establish and maintain local or regional advertising cooperatives composed of Franchisees operating within a designated geographic area. Membership and coverage of each cooperative will be determined geographically, typically based on the metropolitan area where the Restaurant is located. Advertising cooperatives may be established in some, but not all, geographic areas. If we require you to participate in an advertising cooperative, you must contribute the designated percentage of your Gross Revenue, and your contribution will be credited toward your local marketing spend obligation.

Each Restaurant within an advertising cooperative's geographic area, including those owned by us or our affiliates, will be a member of the cooperative and will have one vote per Restaurant. All members will contribute the same percentage of their Gross Revenue to the cooperative. Each cooperative must adopt bylaws that meet our approval, and we may require amendments from time to time. We will provide a sample form of bylaws that cooperatives must use, which will contain certain required terms and conditions, including voting structure. Members may request a copy of the bylaws.

Cooperatives must submit meeting minutes to us upon request and obtain our written approval for all promotional and advertising materials, creative execution, and media schedules before implementation. The members and elected officers of each cooperative will be responsible for its administration; however, we reserve the right to oversee cooperative funds and require payment via electronic funds transfer. At our request, a cooperative must engage a professional media buyer or advertising agency with industry expertise and experience in the relevant market. Each cooperative must also have an independent certified public accountant prepare annual unaudited financial statements, which will be made available to us and all cooperative members.

Currently, no advertising cooperatives exist. We may require cooperatives to be formed, modified, dissolved, or merged at our discretion.

At this time, no formal advertising council comprised of Franchisees exists to advise on advertising policies, although we may informally consult Franchisees on marketing, promotional, or advertising initiatives. We do not currently require contributions to any additional advertising fund; however, we reserve the right to establish new advertising funds in the future, and participation in any fund we establish will be mandatory.

Advertising Fund

We, or our designee, administer an advertising fund to promote the Brand and produce marketing materials for the System on a System-wide basis. You must contribute 5% of your Restaurant's monthly Gross Revenue to the advertising fund. As of the date of this Franchise Disclosure Document, all Franchisees within the System are required to make this contribution. At our discretion, we may defer or reduce a Franchisee's contribution. We may also increase the required contribution with 60 calendar days' written notice, provided that at no time will the total amount you are required to spend on local marketing and the advertising fund contribution exceed 7.5% of your Restaurant's monthly Gross Revenue.

The advertising fund is intended to maximize public recognition and acceptance of the Brand. We

have sole control over all programs financed by the advertising fund, including creative concepts, materials, endorsements, geographic targeting, and media placement. Our company-owned / affiliate-owned Restaurants do not contribute to the advertising fund as a fixed percentage of Gross Revenue, but instead contribute to the advertising fund in a manner determined by us, which is intended to be equal to or greater than the contributions required of Franchisees. We are not required to ensure that your contributions are spent in direct proportion to your payments or that you will receive a specific benefit from the advertising fund's expenditures.

At our sole discretion, the advertising fund may be used to cover any costs related to maintaining, administering, directing, and executing marketing, promotions, and advertising campaigns, including but not limited to: television, radio, digital, print, and social media advertising; development and maintenance of e-commerce platforms and online marketing strategies; market research and customer loyalty programs; direct mail and outdoor advertising; public relations and brand-related research and development; fees for advertising agencies and internal personnel involved in advertising administration; costs associated with gift card programs; distribution of advertising materials to Restaurants; and operation of customer service or Franchisee service lines (if established).

All advertising fund contributions are maintained in a separate account and are not used to cover our general operating expenses, except for reasonable administrative costs, salaries, and overhead directly related to the fund's administration. Contributions are not held in trust or escrow, and we have no fiduciary obligation to you regarding the use of these funds. Any unused contributions at the end of a fiscal year will carry forward to future years for advertising, marketing, and promotional activities.

The advertising fund will not be used specifically to promote franchise sales, although some activities financed by the fund may indirectly benefit franchise sales. Neither the advertising fund nor its earnings will inure to our benefit, and it will function solely as a conduit for collecting and allocating advertising fees.

We are not obligated to provide an itemized breakdown of advertising expenditures for your individual Restaurant; however, the advertising fund is audited annually as part of our financial review.

Although the advertising fund is intended to be perpetual, we may terminate it at our discretion, provided that termination will not occur until all funds are expended on advertising, marketing, and promotional activities or returned to contributing Franchisees without interest, in proportion to their contributions.

Confidential Information & Operations Manual

After you sign your Franchise Agreement, we will provide you with access to our Operations Manual, which may be provided in electronic format. The table of contents for the Operations Manual is attached to this Franchise Disclosure Document as Exhibit B. We consider the contents of the Operations Manual to be proprietary and confidential. You are bound by the restrictive covenants regarding confidential information contained in the Franchise Agreement with respect to your use of the Operations Manual.

The Operations Manual includes guidelines for the development and operation of your Restaurant. We may update or modify the Operations Manual at our discretion, and you must comply with all revisions.

Consultation

We may conduct periodic visits to your Franchise to provide consultation on business management, identify areas for improvement, and address operational concerns. Following these visits, we will prepare written reports summarizing our observations, recommended improvements, and any identified defaults. You will receive a copy of each report. We may also notify you of any issues identified through inspections or reports submitted to us.

Our provision of guidance, reports, or other information does not establish us as a joint employer. We do not directly or indirectly control the wages, hours, terms, or conditions of employment for your employees. If you believe we have taken any action that suggests otherwise, you must notify us in writing immediately.

Pricing

We will periodically provide guidance on pricing for the products and services offered at your Franchise. We may also establish fixed, minimum, or maximum prices that you must adhere to when selling products and services. Any pricing requirements will be based on our experience, an analysis of costs, and a review of competitive market pricing. Unless otherwise specified in writing, you must comply with all pricing requirements we establish.

Site Selection and Opening

You are responsible for identifying and securing a suitable site for the Restaurant. Most Franchise locations will be leased, but you may acquire a site if we approve it. We do not typically own or lease premises for Franchised locations or sublease them to Franchisees.

You must submit a proposed site for our approval within 90 calendar days, in accordance with the Site Application procedures outlined in the Operations Manual. Your application must include all required site details, including demographics, traffic patterns, proximity to competition, commercial characteristics of the area, site size, appearance, and other relevant factors. We will evaluate the site based on these criteria and notify you in writing within 30 calendar days after receiving your completed application whether we approve or reject the proposed site. If we do not respond within that period, the site will be deemed rejected.

You must obtain our written approval of the site within your Territory within 180 calendar days after the effective date of the Franchise Agreement. Within 30 calendar days after our approval, you must provide us with a copy of the proposed lease for our review and approval, and you must sign the lease within 30 calendar days after our acceptance. Failure to acquire a site that meets our criteria within the required timeframes may result in termination of your Franchise Agreement.

The typical time between signing the Franchise Agreement (or making the first franchise-related payment) and opening the Restaurant is approximately 6 to 12 months. This timeframe may vary

based on factors such as whether you have selected a site at the time of signing, your ability to secure a location, conduct site surveys, arrange leasing and financing, complete leasehold improvements, install fixtures, equipment, and signage, meet local requirements, obtain inventory, and secure necessary permits, including a liquor license where applicable.

You must open and begin operating your Restaurant by the scheduled opening date identified on the Cover Page of your Franchise Agreement, which must be no later than the 12-month anniversary of the effective date of the Franchise Agreement. Missing the required opening deadlines may result in termination of your Franchise Agreement.

You must begin substantial construction of the Restaurant at least 150 calendar days before the scheduled opening date and complete construction no later than 30 calendar days before opening. Failure to meet these deadlines may result in termination of your Franchise Agreement. Before construction begins, you must submit a notice to us identifying your general contractor. If requested, you must also provide a signed copy of your agreement with the general contractor. If construction or development does not meet our standards and you fail to correct any deficiencies upon notice, we may terminate the Franchise Agreement.

You must also comply with all construction and equipment requirements, which may include submitting construction progress reports and photographs as specified in our guidelines.

System Update

We may periodically update the System, which may include introducing new or modified trade names, trademarks, service marks, copyrighted materials, products, equipment, technology, operational processes, or other components of the Franchise.

Technology

Before beginning operations, you must purchase all required computer hardware, software, internet connections, dedicated telephone and power lines, and related accessories, peripherals, consoles, and equipment necessary to operate our current point-of-sale system and audio/visual system.

We may require you to purchase, license, and use point-of-sale systems, audio/visual systems, operations software, catering, online ordering, delivery, back-office, accounting, customer service, loyalty program processing, and other technology in your Restaurant. This may include any additions, upgrades, enhancements, or replacements for current software and hardware, including point-of-sale and audio/visual systems. Some or all of these systems may be developed, supplied, or licensed by us, an affiliate, or an approved vendor, and you must purchase them at the cost we or our vendors determine.

You must implement and use a point-of-sale system that we approve. The cost of maintaining, updating, upgrading, or replacing your point-of-sale system, audio/visual system, and other required technology is difficult to estimate, as it depends on repair history, local service costs, and technological advancements. You must also implement and use a reporting system that we approve, and we may require you to purchase and maintain remote servers, off-site electronic repositories, and broadband or other high-speed internet connections. Certain software may require

additional license fees. You must install and maintain any anti-virus and anti-spyware software we require and comply with all data security and consumer privacy policies outlined in the Operations Manual.

You are responsible for maintaining the point-of-sale system and related consoles in good working order. We may require you to upgrade your payment processing hardware and software, including implementing "chip and pin" technology to meet PCI standards for credit card transactions. At our discretion, we may offer basic technology support during Restaurant operating hours for point-of-sale terminals, back-office computers, and other office equipment. If we provide such support, you may choose to use it, but you must sign our current technology support agreement and pay the associated fees.

Your point-of-sale system will store information on sales, inventory, accounting, and other operations. You may not modify or manipulate the database (except for pricing) without our prior written consent. We may retrieve any information from your point-of-sale system or other technology as we deem necessary or appropriate, and there are no contractual limitations on our right to access this data. If required, we may also use remote access to install necessary upgrades or hardware for your point-of-sale system. While you will have independent access to the data generated or stored in the point-of-sale system, you may not modify the data or restrict our access to it.

You must: (a) use all proprietary software programs, system documentation, and other proprietary materials we require in operating the Restaurant; (b) input and maintain any required data in your system as we direct; and (c) purchase any new or upgraded software, documentation, or proprietary materials at the then-current prices whenever we implement System-wide updates. You must also enter into all required software license agreements, terms of use agreements, and software maintenance agreements as prescribed by our approved vendors and pay any associated fees.

Training

No later than 150 calendar days before the scheduled opening of your Restaurant, your Operator, Unit General Manager, one or more Shift Managers, and any additional management personnel we determine (based on projected annual sales of at least $1,000,000) must attend and successfully complete, to our satisfaction, our initial training program. You may not open your Restaurant with fewer management personnel than we require, as outlined in the Operations Manual.

The manager-in-training program lasts up to four weeks and must be successfully completed at least seven weeks before your Restaurant opens. Each participating manager is subject to a training fee of $700 per week for the first four weeks of the program. The Shift Manager training also lasts up to four weeks and must be successfully completed at least three weeks before your Restaurant opens. Training materials currently include e-learning modules, the Operations Manual, checklists, demonstrations, and on-the-job training.

We reserve the right to charge additional fees for uniforms required during training. Our initial training program may change at any time without notice to reflect updates in materials, methods, and personnel. Other than the fees described above, we do not charge for training or materials; however, you are responsible for all expenses incurred by you or your employees during training,

including travel, lodging, meals, wages, and any necessary certifications.

Our initial training program is held as needed and may take place at our corporate offices, Company-Owned / Affiliate-Owned Restaurants, or a certified training Restaurant we designate.

Certified Training Restaurants

If you operate at least three Restaurants, you may apply for one of them to be designated as a certified training Restaurant. If approved, you may conduct initial training for your Operator, Unit General Manager, and Shift Managers at your certified training Restaurant for any additional locations you develop.

To qualify, your Restaurant must meet the then-current requirements for certified training Restaurants as set forth in the Operations Manual. Certified training Restaurants are subject to annual audits at your expense. If an audit finds that your Restaurant no longer meets certification requirements, you will have 60 calendar days to correct deficiencies. Any Restaurant that loses its certification must reapply for initial certification.

Once certified, you may train your Operator, Unit General Manager, and Shift Managers at your training Restaurant. All trainees must successfully complete the training program as outlined in the Operations Manual. We will determine whether trainees have successfully completed training. If any trainees fail to meet admission requirements, do not complete training to our satisfaction, or if we determine that training cannot be completed by a participant, you must immediately designate a replacement.

We reserve the right to charge additional training fees for replacement management personnel. If a replacement is not designated or does not complete training by the required deadline, we may, at our discretion, delay your Restaurant's opening or terminate the Franchise Agreement.

Additional and Remedial Training

We may require additional or remedial training for your management personnel. If required, we will provide the instructors and materials, but we reserve the right to charge fees for training, including our costs for travel, lodging, meals, and compensation for our representatives. You are responsible for all costs incurred by your trainees in connection with additional training.

As part of the opening process, we will provide one or more of our training personnel to conduct on-site training, supervision, and assistance for up to 28 calendar days. These training visits may take place before and/or after your Restaurant opens and may not occur on consecutive days.

Except as otherwise stated in this Item, you are responsible for training all Restaurant personnel according to our standards and specifications outlined in the Operations Manual.

Training Program Overview

ALL MANAGEMENT PERSONNEL (INCLUDING OPERATOR)			
Subject	**#Classroom Hrs.**	**#On Job Hrs.**	**Location**

Back of House Operations	-	20-30	Certified Training Restaurant
Front of House Operations	-	20-30	Certified Training Restaurant
Observed Management	-	20-30	Certified Training Restaurant
Total Hours	**0**	**60-90**	

OPERATOR, NON-OPERATOR OWNER TRAINING			
Subject	**#Classroom Hrs.**	**#On Job Hrs.**	**Location**
Restaurant Design and Construction	-	20-30	Certified Training Restaurant
Restaurant Opening Processes	-	20-30	Certified Training Restaurant
Total Hours	**0**	**40-60**	

ITEM 12: TERRITORY

The Cover Page of your Franchise Agreement specifically identifies your Designated Area. The Franchise Agreement grants you the right to operate one Restaurant at a single location selected by you and approved by us. You do not receive an exclusive territory. You may face competition from other Franchisees, from Company-Owned or Affiliate-Owned Restaurants, from other channels of distribution, or from competitive brands that we control or may control in the future.

Subject to the reserved rights described below, and as long as you are not in default under the Franchise Agreement, we will not, during the term of your Franchise Agreement, operate or grant others the right to operate another traditional Fish Shop Restaurant within your Designated Area. This limited protection applies only to the operation of another traditional Restaurant within your Designated Area and does not restrict the other activities, channels, locations, or rights reserved to us in this Item 12 or in the Franchise Agreement.

Your Restaurant will be located within a geographic area described on the Cover Page of the Franchise Agreement and more fully detailed in the Franchise Agreement as the "Designated Area." When you sign the Franchise Agreement, we will identify a geographic area in which you may conduct a search for a site for your Restaurant, referred to as the "Search Area." You must operate the Restaurant only at the approved location and may not relocate without our prior written consent. If we grant consent, you must comply with our then-current site selection and construction standards. The Franchise Agreement does not provide any options, rights of first refusal, or similar rights to acquire additional franchises, but you may apply to operate additional Restaurants under separate Franchise Agreements.

In most cases, the Designated Area will be at least a three-mile radius around the Restaurant and generally a five-mile radius. However, the exact size of the Designated Area will depend on factors such as population size and density, growth trends, affluence, business activity, Restaurant co-tenants, traffic generators, driving times, and geographical barriers, such as rivers, mountains, major freeways, and undeveloped land. The trade area of another Restaurant may overlap with your Designated Area.

We retain all rights related to the System except for the limited restriction on operating or granting others the right to operate another traditional Restaurant within your Designated Area, as described above. Specifically, we reserve the right to: advertise and promote the System within and outside the Designated Area; operate, and license others to operate, Restaurants outside the Designated Area, including adjacent locations; sell or authorize the sale of approved collateral products and services, such as pre-packaged food and beverages, clothing, and memorabilia, under the Trademarks through various channels, including grocery stores, club stores, convenience stores, wholesale, hospitals, office buildings, military commissaries, the internet, kiosks, concessions, food trucks, and multi-brand facilities; operate, and license others to operate, other food-related businesses under the Trademarks or other marks, including businesses that we may acquire or merge; and establish or license Restaurants in unique locations such as military bases, airports, food courts, shopping malls, hospitals, schools, hotels, stadiums, arenas, racetracks, ballparks, festivals, theme parks, casinos, and other mass gathering locations, whether or not located in the Designated Area.

You may face competition from competitive brands we are affiliated with now or in the future. We are not required to compensate you for offering or selling products or services as described above. The restriction on opening another traditional Restaurant in your Designated Area does not apply to any existing or developing locations in your Search Area at the time you sign the Franchise Agreement.

We and other Franchisees may advertise and promote the System at any time. We will not engage in catering or delivery services in your Designated Area, but have no obligation to enforce similar restrictions on other Franchisees. You may compete with other Franchisees for catering and delivery orders delivered within your Designated Area. Customer orders must be delivered as ready-to-eat meals either for on-premises dining, takeout, or through an approved third-party delivery service or catering program. You may not sell menu items under the Trademarks through unauthorized channels such as the internet, catalogs, telemarketing, or direct marketing without our prior written consent. Except for authorized catering and delivery services, you may not solicit or sell menu items outside the Designated Area. These restrictions do not apply to the receipt of delivery orders through designated third-party vendors. Orders placed through these vendors are directed to Restaurants based on the vendor's operational standards and policies, which we do not control.

The territorial rights granted under the Franchise Agreement are not dependent on sales volume, market penetration, or other contingencies. We will not modify the Designated Area during the term of the Franchise Agreement. However, we may modify the Designated Area upon renewal. You do not receive the right to acquire additional franchises within or outside of your Designated Area unless you sign another Franchise Agreement with us.

Premises and Occupancy Obligations

In addition to the territorial provisions above, the Franchise Agreement contains detailed requirements relating to the lease, use, maintenance, and occupancy of the premises where your Restaurant operates. These include:

- If we own or lease the premises, you must sign all lease, sublease, or related documents we

require and pay all rent and charges on time.

- You are responsible for maintaining the premises in a clean, safe, and operable condition, making all repairs, and complying with our brand standards and any lease requirements.

- You must use the premises exclusively for the operation of the Restaurant, obtain our consent before making alterations, and comply with signage requirements.

- You must pay for all utilities, taxes, and other charges related to the premises, and comply with all environmental, safety, and legal requirements.

- You must obtain our consent for any assignment, sublease, or change in occupancy, and your rights to occupy the premises end when the Franchise Agreement terminates or expires.

- We may require relocation under certain circumstances (e.g., lease termination, condemnation, casualty damage), and you are responsible for relocation costs unless otherwise stated.

- If you own the premises, post-termination restrictions apply to prevent operation of competing businesses, and you may be required to record restrictive covenants.

- Upon termination or expiration, you must de-identify the premises, remove Marks and trade dress, and cooperate with us in securing possession or re-leasing the premises.

These obligations are material to your investment, and failure to comply with them may be a default under your Franchise Agreement, subject to the remedies described in Item 17.

ITEM 13: TRADEMARKS

The Franchise Agreement grants you the right to use our trademarks and service marks (collectively, the "Marks") only in the manner we authorize and permit, and only for the operation of your Franchise.

Registrations and Applications

The following primary trademarks, service marks, trade names, logotypes, and symbols are licensed to you for use as a Franchisee and are registered (or in the process of registration) on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Service Mark:	Pacific Beach Fish Shop Market Grill (Stylized / Design)
Applicant:	B&D Coastal Management, LLC
Registration Number:	4,574,608
Registration Date:	July 29, 2014 (Renewed January 31, 2024)
Class of Services:	International Class 43 (U.S. CLS. 100 & 101)
Services:	Bar Services; Restaurant Services

Service Mark:	Fish Shop (Stylized / Design)

Applicant:	B&D Coastal Management, LLC
Registration Number:	7,343,389
Registration Date:	April 2, 2024
Class of Services:	International Class 25
Services:	Clothing, Namely, Shirts, T-Shirts, Hoodies, Sweaters and Hats

Service Mark:	Pacific Beach Fish Shop Market Grill (Word)
Applicant:	B&D Coastal Management, LLC
Registration Number:	7,350,979
Registration Date:	April 9, 2024
Class of Services:	International Class 43 (U.S. CLS. 100 & 101)
Services:	Bar Services; Restaurant Services

Service Mark:	Fish Shop (Stylized / Design)
Applicant:	B&D Coastal Management, LLC
Registration Number:	7,350,999
Registration Date:	April 9, 2024
Class of Services:	International Class 30
Services:	Spices, Spice Blends, Spice Mixes, Spice Rubs, Dry Spice Rub for Fish, Edible Spices, Mixed Spice Powder

Proceedings

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court relating to the Proprietary Marks. There are no currently pending infringement, opposition, or cancellation proceedings. There is no currently pending material litigation involving the Proprietary Marks. There are no decided infringement, cancellation, or opposition proceedings in which we unsuccessfully sought to prevent registration of a trademark in order to protect the Proprietary Marks we sublicense.

Agreements

There are no agreements currently in effect that limit our rights to use, or to license you to use, the Marks and other Proprietary Property in any manner material to you.

Infringing Uses

We are not aware of infringing uses or superior prior rights that could materially affect your use of the Marks. However, our registration of the Marks does not prohibit others from using the Marks, or confusingly similar variations, if they have established prior rights in territories where neither we nor our franchisees have operated or advertised under the Marks, and that are not within the natural zone of expansion for future franchised or Company-Owned / Affiliate-Owned Restaurants, provided such use is in good faith and without actual knowledge of our or our franchisees' use of the Marks. We would therefore be unable to prohibit the use of the Marks by others who had prior rights at the time we first used them. If others establish prior rights in certain territories, we may be restricted in our ability to use the Marks when expanding into those

territories.

Obligations With Respect to the Proprietary Property

Your right to use the Marks is derived solely from the Franchise Agreement and is limited to the operation of your Franchise under that agreement and all applicable standards, specifications, and operating procedures we require during the term. Any unauthorized use of the Marks is a breach of the Franchise Agreement and an infringement of our rights. Your use of the Marks inures exclusively to our benefit, and the Franchise Agreement does not confer any goodwill or other ownership interest in the Marks or other Proprietary Property. All provisions of the Franchise Agreement applicable to the Proprietary Marks also apply to any other trademarks, service marks, commercial symbols, designs, artwork, and logos we may adopt, use, authorize, and sublicense to you during the term.

You must use the Marks as the sole trade identification of your Franchise and must identify your Franchise in the form we require as an independently owned and operated business. You must use all Marks and other commercial symbols that we sublicense to you in full compliance with our rules. You may not use any Marks (including future Marks we license) in the sale of any unauthorized product or service or in any manner we have not explicitly authorized. You may not use the Marks as, or as part of, your corporate or partnership name. You must follow our instructions regarding compliance with any fictitious, trade, or assumed name statutes for your trade name. You may not use the Proprietary Property as security for any obligation or indebtedness. Without our prior written approval, you may not use the Marks as part of any e-mail address, website, domain name, or other electronic media, including any prefix, suffix, or modifying words, terms, designs, or symbols, or in any manner connected with online advertising or promotions.

If you receive any claim of infringement, unfair competition, or other challenge to your right to use the Proprietary Property, or become aware of any third-party use or claim of rights to the Proprietary Property, you must notify us in writing within 7 calendar days. You must not communicate with any third party about such matters except us and our counsel, unless under judicial process. We have the sole right to determine whether to take action and to control any litigation or proceeding involving the Proprietary Property. You must sign all instruments and documents, render all assistance, and take all actions our attorneys deem necessary to protect and maintain our interests.

Your Indemnification by Us

We will indemnify you and reimburse you for all damages for which you are held liable in any proceeding involving your authorized use of the Proprietary Property, provided that you: (a) timely notify us of the claim; (b) comply with the Franchise Agreement; (c) allow us sole control of the defense and settlement; and (d) fully cooperate with us and our counsel.

Modification

If we determine, in our sole discretion, that it is advisable to modify or discontinue the use of any Marks and/or adopt one or more additional or substitute names or marks — including due to rejection of a pending registration, cancellation of an existing registration, or the rights of a senior

user — you must do so at your sole expense within 30 calendar days of our request. We will reimburse you only for your reasonable direct expenses in modifying or discontinuing use of a Mark and substituting another; reimbursement will not include any costs to promote the modified or substitute mark.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

The Franchise Agreement grants you the right to use certain proprietary intellectual property ("Intellectual Property") solely in connection with the operation of your Franchise and only in the manner we authorize. This includes copyrights, confidential information, unregistered trade names and trademarks, and improvements to our intellectual property.

Type of IP	Description
Copyright Material	We claim copyrights in the Operations Manual, advertising and training materials, and the business methods and processes used in the operation of the Franchise. These copyrights have not been registered with the United States Copyright Office.
Confidential Information	We claim proprietary rights in all information about the operational, sales, advertising methods, and techniques of the System. We claim proprietary trade secret rights in information such as: (i) Operations Manuals, forms, and related updates; (ii) training information and methodology; (iii) advertising plans and methodology; (iv) names of agents, suppliers, and customers, and their requirements, specifications, and preferences; (v) contractual arrangements with agents, suppliers, and customers; (vi) financial details (including credit and discount terms) of relationships with agents, suppliers, or customers; (vii) names of prospective customers and their requirements, specifications, and preferences; (viii) our software; (ix) information provided at Franchisor meetings; (x) security access information; (xi) information provided through initial and ongoing specialized training; and (xii) our business plans and strategies.
Business Name / Unregistered Trade Marks	Our trade name and design, separately and together, including trade dress, get-up, layout, and presentation of products, premises, goods, packaging, or displays.
IP Improvements	Any works, marks, symbols, ideas, logos, trade secrets, and other creations developed by you, other Franchisees, or us from use of the Intellectual Property or otherwise during the operation of the Franchised Business.

Patents and Copyrights

As of the date of this Franchise Disclosure Document, we hold no patents material to the operation of Franchises. We claim copyrights in the Operations Manual, advertising, and training materials, and in the business methods and processes used in operating the Franchise. These copyrights have not been registered with the United States Register of Copyrights.

There are no current determinations of the Copyright Office (Library of Congress) or any court regarding these copyrighted materials. No agreements are in effect that significantly limit our right to use or authorize Franchisees to use the copyrighted materials. We are not aware of infringing uses that could materially affect your use of the copyrighted materials. We are not obligated by any agreement to protect or defend copyrights, patents, or confidential information, although we intend to do so when such action is in our best interest.

Confidential Materials

You must operate the Franchise in accordance with the System and our policies and procedures, as specified in the Operations Manual. We will provide access to the Operations Manual during the term of your Franchise Agreement. You must treat the Operations Manual and any other materials we create or approve for use in the operation of your Franchise—and the information in them—as confidential.

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. If there is a dispute as to its contents, the master copy maintained at our corporate office will control.

Confidential Information Obligations

All confidential information, whether or not marked or identified as confidential, remains our exclusive property, even if compiled or developed by you (including your officers, directors, and employees) in connection with your Franchise. You must provide us, upon request, with a list of all customers you service and copies of their respective contracts.

Neither you nor your principals may use or disclose, during or after the term of the Franchise Agreement, the contents of any confidential materials, trade secrets, or proprietary information of the System, except as permitted in the Franchise Agreement. You must use reasonable efforts to maintain this information in strict confidence and must not duplicate, copy, record, or otherwise reproduce any confidential materials, in whole or in part, or make them available to any unauthorized person without our prior written consent.

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

During the term of the Franchise Agreement, your Operator and your Unit General Manager must devote full-time efforts to the management of the Restaurant. Your "Operator" is the individual who has the authority to actively direct the day-to-day business affairs of the Restaurant and is responsible for overseeing its general management.

Your Operator and Unit General Manager must provide direct, on-premises supervision of the Restaurant. The Operator, the Unit General Manager, and all Shift Managers must complete our training course. You must have at least one trained manager for each estimated $1,000,000 in annual sales (based on your good faith calculations) who has successfully completed training to our satisfaction. These managers are not required to have an ownership interest in the Franchisee entity. If any required manager fails to complete training to our satisfaction, you must promptly designate a replacement who must then complete training to our satisfaction and at your expense.

The use of an Operator and Unit General Manager does not relieve you of your obligations under the Franchise Agreement or your responsibility to ensure that the Restaurant is operated in accordance with our standards. We may require that the Operator and Unit General Manager be present during any inspection or evaluation we conduct.

Your Operator must attend our annual meeting, convention, or conference of Franchisees, and all meetings relating to new products or preparation procedures, new operational procedures or programs, training, Restaurant management, sales or sales promotion, or similar topics, at your expense. Your Unit General Manager(s) may attend such events only with our prior written approval, but must attend our annual training meeting for Unit General Managers at your expense. We may also require you, your Operator, and/or your Unit General Manager to attend additional meetings and training that we deem appropriate under special circumstances.

All shareholders, officers, directors, partners, members, multi-unit supervisors, and all managers and other employees with access to our Proprietary Information must sign non-disclosure agreements in the form we require. Your Operator, and if requested by us, any other management personnel receiving training from us, must sign covenants not to compete in the form we require.

Your principals will be individually, jointly, and severally bound by all of your obligations and the obligations of principals under the Franchise Agreement by signing the Guaranty and Assumption of Obligations. We require that the spouses of your principals, if any, also sign the Guaranty and Assumption of Obligations.

If you sign Franchise Agreements that result in opening three or more Restaurants, you must hire or engage a full-time person to manage site selection and development (the "Designated Principal"). The Designated Principal must meet our qualifications, be approved by us in writing, and complete initial training to our satisfaction. The Designated Principal must have an ownership interest in the Developer, have authority to make decisions for the Developer, and devote full time to supervising and overseeing the development business. The Designated Principal will lead the Developer's operations team and act as liaison between the Developer and us on all operations-related topics. If the Designated Principal ceases to serve, you must promptly designate a replacement whom we approve and ensure that they complete any required training within 150 calendar days.

If you acquire more than 11 Restaurants, you must also hire and maintain a full-time development executive and a professional training executive, each of whom must meet our qualifications and be approved by us in writing.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Approved Products and Services

All products you use or sell at the Restaurant must conform to our standards and specifications, as described in the Operations Manual and other written directives. You may not deviate from our standards and specifications without our prior written consent. You must also comply with all applicable laws and regulations and secure all necessary governmental approvals for the Restaurant.

You may offer and sell only those menu items, products, and services we have expressly approved in writing. If we notify you in writing that a menu item, product, or service is disapproved, you must immediately discontinue its sale. We have sole discretion to add or remove items from the standard menu at any time, and you must promptly comply with any changes. All menu items must be prepared according to the procedures outlined in the Operations Manual or other written instructions. You may not use or offer nonconforming items without our prior written approval. You must open and operate the Restaurant during the hours and on the days specified in the Operations Manual or as otherwise directed in writing.

You must participate in all market research programs we require, which may include test-marketing new products, purchasing a reasonable quantity of new products for test-marketing, and promoting the sale of new products. You must provide us with timely reports and test results for all such programs.

We may offer, and may require you to purchase, merchandise such as branded apparel and memorabilia for resale to customers, in amounts we determine.

You may not advertise, promote, post, or list information relating to the Restaurant on the Internet—including through a website or social media—without our prior written consent.

You may only offer catering, delivery, or event services with our prior written approval, including approval of your catering menu and compliance with all related standards and specifications. Once we approve your catering menu, you do not need additional approval to offer catering within your Designated Area unless you make changes to the menu, in which case you must obtain our approval before implementing the changes. We reserve the right to require you to alter your delivery services. You may not ship products or distribute them through wholesale channels—including supermarkets, convenience stores, or other retailers—or through food service providers such as airlines or in-flight services without our prior written consent.

You may not install or operate vending machines or other activities—including cigarette machines, pool tables, darts, gambling activities, video games, slot machines, or other gaming devices—without our prior written consent.

You may only play music and video programming that we designate in the Operations Manual or approve in writing.

We reserve the right to establish maximum, minimum, or other pricing requirements for products and services, as permitted by law.

Sales Restrictions

You are not restricted in the customers to whom you may sell approved products or services, or the prices at which products are sold or services are rendered, except as required by law, as specifically identified in the Franchise Agreement, or as provided in the Operations Manual.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

The table below briefly summarizes certain important provisions of the Franchise Agreement and related agreements. You should read the complete provisions in the documents attached to this Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise	Section 14	The initial term is 15 years, beginning on the Franchise Agreement Effective Date.
b. Renewal or extension of the term	Section 14	You have the right to renew for unlimited additional terms of 15 years each if you meet renewal requirements.
c. Requirements for you to renew or extend	Section 14	You must give written notice of your intent to renew, not be in default under any agreement with us, sign our then-current Franchise Agreement, comply with all requirements under the current Franchise Agreement, and sign a general release. We may elect not to offer a successor Franchise Agreement if we give written notice at least 180 days before the end of the term and there is no more than one Franchise (excluding Company Units) operating in the Protected Territory.
d. Termination by you with or without cause	Section 16.4	If you are in substantial compliance and we materially breach the Franchise Agreement and fail to cure within at least 30 days after written notice, you may terminate. You may also terminate on any grounds available under law.
e. Termination by us without cause	Section 16.1	Not permitted.
f. Termination by us with cause	Section 16.2	Permitted only with cause.
g. "Cause" defined – defaults which can be cured	Section 16.3	Any default not listed as non-curable may be cured within 30 days after written notice.
h. "Cause" defined – defaults which cannot be cured3	Section 16.1, 16.2	Includes violations of environmental laws; insolvency; bankruptcy; receivership; judgments over $5,000 unsatisfied; foreclosure; abandonment; uncorrected threats to public safety; failure to maintain sanitation; certain criminal convictions; denying inspection or audit; unauthorized assignment; breach of confidentiality or non-compete; maintaining false records; failure to transfer upon death/incapacity; lease defaults; misuse of Proprietary Property; and three or more similar defaults within 12 months.
i. Your obligations on termination/nonrenewal	Sections 16.7-16.9	Includes non-compete for 24 months within 25 miles (unless law requires less); indemnification; maintaining confidentiality; ceasing operations; paying all amounts due; complying with purchase option; avoiding unfair competition; returning

Provision	Section in Franchise Agreement	Summary
		Proprietary Property; discontinuing use of Marks; and paying liquidated damages.
j. Assignment of contract by us	Section 20.1	We may assign without restriction, including as part of a merger or sale of the entire System, without your consent.
k. "Transfer" by you definition	Section 15.1	Any sale, assignment, conveyance, or gift of any interest in your Franchise Agreement or Franchise. Transfers of less than 25% or to another original owner are not considered transfers.
l. Our approval of transfer by you	Section 15.7	We may approve or disapprove transfers.
m. Conditions for our approval of transfer	Sections 15.6-15.15	Approval requires: no exercise of our right of first refusal; no defaults; general release; transferee not competing; transferee signs current Franchise Agreement; payment of transfer fee; our approval of transferee; completion of application procedures and Initial Training; proper assumption of obligations; and our approval of sale terms.
n. Our right of first refusal to acquire your business	Sections 15.2-15.5	We may purchase your business on the same terms as a bona fide offer. We must give written notice within 30 days after receiving the offer and required information.
o. Our option to purchase your business	Sections 15.9	Within 30 days after termination, we may purchase any Franchise assets at fair market value.
p. Your death or disability	Sections 15.11-15.12	You must provide a replacement manager acceptable to us, and your Franchise must be transferred within 12 months in accordance with transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 16.10	You may not engage in any competitive business or interfere with our business or other Franchisees during the term.
r. Non-competition covenants after the franchise is terminated or expires4	Section 16.10	For 24 months after termination, you may not engage in any competitive business within 250 miles of any Franchise or Company-Owned / Affiliate-Owned location then operating or under construction, subject to applicable law.
s. Modification of the agreement	Section 20.3	Modifications require mutual consent, except we may change the Operations Manual, modify the System, and courts may modify provisions under law.
t. Integration/merger clause	Section 20.2	Only the written Franchise Agreement is binding, subject to state law.
u. Dispute resolution by arbitration or mediation	Section 19	All disputes must first go to mediation; if unsuccessful, they proceed to state or federal court in San Diego County, California. You must also waive your rights to a jury trial and claims for punitive damages AGAINST FRANCHISOR. THIS MAY BE SUPERSEDED BY STATE LAW.
v. Choice of forum	Section 20.7	Enforcement actions must be filed in San Diego County, California, subject to state law.
w. Choice of law	Section 20.7	California law applies, except where federal trademark law (Lanham Act) governs, and subject to state law.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our Franchises. However, we reserve the right to do so in the future.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item 19 provides historical financial information relating to certain Fish Shop restaurants operated by an affiliate of the Franchisor under common control. The information presented in this Item 19 reflects historical results and is not a forecast of future financial performance.

Written substantiation for the financial performance representations described in this Item 19 will be made available to you upon reasonable request.

SYSTEM OVERVIEW AND DATASET DESCRIPTION

As of the date of this Franchise Disclosure Document, the Fish Shop system consists of four (4) restaurants located in San Diego County, California, all of which are owned and operated by an affiliate of the Franchisor under common control. Three (3) of these restaurants — located in Point Loma, Pacific Beach, and Encinitas — were open and operating during the entire twelve-month measurement period described below (the "Mature Restaurants," which are owned and operated by an affiliate of the Franchisor under common control). A fourth restaurant located in Oceanside, California opened in October and was not open for the full twelve-month measurement period. Because the Oceanside restaurant was not open and operating for the entire Measurement Period, it is excluded from the Mature Restaurant tables below.

The financial performance representations in Sections I and II are based on the results of the three (3) Mature Restaurants described above. The financial information in Sections I and II reflects the historical results of the Mature Restaurants for the trailing twelve-month period ending March 1, 2026 (the "Measurement Period").

The information presented in this Item 19 was derived from the internal books and records of the Mature Restaurants, including point-of-sale system reports and financial statements maintained in the ordinary course of business.

The Mature Restaurants offer substantially the same menu items and services that franchised Fish Shop restaurants are expected to offer. However, restaurant performance may vary due to many factors, including location, local market conditions, visibility and accessibility of the site, traffic patterns, demographic characteristics of the surrounding area, competition, pricing strategies, labor availability and labor costs, food and supply costs, management practices, marketing decisions,

and the business acumen and experience of the operator.

Because the Fish Shop system currently consists of a small number of restaurants located in the same geographic region, the results presented in this Item 19 may not be representative of the results that may be achieved by restaurants in other markets.

SECTION I

HISTORICAL GROSS REVENUE OF MATURE RESTAURANTS

The following table reflects the results of the Mature Restaurants during the Measurement Period.

Restaurant	Gross Revenue
Encinitas	$4,461,543.20
Pacific Beach	$4,757,133.14
Point Loma	$2,317,545.52
Summary Statistics	
Average Gross Revenue	$3,845,407.29
Median Gross Revenue	$4,461,543.20
Highest Gross Revenue	$4,757,133.14
Lowest Gross Revenue	$2,317,545.52

Of the three Mature Restaurants included in the table above, two (2) restaurants (66%) achieved or exceeded the average Gross Revenue during the Measurement Period.

SECTION II

HISTORICAL OPERATING RESULTS OF MATURE RESTAURANTS

The table below presents historical operating results for each of the Mature Restaurants for the Measurement Period.

Category	Encinitas	Pacific Beach	Point Loma
Food Sales	$3,643,918.38	$3,973,171.32	$1,944,178.39
Alcohol Sales	$672,178.25	$582,305.76	$307,203.50
Non-Alcohol Beverage Sales	$98,695.50	$103,638.99	$58,578.50

Retail & Market Sales	$40,088.53	$73,695.58	$7,585.13
Other	$6,662.54	$24,321.49	$0.00
Total Gross Revenue	$4,461,543.20	$4,757,133.14	$2,317,545.52

Food Sales: Food Sales means revenue derived from the sale of food items prepared and sold by the restaurant during the Measurement Period, including menu items such as entrées, appetizers, sides, and desserts, whether sold for dine-in, takeout, delivery, or catering.

Alcohol Sales: Alcohol Sales means revenue derived from the sale of alcoholic beverages during the Measurement Period, including beer, wine, and liquor served to customers at or from the restaurant location.

Non-Alcohol Beverage Sales: Non-Alcohol Beverage Sales means revenue derived from the sale of non-alcoholic beverages during the Measurement Period, including soft drinks, coffee, tea, bottled beverages, and other non-alcoholic drink products sold by the restaurant.

Retail & Market Sales: Retail and Market Sales means revenue derived from the sale of packaged goods, merchandise, or other retail items offered for sale at the restaurant that are not prepared menu items or beverages.

Other: Other means revenue derived from sources not otherwise categorized above, which may include miscellaneous operating income associated with the restaurant's operations during the Measurement Period.

Total Gross Revenue: Total Gross Revenue means the sum of Food Sales, Alcohol Sales, Non-Alcohol Beverage Sales, Retail & Market Sales, and Other revenue for the Measurement Period.

Category	**Encinitas**	**Pacific Beach**	**Point Loma**
Cost of Goods Sold	$1,139,962.94	$1,271,300.56	$635,982.31
Credit Card & Merchant Processing Fees	$117,240.00	$114,359.30	$56,105.13
Interest Expense	$2,270.97	$2,845.71	$8,777.00
Labor	$1,050,185.23	$1,071,268.50	$725,341.31
Management Fees	$269,065.61	$443,389.81	$0.00
Marketing & Advertising	$52,741.36	$88,496.75	$54,219.65
Occupancy Costs	$185,680.30	$197,054.26	$106,662.70
Repairs & Maintenance	$50,186.67	$82,930.02	$21,024.00

Restaurant Supplies & Smallwares	$151,741.18	$161,799.41	$27,714.02
Utilities	$77,665.02	$90,345.52	$78,975.93
Other Operating Expenses	$553,611.03	$660,093.09	$392,277.56
Total Net Income	**$811,192.89**	**$573,250.21**	**$210,465.91**

Cost of Goods Sold: Cost of Goods Sold means the cost of food, beverages, and other products sold or used in the preparation of menu items during the Measurement Period, including freight or delivery charges associated with those purchases, inventory adjustments, spoilage, and related product costs.

Credit Card & Merchant Processing Fees: Credit Card and Merchant Processing Fees means the fees charged by banks, payment processors, point-of-sale providers, or other financial institutions for processing customer payments made by credit card, debit card, mobile payment platforms, or other electronic payment methods.

Interest Expense: Interest Expense means interest paid or accrued on loans, lines of credit, equipment financing, or other indebtedness incurred in connection with the operation of the restaurant.

Labor: Labor means wages, salaries, payroll taxes, bonuses, benefits, and other compensation paid to restaurant employees, including kitchen staff, front-of-house staff, shift supervisors, and managers.

Management Fees: Management Fees means fees paid to an affiliated management company or other entity for management, administrative, or supervisory services provided in connection with the operation of the restaurant.

Marketing & Advertising: Marketing and Advertising means expenditures related to advertising, promotional activities, marketing campaigns, influencer promotions, digital advertising, social media marketing, and other marketing activities intended to promote the restaurant.

Occupancy Costs: Occupancy Costs means expenses associated with the restaurant premises, including rent, common area maintenance (CAM) charges, property taxes, storage costs related to the premises, and other lease-related charges.

Repairs & Maintenance: Repairs and Maintenance means costs incurred to maintain, repair, or service restaurant equipment, fixtures, furniture, building systems, and other physical assets used in restaurant operations.

Restaurant Supplies & Smallwares: Restaurant Supplies and Smallwares means consumable supplies and small equipment used in the operation of the restaurant, including kitchen tools, utensils, service items, paper goods, cleaning supplies, and other operating supplies.

Utilities: Utilities means expenses associated with utilities used in restaurant operations, including electricity, gas, water, waste disposal, telephone, and internet services.

Other Operating Expenses: Other Operating Expenses means ordinary and recurring operating costs not otherwise categorized above, including insurance, licensing and permit fees, professional fees, janitorial services, pest control, office expenses, technology costs, and other similar expenses incurred in the operation of the restaurant.

Net Income: Net Income means the net operating results of the Mature Restaurants for the Measurement Period, calculated as Gross Revenue minus Cost of Goods Sold and the operating expense categories described above, as reflected in the internal financial statements of those restaurants. Net Income reflects the results of the Mature Restaurants and may not include certain costs that a franchisee would incur, including but not limited to royalties, advertising fund contributions, franchise-related expenses, financing costs, owner compensation, or other expenses that may vary depending on the manner in which a franchisee operates the restaurant. Accordingly, the Net Income figures presented in this Item 19 should not be interpreted as a representation of the net income or profitability that a franchisee may achieve.

METHODOLOGY

The financial information presented in this Item 19 is based on the historical operating results of the Mature Restaurants for the Measurement Period. The purpose of this section is to explain how the information was compiled, how the expense categories were determined, and the limitations associated with the data.

Data Sources. The financial information in this Item 19 was derived from the internal books and records maintained for the Mature Restaurants in the ordinary course of business. These records include point-of-sale reports, accounting system records, and periodic financial statements prepared for management purposes. The figures used in the tables were compiled from those records for the Measurement Period.

Measurement Period. The results shown in this Item 19 reflect the trailing twelve-month Measurement Period ending March 1, 2026, The Measurement Period was selected to provide a recent period of operations that includes seasonal variations typical of restaurant operations.

Restaurants Included. Only the Mature Restaurants described above are included in the tables in Sections I and II. These restaurants were selected because they were open and operating during the entire Measurement Period. The Oceanside restaurant is excluded from these tables because it opened during the Measurement Period and therefore does not represent a full year of operations.

Consistency of Operations. The Mature Restaurants offer substantially the same menu items, operate under the same brand, and follow substantially similar operating procedures that franchised Fish Shop restaurants are expected to follow. However, the Mature Restaurants are owned and operated by an affiliate of the Franchisor under common control and may operate under management, staffing, purchasing, or vendor arrangements that differ from those used by franchisees.

Accounting Practices. The financial information reflected in the tables may include a combination

of accrual-based and cash-based accounting treatment depending on the type of expense and the manner in which the underlying financial records were maintained during the Measurement Period. Certain expenses may be recorded in different accounting periods depending on vendor billing cycles, payroll processing schedules, or accounting adjustments made in the ordinary course of business.

Expense Categories. For purposes of this Item 19, the expense categories presented in the tables were standardized to provide a consistent comparison across the Mature Restaurants. In preparing the tables, certain expenses reflected in the underlying financial statements may have been reclassified or grouped into the categories shown above. As a result, individual expense categories may not correspond exactly to the categories used in the restaurants' internal accounting systems.

Management Fees and Related Expenses. Certain Mature Restaurants may pay management or administrative fees to affiliated entities that provide management, administrative, or supervisory services. Franchisees may structure management and administrative functions differently and therefore may incur different costs than those reflected in the Mature Restaurants.

Franchisee Cost Differences. The Mature Restaurants are owned and operated by an affiliate of the Franchisor under common control and may not incur all of the costs that a franchised restaurant would incur. For example, franchisees are expected to pay royalties and advertising fund contributions under the Franchise Agreement, which may not be reflected in the results of the Mature Restaurants.

Owner Compensation and Financing Costs. The operating results presented in this Item 19 may not include all costs that a franchisee may incur, including owner compensation, financing costs associated with loans or other indebtedness, or other expenses that depend on how the franchisee structures the ownership and financing of the restaurant.

Variability of Restaurant Performance. Restaurant performance can vary significantly due to many factors, including but not limited to location, visibility, access, parking availability, local demographics, competition, seasonality, weather conditions, labor market conditions, food and supply costs, management experience, marketing efforts, and the length of time the restaurant has been operating.

IMPORTANT LIMITATIONS

The restaurants included in this Item 19 are all located within San Diego County, California and operate in markets that may differ significantly from the markets in which future franchised Fish Shop restaurants will operate. Differences in geographic location, lease terms, staffing levels, wage rates, food and supply costs, management practices, competition, marketing efforts, and local economic conditions may materially affect restaurant performance.

Some restaurants have sold and earned this amount. Your individual results may differ. There is no assurance that you will sell or earn as much.

Other than the preceding financial performance representations, we do not make any financial performance representations. We 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.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION.

The following tables present information regarding franchised and company-owned outlets for the fiscal years ending December 31, 2023, December 31, 2024, and December 31, 2025. For purposes of this Item 20, "outlet" means a restaurant of the type substantially similar to the franchise offered by this Disclosure Document.

Item 20 Table No. 1
Systemwide Outlet Summary
For Years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	3	3	0
	2024	3	3	0
	2025	3	5	+2
Total Outlets	2023	3	3	0
	2024	3	3	0
	2025	3	5	+2

Item 20 Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years 2023 to 2025

Column 1 Jurisdiction	Column 2 Year	Column 3 Number of Transfers
Total	2023	0
	2024	0
	2025	0

Item 20 Table No. 3 Status of Franchised Outlets For Years 2023 to 2025								
Column 1 Jurisdiction	**Column 2 Year**	**Column 3 Outlets at Start of Year**	**Column 4 Outlets Opened**	**Column 5 Terminations**	**Column 6 Non-Renewals**	**Column 7 Reacquired by Franchisor**	**Column 8 Ceased Operations-Other Reasons**	**Column 9 Outlets at End of Year**
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Item 20 Table No. 4 Status of Company-Owned Outlets For Years 2023 to 2025							
Column 1 Jurisdiction	**Column 2 Year**	**Column 3 Outlets at Start of Year**	**Column 4 Outlets Opened**	**Column 5 Outlets Reacquired From Franchisee**	**Column 6 Outlets Closed**	**Column 7 Outlets Sold to Franchisee**	**Column 8 Outlets at End of the Year**
California	2023	3	0	0	0	0	3
	2024	4	0	0	0	0	3
	2025	4	2	0	0	0	3
Totals	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
	2025	3	2	0	0	0	5

Item 20 Table No. 5 Projected Openings As Of December 31, 2025			
Column 1 Jurisdiction	**Column 2 Franchise Agreements Signed But Outlet Not Opened**	**Column 3 Projected New Franchised Outlet In The Next Fiscal Year**	**Column 4 Projected New Company-Owned Outlet In The Next Fiscal Year**
AL	0	0	0
AK	0	0	0

Item 20 Table No. 5 Projected Openings As Of December 31, 2025			
Column 1 Jurisdiction	**Column 2 Franchise Agreements Signed But Outlet Not Opened**	**Column 3 Projected New Franchised Outlet In The Next Fiscal Year**	**Column 4 Projected New Company-Owned Outlet In The Next Fiscal Year**
AZ	0	3	1
AR	0	0	0
CA	0	6	3
CO	0	1	0
CT	0	0	0
DE	0	0	0
FL	0	0	0
GA	0	0	0
HI	0	0	0
ID	0	3	1
IL	0	0	0
IN	0	0	0
IA	0	0	0
KS	0	0	0
KY	0	0	0
LA	0	0	0
ME	0	0	0
MD	0	0	0
MA	0	0	0
MI	0	0	0
MN	0	0	0
MS	0	0	0
MO	0	0	0

Item 20 Table No. 5 Projected Openings As Of December 31, 2025			
Column 1 Jurisdiction	**Column 2 Franchise Agreements Signed But Outlet Not Opened**	**Column 3 Projected New Franchised Outlet In The Next Fiscal Year**	**Column 4 Projected New Company-Owned Outlet In The Next Fiscal Year**
MT	0	0	0
NE	0	0	0
NV	0	3	1
NH	0	0	0
NJ	0	0	0
NM	0	0	0
NY	0	0	0
NC	0	0	0
ND	0	0	0
OH	0	0	0
OH	0	0	0
OK	0	0	0
OR	0	3	1
PA	0	0	0
RI	0	0	0
SC	0	0	0
TN	0	0	0
TX	0	0	0
UT	0	3	1
VT	0	0	0
VA	0	0	0
WA	0	3	1
WV	0	0	0

Item 20 Table No. 5 Projected Openings As Of December 31, 2025			
Column 1 Jurisdiction	**Column 2 Franchise Agreements Signed But Outlet Not Opened**	**Column 3 Projected New Franchised Outlet In The Next Fiscal Year**	**Column 4 Projected New Company-Owned Outlet In The Next Fiscal Year**
WI	0	0	0
WY	0	0	0
Total	0	25	9

We have no current franchisees. Accordingly, there are no current franchisees to list in Exhibit O.

No franchisee had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the fiscal year ending December 31, 2025. Accordingly, there are no former franchisees to list in Exhibit P.

If you purchase a franchise, your contact information may be disclosed to prospective franchisees after you leave the System.

We are not currently offering any existing franchised outlets for transfer or assignment.

During the last three fiscal years, no franchisees have signed agreements restricting them from discussing their experiences with prospective franchisees.

There are no trademark-specific franchisee organizations associated with the System.

ITEM 21: FINANCIAL STATEMENTS

We are a start-up franchise system and this is our initial application for registration in California. We do not yet have audited financial statements. Consistent with California law, we have included reviewed financial statements for both the Franchisor and an affiliated entity under common control, Point Loma Fish Shop, LLC, prepared by an independent certified public accountant. These reviewed financial statements include a balance sheet for each entity as of August 31, 2025, statements of income and cash flows from inception through that date, and accompanying footnotes.

These financial statements are not dated within 90 days of the filing of this application. We will supplement this Disclosure Document with updated financial statements as required by applicable law.

Our fiscal year ends on December 31. Point Loma Fish Shop, LLC's fiscal year also ends on December 31.

The reviewed financial statements for the Franchisor and Point Loma Fish Shop, LLC have been

prepared in conformity with the standards promulgated by the American Institute of Certified Public Accountants. They are attached as Exhibit C.

ITEM 22: CONTRACTS

The following contracts, agreements and other relevant documents are attached as Exhibits to this Franchise Disclosure Document:

Exhibit A	Franchise Agreement
Attachment One	Promissory Note
Attachment Two	Principals
Attachment Three	Principal Guaranty
Exhibit B	Table of Contents of Operations Manuals
Exhibit C	Financial Statements
Exhibit D	List of Past & Current Franchisees
Exhibit E	List of Agents for Service of Process in Various States
Exhibit F	State Administrators
Exhibit G	General Release
Exhibit H	Addendums to Franchise Disclosure Document and Franchise Agreement
Exhibit I	State Effective Dates
Exhibit J	Receipt of Franchise Disclosure Document

ITEM 23: RECEIPT

Attached as Exhibit L to this Franchise Disclosure Document are two receipt pages. You should sign both receipts, retain one for your records, and return the other to us by mail at our headquarters and by email to the address listed on the cover page of this document.

EXHIBIT A. FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made as of _____, 20___ (the "Effective Date") by and between Fish Shop Holdings LLC d/b/a The Fish Shop ("Franchisor", "Company", "Us", or "We"), and

Entity Name: _____

Franchise Manager: _____

Street Address: _____

City: _____ County: _____

State: _____ Zip Code: _____

Telephone Number: _____ Email: _____

Doing Business As: [ ] Corporation [ ] LLC, incorporated in _____

Federal Tax ID# _____

Hereinafter referred to, singularly or collectively, as "Franchisee." The Agreement may refer to the Franchisee and the Franchisor jointly as the "Parties."

FRANCHISE SUMMARY

Effective Date: Day: _____ Month: _____ Year: _____

Renewal: [ ] Yes [ ] No Term of Franchise: Years: _____

Franchise Fee: _____ Paid In Full: [ ] Yes [ ] No

Designated Area: _____ Deadline to Open: _____

FRANCHISE ADDENDUM

The parties may modify this Franchise Agreement and the Franchise Disclosure Document by attaching an Addendum agreed upon by both the Franchisor and the Franchisee. If any provision of the Addendum conflicts with the Franchise Disclosure Document or this Franchise Agreement, the Addendum will govern. If any provision of the Addendum conflicts with federal, state, or local law, the Franchise Disclosure Document and/or this Franchise Agreement will govern, as applicable. For the Addendum to be effective, both parties must initial below and on the Addendum itself.

_____ _____

For Franchisor For Franchisee

SECTION 1: Scope of Franchise Agreement

1.1 The Franchisor operates a business system (the "Franchisor System") for a table service, quick service, and to-go restaurant offering seafood (the "Franchise").

1.2 The Franchisor holds the right to authorize the adoption and use of the Franchisor System. The rights granted to the Franchisee to operate the business under the Franchisor System are set forth in this agreement (the "Franchise Agreement").

1.3 The Franchisee agrees to pay to the Franchisor all amounts required under the Franchise Agreement. All such payments constitute a single financial arrangement between the Franchisee and the Franchisor, which, taken as a whole and without regard to designation or description, reflect the value of the authorization granted to the Franchisee and the services the Franchisor will render during the Term.

1.4 The parties, and any third-party body called upon to interpret the Franchise Agreement, shall interpret its provisions to give effect to the intent of the Franchise Agreement to strictly adhere to and act in conformity with the Franchisor System as it exists now and as the Franchisor may modify it from time to time.

1.5 The term of the Franchise Agreement shall begin on the effective date identified in the Franchise Summary on the Franchise Agreement Cover Page (the "Effective Date") and end upon the expiration date identified in the Franchise Summary (the "Term"), unless earlier terminated pursuant to the terms herein. The Franchisor does not make any promise or representation as to the unconditional renewal of this Franchise or the grant of a new Franchise.

SECTION 2: Territory

2.1 The Franchise will be located within a designated geographic area (the "Designated Area") as described on the Cover Page of the Franchise Agreement and more fully detailed in this agreement.

2.2 The Franchise Agreement grants you the right to operate a Restaurant at a single location selected by you and approved by us. You are responsible for identifying and securing a suitable site for the Restaurant. Most franchise locations will be leased, but you may acquire a site if we approve it. We do not typically own the premises for franchised locations or lease them to Franchisees.

2.3 You must submit a proposed site for our approval within 90 calendar days in accordance with the Site Application procedures outlined in the Operations Manual. Your application must include all required site details, such as demographics, traffic patterns, proximity of competition, commercial characteristics of the area, site size, appearance, and other relevant factors. We will evaluate the site based on these criteria and notify you in writing within 30 calendar days after receiving your completed application whether we approve or reject the proposed site. If we do not respond within that period, the site will be considered rejected. You must obtain our written

approval of the site within your territory within 180 calendar days after the Effective Date. Within 30 calendar days after we approve the site, you must provide us with a copy of the proposed lease for our review and approval, which may include commercially reasonable lease terms described in the Operations Manual, including but not limited to a lease addendum. You must sign the lease within 30 calendar days of our acceptance. Failure to acquire a site that meets our criteria within the required timeframes may result in termination of your Franchise Agreement.

2.4 You must open and begin operating your Restaurant by the scheduled opening date on the Cover Page of your Franchise Agreement, which must be on or before the 12-month anniversary of the Effective Date. Before construction begins, you must submit a notice to us identifying your general contractor and, if requested, provide a signed copy of the agreement with your general contractor. You must begin substantial construction of the Restaurant at least 150 calendar days before the scheduled opening date and comply with all construction and equipment requirements, which may include submitting construction progress reports and photographs as specified in our guidelines. You must complete construction no later than 30 calendar days before opening. Failure to meet these deadlines, or failure to correct any deficiencies upon notice, may result in termination of your Franchise Agreement. Missing a required opening deadline may also result in termination.

2.5 During the Term, if you are not in default, you will receive an exclusive territory. We will not operate or grant others the right to operate any other Restaurant within the Designated Area identified on the Cover Page of the Franchise Agreement. You may, however, face competition from other franchisees, Company-Owned / Affiliate-Owned outlets, or other distribution channels or competitive brands that we control by proximity but not through the location of a Restaurant within your protected area. You do not have the right to use alternative channels of distribution in connection with offering the products and services of the System unless we specifically approve them. We retain all rights related to the System, including the right to operate businesses using the trademarks, sell similar or dissimilar products, and conduct any activities we deem appropriate. We specifically reserve the right to advertise and promote the System within and outside the Designated Area; operate and license others to operate Restaurants outside the Designated Area, including adjacent locations; sell or authorize the sale of approved collateral products and services such as pre-packaged food and beverages, clothing, and memorabilia under the trademarks through channels including grocery stores, club stores, convenience stores, wholesale, hospitals, office buildings, military commissaries, the internet, kiosks, concessions, food trucks, and multi-brand facilities; operate and license others to operate other food-related businesses under the trademarks or other marks, including businesses that we may acquire or merge; and establish or license Restaurants in unique locations such as military bases, airports, food courts, shopping malls, hospitals, schools, hotels, stadiums, arenas, racetracks, ballparks, festivals, theme parks, casinos, and other mass gathering locations, whether or not located in the Designated Area. You may also face competition from competitive brands we are affiliated with now or in the future, and we are not required to compensate you for offering or selling products or services as described above. The restriction on opening another Restaurant in your Designated Area does not apply to any existing or developing locations in your Search Area at the time you sign the Franchise Agreement.

2.6 You must operate the Restaurant only at the approved location and may not relocate without our prior written consent. If we grant consent, you must comply with our then-current site selection and construction standards.

2.7 The Franchise Agreement does not provide any options, rights of first refusal, or similar rights for you to acquire additional Franchises, but you may apply to operate additional Restaurants under separate Franchise Agreements.

2.8 We and other franchisees may advertise and promote the System at any time. We will not engage in catering or delivery services in your Designated Area but have no obligation to enforce similar restrictions on other franchisees. You may compete with other franchisees for catering and delivery orders delivered within your Designated Area. Customer orders must be delivered as ready-to-eat meals for on-premises dining, takeout, or through an approved third-party delivery service or catering program. You may not sell menu items under the trademarks through unauthorized channels such as the internet, catalogs, telemarketing, or direct marketing without our prior written consent. Except for authorized catering and delivery services, you may not solicit or sell menu items outside the Designated Area.

2.9 These restrictions do not apply to the receipt of delivery orders through designated third-party vendors. Orders placed through these vendors are directed to Restaurants based on the vendor's operational standards and policies. We do not control or restrict how vendors operate or process orders.

2.10 The territorial rights granted under the Franchise Agreement are not dependent on sales volume, market penetration, or other contingencies. We will not modify the Designated Area during the term of the Franchise Agreement, but we may modify the Designated Area upon renewal. You do not receive the right to acquire additional Franchises within or outside of your Designated Area unless you sign another Franchise Agreement with us.

SECTION 3: Name, Symbols, Designs, Marks, and Patents

3.1 The Franchisor owns, licenses, uses, and/or associates with the Franchisor System its names, symbols, designs, trademarks, service marks, patents, and other similar items (collectively, the "Marks").

3.2 The Franchisee agrees to use the Marks strictly in compliance with the Franchise Agreement, the Franchisor System, and the Operations Manual, as they exist now and as the Franchisor may modify them from time to time.

3.3 The Franchisee shall take no action that will interfere with the Marks or any items similar thereto.

3.4 The Franchisee shall not apply for registration or other protection of the Marks, or any items similar thereto, without the Franchisor's prior written consent.

3.5 The Franchisee shall not contest the Franchisor's ownership of, or the legal validity of, the Marks or any items similar thereto.

3.6 The Franchisee shall immediately notify the Franchisor of any claim of infringement resulting from the use of the Marks or any items similar thereto. The Franchisor has sole discretion as to what action, if any, to take in such matters. If the Franchisor elects to take legal or

administrative action, the Franchisee agrees to join as a party to the action, or to allow the Franchisor to bring the action solely in the name of the Franchisee, if the Franchisor so directs. In such an event, the Franchisor shall bear the legal fees and court costs of prosecuting or defending the action.

3.7 The Franchisor, in its sole discretion, may modify or discontinue the use of the Marks or any items similar thereto. In such event, the Franchisor may choose to reimburse the Franchisee for tangible out-of-pocket costs reasonably incurred in making the necessary changes in accordance with the Franchisor's directives and timetables.

3.8 The Franchisee shall not use any name in the operation of the Franchise other than those the Franchisor specifically authorizes. The Franchisor authorizes the Franchisee to use the title "Authorized Franchisee of the Fish Shop" or "Independent Franchisee of the Fish Shop" in conjunction with the operation of the Franchise. The Franchisor does not authorize the Franchisee to use the trademark "Fish Shop" as part of its corporate name, any other legal name, or as "dba Fish Shop" in connection with the Franchise.

3.9 All directory listings, letterhead, and any other visual or printed matter the Franchisee uses to communicate with others shall conform to the Franchisor's brand standards.

SECTION 4: Training

4.1 The Franchisor's headquarters is currently located at 1010 S. Coast Hwy 101, Encinitas, California 92024 ("Franchisor Headquarters").

4.2 The Franchisor shall bear the cost of maintaining Franchisor Headquarters and any other Franchisor-owned locations, including the overhead costs of training, staff salaries, and materials.

4.3 The Franchisor has expended significant time and resources developing operating procedures, methods, techniques, and processes that are not generally known to the public and are critical to the Franchisor System. The Franchisor conveys this information to the Franchisee through multiple means, including training.

4.4 The Franchisee agrees to enroll all owners and employees who oversee the services provided to customers at the Franchisor Headquarters, or at such other training center as the Franchisor may designate, within 30 calendar days of the Effective Date of the Franchise Agreement ("Initial Training"). All such individuals must complete the Initial Training to the Franchisor's satisfaction before servicing any customers.

4.5 The Franchisee acknowledges that all training will be conducted in the English language. The Franchisee is solely responsible for ensuring that a representative fluent in English is present during training and available to translate as necessary during the operation of the Franchise.

4.6 If, in the Franchisor's sole judgment, it determines prior to or within 10 calendar days of the completion of the Initial Training that the Franchisee will not be able to fulfill the obligations of the Franchise Agreement, the Franchisor may rescind or cancel the Franchise Agreement. If the Franchisor takes such action, it will refund the Franchise Fee identified in the Franchise Summary,

less the training costs incurred at an hourly rate of not less than $50.00 per hour, and will purchase from the Franchisee any items or equipment purchased from the Franchisor for the pro rata amount paid, provided the items and equipment are in like-new condition. The Franchisee expressly disclaims any right to compensation for other fees, expenses, or charges incurred before rescission, and further disclaims any obligation of the Franchisor to assume any agreements the Franchisee has entered into with third parties, although the Franchisor may accept assignment at its sole option.

If the Franchisee determines prior to or within 10 calendar days of the completion of the Initial Training not to proceed with the Franchise Agreement, the Franchisee may rescind or cancel the Franchise Agreement. If the Franchisee takes such action, the Franchisor will refund the Franchise Fee identified in the Franchise Summary, less the training costs incurred at an hourly rate of not less than $50.00 per hour, and will purchase from the Franchisee any items or equipment purchased from the Franchisor for the pro rata amount paid, provided the items and equipment are in like-new condition. The Franchisee expressly disclaims any right to compensation for other fees, expenses, or charges incurred before rescission, and further disclaims any obligation of the Franchisor to assume any agreements the Franchisee has entered into with third parties, although the Franchisor may accept assignment at its sole option.

4.7 If, at any time, there is a change in ownership or in employees who oversee services provided to customers, the Franchisee must enroll the new owner or employee in training at the Franchisor Headquarters, or at another location designated by the Franchisor, and such individual must complete the training to the Franchisor's satisfaction before servicing any customers.

4.8 If the Franchisee requests or requires any additional training beyond what is described in this Franchise Agreement, the Franchisor will provide such training at hourly rates of not less than $50.00 per hour. This minimum rate is current as of the Effective Date but may be modified at the Franchisor's discretion through policy updates.

4.9 The Franchisee shall pay all travel, lodging, wages, and other expenses incurred by the Franchisee and its employees in connection with attendance at the Franchisor Headquarters or other designated training centers. None of these amounts are refundable.

4.10 The Franchisee acknowledges that the Franchisor owns all proprietary rights in and to the information and methodology of its training, and that the training constitutes the Franchisor's confidential trade secrets. Without the Franchisor's prior written consent, the Franchisee shall not disclose the information or methodology to any person other than employees of the Franchisee for purposes solely related to operating the Franchise, nor shall the Franchisee reprint or reproduce any training materials except for employee instruction. The Franchisee acknowledges that all training materials and methodologies conveyed to the Franchisee, its principals, or its employees will remain the property of the Franchisor, and the Franchisor may require execution of separate non-disclosure agreements by all training participants.

SECTION 5: Operations Manuals and Related Materials

5.1 The Franchisor has expended significant time and resources developing operating procedures, methods, techniques, and processes that are not generally known to the public and are

critical to the Franchisor System. The Franchisor conveys this information to the Franchisee through multiple means, including through its Operations Manuals ("Operations Manuals").

5.2 The Franchisor shall provide the Franchisee with the Operations Manuals. The Franchisee agrees to adopt and use exclusively the operating procedures, methods, techniques, and processes described in the Operations Manuals, as they exist now and as the Franchisor may modify them from time to time, to serve all customers.

5.3 The Franchisee acknowledges that the Operations Manuals will be provided in the English language. The Franchisee is solely responsible for ensuring that a representative fluent in the English language reviews and conveys the information in the Operations Manuals to the Franchisee's employees and is available for any necessary translation during the operation of the Franchise.

5.4 At the Franchisor's discretion, and at a reasonable cost, the Franchisor may make other Operations Manuals and other materials relevant to the operation of the Franchise available for the Franchisee's use and adoption.

5.5 All Operations Manuals in effect, and as modified from time to time, are incorporated by reference into this Franchise Agreement.

5.6 If any provision of the Operations Manuals conflicts with this Agreement, the Operations Manuals will govern.

5.7 If any provision of the Operations Manuals conflicts with federal, state, or local law, such law will govern, and the Franchisor may issue separate directions to the Franchisee that apply specifically to the Franchisee's jurisdiction.

5.8 The Franchisee acknowledges that the Franchisor owns all proprietary rights in and to the Operations Manuals in their entirety, and that the Operations Manuals constitute the Franchisor's confidential trade secrets. Without the Franchisor's prior written consent, the Franchisee shall not disclose the contents of the Operations Manuals to any person other than the Franchisee's employees for purposes solely related to the operation of the Franchise, nor shall the Franchisee reprint or reproduce any portion of the Operations Manuals except as necessary for employee instruction. The Franchisee acknowledges that all Operations Manuals, and all information contained therein provided to the Franchisee, its principals, or its employees, will at all times remain the property of the Franchisor.

SECTION 6: Advertising and Advertising Materials

6.1 The Franchisor may employ public relations and/or advertising specialists to formulate and carry out advertising programs for the entire Franchise System. The Franchisor will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials, geographic focus, and media used in those programs, including advertising conducted nationally, regionally, or locally.

6.2 The Franchisor will have sole discretion to administer the Advertising Fees described in

this Franchise Agreement.

6.3 The Franchisee shall take no action that will interfere with the Franchisor's advertising or any related materials.

6.4 Subject to the Franchisor's prior written approval, the Franchisee may conduct its own advertising campaigns. The Franchisee must submit to the Franchisor all advertising plans and advertising materials of any type, including, but not limited to, digital media such as websites, blogs, instant messaging services, and social media platforms (including Facebook, Twitter, Instagram, and similar sites) at least 30 calendar days prior to publication. This includes any advertising on the Internet. The Franchisor may grant or withhold approval in its sole judgment, or may modify submitted materials at its discretion.

6.5 The Franchisor may, in its discretion and upon the Franchisee's demonstration of competence, allow the Franchisee to advertise through social media platforms without prior approval. The Franchisor may rescind such approval at any time, in its sole discretion and without justification.

6.6 The Franchisor's approval of any advertising plans or materials submitted by the Franchisee does not obligate the Franchisor to pay for such advertising plans or materials.

6.7 The Franchisee understands and agrees that even if the Franchisee pays for its own advertising plans or materials, the Franchisor will retain ownership of those plans and materials and may use them in other markets or advertising campaigns as it deems appropriate.

6.8 The Franchisee shall not contest the Franchisor's ownership of any advertising plans or materials created in connection with the operation of the Franchise.

6.9 The Franchisor, in its sole discretion, may modify or discontinue the use of the Franchisee's advertising plans or materials. In such an event, the Franchisor may choose to reimburse the Franchisee for tangible out-of-pocket costs reasonably incurred in making necessary changes in accordance with the Franchisor's directives and timetables.

SECTION 7: Compliance with Franchisor System

7.1 The Franchisor has expended significant time and resources developing operating procedures, methods, techniques, and processes that comprise the Franchisor System, and has invested significantly in building the value of that System.

7.2 The Franchisee shall not appropriate, use, or duplicate the Franchisor System, or any portion thereof, for use in any other similar business, and shall not disclose or reveal any portion of the Franchisor System to a non-franchisee, except to the Franchisee's employees as an incident of their training.

7.3 Critical to the success of the Franchisor System is the Franchisee's adherence to the Franchisor's standards and policies, which ensure uniform operation of all franchises. The working relationship with the Franchisor in conducting the Franchise, the Franchisee's accountability for fulfilling the obligations under this Franchise Agreement, and the Franchisee's adherence to the

Franchisor System are essential to the Franchise's success. Compliance requires the following:

7.3.1 The Franchisee is, as indicated on the Cover Page of this Franchise Agreement, either a corporation or a limited liability company duly incorporated or formed, validly existing, and in good standing under the laws of its state of incorporation or formation.

7.3.2 Franchisee shall hire and train sufficient personnel to efficiently operate the Franchise and provide courteous, capable assistance to customers. The Franchisee shall use its best efforts to ensure personnel maintain standards of appearance, cleanliness, and demeanor specified by the Franchisor, and shall employ standards that enhance the conduct and image of the Franchise.

7.3.3 The Franchisee shall, within 24 hours of receiving notice from the Franchisor, correct any defects, deficiencies, or unsatisfactory conditions. The Franchisee shall maintain the Franchise's image and reputation consistent with the standards set forth in this Agreement, the Operations Manual, and other specifications from the Franchisor.

7.3.4 The Franchisor may send representatives to visit the Franchise at times it determines in its sole discretion. The Franchisee, the Franchise Manager, and any other requested employee shall be present during such visits upon prior notice and shall cooperate fully. The Franchisee shall make available any information, reports, accounts, books, records, receipts, statements, and other requested information, and shall allow access to computers and computer records. Visits will occur during normal business hours unless otherwise agreed. If the Franchisee receives a failing score on an inspection, it shall reimburse the Franchisor for the cost of the inspection and any follow-up inspection needed to confirm deficiencies have been cured.

7.3.5 The Franchisor has the right to visit, inspect, observe, and report on the operation of the Franchise, with or without notice, at such times, with such frequency, and for such durations as it determines. The Franchisee shall ensure employees cooperate fully with visiting representatives. The Franchisee shall furnish evidence as requested to confirm compliance with the Franchisor System and shall participate in evaluation programs the Franchisor may implement. If the Franchisee receives a failing score on an inspection, it shall reimburse the Franchisor for the cost of the inspection and any follow-up inspection.

7.3.6 The Franchisee shall maintain communications with the Franchisor and customers and shall promptly respond to both.

7.3.7 The Franchisee shall, within 24 hours of receiving a complaint from the Franchisor or a customer, address the complaint and, within 72 hours thereafter, provide documentation to the Franchisor demonstrating that the complaint has been remedied to the customer's or Franchisor's satisfaction.

7.3.8 If the Franchisee fails to perform any duty or obligation under this Agreement, the Franchisor has the right, but not the obligation, to perform the duty or obligation on the Franchisee's behalf. The Franchisee shall immediately reimburse the Franchisor for all associated costs and expenses, with any unpaid sums bearing interest at the rate specified in this Agreement.

7.4 The Franchisee acknowledges that the goodwill of the Franchisor System can be diminished by the acts or omissions of a franchisee. Protection of the System requires the

following:

7.4.1 Before beginning operation of the Franchise, the Franchisee must submit proof of registration with all applicable taxing authorities, including federal, state, and municipal tax identification numbers.

7.4.2 At its own expense, the Franchisee shall ensure compliance with all federal, state, and local laws, ordinances, and regulations affecting the operation of the Franchise.

7.4.3 The Franchisee shall pay all taxes, liens, assessments, costs, expenses, debts, salaries, accounts, liabilities, charges, duties, premiums, fees, damages, and all other monetary or performance obligations incurred in, related to, or resulting from the construction, maintenance, operation, and/or discontinuance of the Franchise, and shall provide proof of payment upon request. The Franchisee shall employ a qualified payroll service and comply with all employee withholding requirements.

7.4.4 The parties agree that the Franchisee is and will at all times be an independent contractor, and will not, at any time, directly or indirectly, hold itself out as an agent, servant, employee, or joint employee of the Franchisor. Nothing in this Agreement creates a partnership, joint venture, agency, employment, joint employment, or fiduciary relationship. Neither the Franchisor nor the Franchisee will consider any of the Franchisee's employees to be the Franchisor's employees or joint employees. Neither direct, indirect, nor even perceived control over the wages, hours, terms, or conditions of employment of the Franchisee's employees shall be deemed to exist.

7.4.5 Neither party shall guarantee the other's obligations or be obligated for the other's debts or expenses unless agreed in writing. The Franchisor will not have any ownership or equity interest in the Franchisee (though individual shareholders in the Franchisor are not so prohibited). The Franchisor will not regulate the hiring or firing of the Franchisee's employees or their working conditions, except as necessary to protect the Marks and associated goodwill.

7.4.6 The Franchisee shall obtain and maintain, at its expense, all licenses and permits necessary for operating the Franchise.

7.4.7 The Franchisee shall comply with all orders, laws, regulations, rules, and directives of any federal, state, county, or municipal authority regarding the Franchise, including OSHA and other health or safety requirements, and shall notify the Franchisor within 24 hours of any such legal requirements or developments, the reasons for them, and corrective actions taken or planned.

7.5 The Franchisee agrees that the Franchisor may change the Franchisor System, including brand standards, adoption and use of new or modified trademarks and service marks, confidential information, products, and services. The Franchisee agrees to be bound by these changes and to comply promptly, at its sole cost and expense, except as otherwise provided in this Agreement.

SECTION 8: Confidential Information

8.1 The Franchisor has expended, and continues to expend, significant time and resources developing, in connection with the Franchisor System, certain brand standards, customer

information, guidelines, programs, devices, methods, techniques, and processes that are not generally known to the public ("Confidential Information"). Confidential Information includes, but is not limited to: (i) the Franchisor's LMS, Operations Manuals, forms, the information contained and compiled therein, and the updates and memoranda thereto; (ii) training information and methodology; (iii) advertising plans and methodology; (iv) names of agents, suppliers, and customers, and their requirements, specifications, and preferences; (v) the contractual arrangements with agents, suppliers, and customers, and their requirements, specifications, and preferences; (vi) the contractual arrangements with agents, suppliers, and customers; (vii) the financial details (including, but not limited to, credit and discount terms) of relationships with agents, suppliers, or customers; (viii) the names of prospective customers and their requirements, specifications, and preferences; (ix) the Franchisor's software; (x) information concerning and presented at Franchisor meetings; (xi) security access information; (xii) information provided through initial and ongoing specialized training; and (xiii) the Franchisor's business plans and strategies, names of agents, suppliers, and customers, and their requirements, specifications, and preferences.

8.2 The Franchisee acknowledges that the Franchisor owns all proprietary rights in and to the Confidential Information in its entirety, and that the Confidential Information constitutes the Franchisor's confidential trade secrets. All such information, whether or not denoted, labeled, or marked as confidential, and whether or not compiled or developed by you (including your officers, directors, or employees), will be and remain the exclusive property of the Franchisor. Without the Franchisor's prior written consent, the Franchisee shall not disclose the Confidential Information to any person, except to the Franchisee's employees for purposes solely related to operating the Franchise, nor shall the Franchisee reprint or reproduce any Confidential Information, in whole or in part, except as necessary for employee instruction. The Franchisee acknowledges that all Confidential Information provided to the Franchisee, its principals, or its employees will at all times remain the property of the Franchisor.

8.3 The Franchisee shall take all necessary precautions to ensure that neither it nor its employees disseminate the Confidential Information to the public.

8.4 The Franchisee acknowledges that any materials, concepts, processes, or improvements developed by the Franchisee, its principals, or its employees in the operation or promotion of the Franchise will at all times remain the property of the Franchisor. The Franchisee agrees to promptly provide the Franchisor with notice of, and all necessary information relating to, any such developments.

SECTION 9: Insurance

9.1 Upon signing a lease or purchasing the Restaurant premises, the Franchisee must obtain and maintain in effect, at its sole cost and expense, all insurance required by applicable federal, state, and local law, and no less than the following coverage types and minimum limits:

Type of Insurance	Limits
Business Automobile Liability, including owned, hired and non-owned automobile insurance	$1,000,000 (per occurrence)

"3-D" Comprehensive Crime Insurance / Employee Dishonesty	$300,000 (per occurrence)
Building and Personal Property Coverage	$1,000,000 (per occurrence & aggregate)
Commercial General Liability	$1,000,000 (per occurrence) $2,000,000 (general aggregate)
Comprehensive General Liability	$5,000,000 (per occurrence & aggregate)
Cyber Liability / Data Privacy Insurance	$2,000,000 (per occurrence & aggregate)
Employment Practices Liability Insurance	$1,000,000 (per occurrence) $2,000,000 (aggregate)
Excess or Umbrella Insurance	$10,000,000 (per occurrence & aggregate)
Liquor Liability Insurance	$10,000,000 (per occurrence & aggregate)
Workers Compensation Insurance	Statutory limits
Insurance Required Under Applicable Law	As required by state or locality

The Franchisor reserves the right to require increased limits or additional coverages if the Franchisee owns or operates multiple locations, or if otherwise commercially reasonable or required by local, state, or federal law.

9.2 The Franchisee must comply with the following requirements for all insurance policies:

9.2.1 Within 30 days of signing a lease or purchasing the Restaurant premises, obtain all required insurance policies from an approved insurance provider with an A.M. Best Rating of "A V" or better and an A.M. Best Class Rating of VIII or higher.

9.2.2 Provide evidence of premium payment and duplicate copies of all policies to the Franchisor no less than 30 calendar days prior to opening for business and/or 30 calendar days prior to the expiration of an existing policy. Upon request, provide a binder, declarations page, or confirmation of coverage.

9.2.3 All policies must be in effect on or before the date the Franchise begins servicing customers.

9.2.4 Policies must require the insurer to give the Franchisor at least 30 calendar days' written notice prior to cancellation or material changes.

9.2.5 Name the Franchisor and any designated parties as additional insureds, on a primary basis, with no requirement for contribution from the Franchisor or its designees. For Comprehensive General Liability and Excess or Umbrella Insurance, additional insured status must apply to both ongoing and completed operations coverage.

9.2.6 Policies must include a waiver of subrogation in favor of the Franchisor and its officers and directors.

9.2.7 We must approve all deductible limits. Deductibles, self-insured retentions, or similar provisions must not exceed $25,000 unless we grant written consent.

9.3 Specific policy requirements:

9.3.1 Business Automobile Liability must cover owned, non-owned, and hired vehicles, including for delivery and catering services.

9.3.2 3-D Crime Insurance must provide coverage for inside crime, outside crime, and employee dishonesty.

9.3.3 Building and Personal Property must cover leasehold improvements, equipment, fixtures, and personal property, with replacement cost coverage, 12 months of business interruption coverage (including royalty fees), and coverage for food spoilage, equipment breakdown, debris removal, pollutant cleanup, fire department service charges, newly acquired property, and business ordinances.

9.3.4 Commercial General Liability must be occurrence-based, include products and completed operations, and have no exclusions or sublimits for assault and battery. It must also include contractual liability, independent contractors, and premises operations endorsements.

9.3.5 Umbrella Liability must provide coverage over general liability, liquor liability, automobile liability, and employer's liability, with higher limits possible for multi-unit operators.

9.3.6 Liquor Liability must apply to all operations and activities within the Restaurant, include the Franchisor as additional insured, and extend beyond vicarious liability.

9.3.7 Cyber Liability/Data Privacy must include first-party and third-party coverage for forensic investigations, customer notifications, credit monitoring, loss of business income, crisis management, and liability from operations.

9.3.8 Employment Practices Liability must include third-party claims and wage and hour defense costs. Higher limits may be required for multi-unit operators. If an additional insured endorsement is unavailable, a vicarious liability endorsement is required.

9.3.9 Workers' Compensation must comply with applicable laws, or if using an alternative plan, maintain a $1,000,000 excess indemnity limit and an employee risk management program.

9.4 If the Franchisee fails to obtain or maintain the required insurance, the Franchisor may, but is not obligated to, purchase such insurance and add the premiums paid to the Franchisee's Administrative Fees. The Franchisor may cease administering such insurance coverage with 10 calendar days' written notice to the Franchisee.

9.5 If state or local laws require additional insurance, the Franchisee must obtain such coverage.

9.6 Insurance limits may be increased, or new coverages required, if federal, state, or local law changes or operational circumstances dictate.

SECTION 10: Real Estate Arrangements, Rent, and Occupancy

10.1 Franchisee acknowledges that Franchisor may own, lease, or otherwise control the real

estate on which the Restaurant is located. Franchisee shall execute and deliver, in the form and manner required by Franchisor, all documentation that Franchisor deems necessary or appropriate in connection with such premises, including without limitation: leases, subleases, assignments, estoppel certificates, nondisturbance agreements, subordination agreements, personal guarantees, and any other instruments reasonably required to secure Franchisee's occupancy. Franchisee shall execute such documents within 10 calendar days of request, and failure to do so shall constitute a material breach of this Agreement. Franchisee further agrees to cooperate with Franchisor in taking any actions necessary to facilitate or maintain Franchisor's interest in the property, including providing any information reasonably requested by Franchisor in connection with lease compliance, financing, or governmental approvals.

10.1.1 If Franchisor owns both the land and building, Franchisee shall pay a Monthly Base Rent equal to the product of a finance factor applied to Franchisor's total investment in the acquisition and development of the land and building. The finance factor is intended to generate an appropriate return on Franchisor's capital investment and may be adjusted by Franchisor from time to time on a system-wide basis.

10.1.2 If Franchisor leases the land and/or building from a third party, Monthly Base Rent shall include a finance factor applied to (i) Franchisor's total investment in the acquisition and development of the premises, and (ii) any rent paid by Franchisor to the landlord in the first lease year.

10.1.3 Franchisee shall pay Monthly Base Rent on or before the 10th calendar day of each month during the Term, without notice, demand, offset, or deduction.

10.2 For sites leased by Franchisor from third parties, Franchisee shall pay Pass Thru Rent on a monthly basis, in addition to Monthly Base Rent. Pass Thru Rent includes: (a) Any rent escalations or other lease-related cost increases charged to Franchisor that exceed the rent charged in the first lease year; and (b) Any lease-related costs in any renewal term of the Franchise Agreement that exceed the average lease costs paid during the previous term of the Franchise Agreement. Franchisor shall not apply a finance factor to Pass Thru Rent. All Pass Thru Rent shall be due and payable on or before the 10th calendar day of each month in which such escalations are in effect.

10.3 Franchisee shall have no right, title, or interest in or to the premises other than the temporary right to occupy such premises under a lease or sublease expressly granted by Franchisor. Franchisee shall not record this Agreement or any memorandum thereof without Franchisor's prior written consent. Franchisee may not assign, sublease, license, or otherwise transfer its interest in the premises without Franchisor's express written approval. Any attempted transfer shall be void and shall constitute a material default.

10.4 Franchisor reserves the right to relocate the Restaurant to another site within the Designated Area in the event of: (i) termination or expiration of the lease or sublease; (ii) condemnation or governmental taking; (iii) material damage or destruction to the premises; or (iv) circumstances that render continued occupancy commercially unreasonable. In such case, Franchisor shall identify a new site meeting its then-current site selection criteria and shall cooperate with Franchisee in facilitating relocation. Franchisor shall not be responsible for relocation costs or lost profits, except to the extent required by law or stated in a separate written agreement.

10.5 Franchisee shall vacate the premises immediately upon expiration or earlier termination of the Franchise Agreement. Any continued occupancy shall be considered unlawful and shall constitute a material breach of this Agreement. Franchisee shall be liable for all damages resulting from its failure to vacate, including consequential damages and reasonable attorneys' fees.

10.6 Franchisee's failure to pay any rent, Pass Thru Rent, or other sums due under a lease, sublease, or other occupancy agreement with Franchisor or its affiliate shall constitute a material breach of this Agreement. Similarly, Franchisee's breach of this Agreement shall constitute a default under any such occupancy agreement, entitling Franchisor to exercise all rights and remedies available under both agreements.

10.7 Franchisee shall indemnify, defend, and hold harmless Franchisor and its affiliates from and against any loss, liability, claim, damage, cost, or expense (including reasonable attorneys' fees) arising from Franchisee's breach of any lease, sublease, or related occupancy agreement. This includes, but is not limited to, damage to the premises, failure to comply with lease obligations, and holdover after termination.

10.8 Franchisee expressly waives any claim to possession of the premises upon expiration or termination of the Franchise Agreement or any related occupancy agreement. Franchisee shall not contest any eviction, re-entry, or repossession action initiated by Franchisor or its landlord, and waives any notice requirements to the extent permitted by law.

10.9 If Franchisor leases the premises from a third party, Franchisee's rights to occupy the premises shall be subject and subordinate to the lease between Franchisor and its landlord. Franchisee shall not take any action that causes Franchisor to be in breach of its lease. If required by Franchisor, Franchisee shall enter into a written subordination, nondisturbance, and attornment agreement (SNDA) with Franchisor's landlord. Franchisee acknowledges that Franchisor may assign its interest in the underlying lease, and in such event, Franchisee shall attorn to any successor lessor upon written request.

10.10 Franchisor may, in its sole discretion, assign or transfer its interest in any lease or sublease with Franchisee to a third party, including a lender, purchaser, successor franchisor, or landlord. Franchisee hereby consents to any such assignment and agrees to recognize and perform its obligations in favor of the new party without further consent or documentation. Franchisee shall have no right to withhold, delay, or condition its consent to a proposed assignment of Franchisor's interest in the premises.

10.11 Franchisee shall, at its sole cost, maintain the premises in clean, safe, and operable condition, in accordance with the standards set forth in the Operations Manual and in any applicable lease or sublease. Franchisee shall promptly perform all repairs, replacements, and maintenance required by Franchisor or the landlord. Franchisee shall not commit or permit any waste, damage, or unlawful use of the premises. If Franchisee fails to maintain the premises to Franchisor's satisfaction, Franchisor may perform such maintenance and bill the cost to Franchisee, payable upon invoice.

10.12 Franchisee shall be solely responsible for the payment of all utilities and charges assessed in connection with the operation of the Restaurant, including but not limited to water, gas,

electricity, trash removal, janitorial services, internet access, and telecommunication services. In addition, Franchisee shall pay all real estate taxes, special assessments, and governmental charges attributable to the premises, if such amounts are not included in rent. If assessed directly against Franchisor, such amounts shall be invoiced to Franchisee and paid upon demand.

10.13 Franchisee shall not use or store any hazardous materials at the premises except as is customary for a restaurant and in compliance with applicable law. Franchisee shall comply with all environmental laws and regulations and shall not cause any environmental contamination of the premises. Franchisee shall indemnify Franchisor against all losses, liabilities, or claims arising from Franchisee's environmental violations or discharges on or near the premises.

10.14 If the premises are damaged by fire or other casualty, Franchisor shall determine, in its sole discretion, whether the premises shall be repaired, reconstructed, or abandoned. If Franchisor elects not to restore the premises, this Agreement and any related lease shall terminate without further liability.

10.15 If all or a substantial portion of the premises is taken by eminent domain or condemnation, Franchisor may terminate this Agreement upon notice to Franchisee. Franchisee shall have no claim to any condemnation award or insurance proceeds, all of which shall belong solely to Franchisor.

10.16 At Franchisor's request, Franchisee shall provide any estoppel certificate, acknowledgment, or similar confirmation reasonably requested by Franchisor or its landlord, certifying that no default exists, identifying current rent and lease terms, and confirming other material lease provisions. Franchisee waives all claims and defenses arising from any act or omission of the landlord, including any failure to enforce lease rights or maintain common areas.

10.17 Franchisor and its designees shall have the right to enter the premises at any time, with or without notice, to inspect the condition of the premises, ensure compliance with System standards, or show the premises to prospective tenants, lenders, purchasers, or governmental authorities. Franchisee shall not interfere with such access and shall cooperate as reasonably requested.

10.18 If Franchisor has provided any financial assistance, tenant improvement allowance, or construction support in connection with the buildout or renovation of the premises, Franchisee agrees to repay such amounts in full upon (i) termination or expiration of this Agreement, or (ii) an uncured default lasting more than 30 days. Such repayment obligation shall survive termination and may be offset against any sums owed by Franchisor to Franchisee.

10.19 All fixtures, improvements, and alterations installed by or on behalf of Franchisee in or on the premises (other than trade fixtures not affixed to the premises) shall become the property of Franchisor or its landlord upon installation, without compensation to Franchisee. Franchisee shall not remove any such items without Franchisor's prior written consent. Upon expiration or termination of this Agreement, Franchisor may require Franchisee to remove all improvements and restore the premises to its original condition (ordinary wear and tear excepted), at Franchisee's sole expense.

10.20 Franchisee shall not make or permit any alterations, additions, or improvements to the premises without Franchisor's prior written consent. Any authorized modifications shall be

performed in a good and workmanlike manner, in compliance with all applicable laws and the Operations Manual. Franchisee shall provide Franchisor with plans and specifications for any proposed modifications, and Franchisor may require use of specific contractors or vendors. All work must be completed within the time frame designated by Franchisor.

10.21 Franchisee shall use the premises exclusively for the operation of the Restaurant under the System and for no other purpose. Franchisee shall not permit any unrelated business activity on the premises or use any portion of the premises for residential, storage, or non-restaurant purposes without Franchisor's prior written approval. Franchisee shall not allow the use of the premises by third parties (e.g., shared kitchens, food trucks, or subtenants), and shall not enter into any marketing or co-branding agreements involving the premises without Franchisor's express written consent.

10.22 Franchisee shall install and maintain exterior and interior signage in accordance with the specifications provided in the Operations Manual and subject to Franchisor's prior written approval. Franchisee shall obtain and maintain all necessary signage permits and shall ensure that signage remains in good condition throughout the Term. If required by Franchisor or the landlord, Franchisee shall remove or modify signage upon expiration or termination of this Agreement or upon remodeling of the premises.

10.23 Franchisee shall ensure that its use of any parking or common areas complies with all terms of the underlying lease and does not interfere with neighboring tenants or public access. Franchisee shall not allow unauthorized vehicles, deliveries, or activities in designated parking areas and shall promptly address any violations brought to its attention. Franchisee shall cooperate with Franchisor or the landlord in enforcing common area rules and maintaining safe, clean, and accessible shared spaces.

10.24 If Franchisee fails to perform any obligation under the lease, sublease, or related occupancy agreement, Franchisor may, but is not required to, perform such obligation on Franchisee's behalf. Franchisee shall reimburse Franchisor for all costs incurred, including attorneys' fees, interest, penalties, and any amounts paid to the landlord or third parties. Franchisee agrees that Franchisor's right to cure does not create a duty to do so and shall not limit Franchisor's other remedies under this Agreement.

10.25 Unless Franchisor expressly agrees otherwise in writing, the term of any lease, sublease, or occupancy agreement shall not extend beyond the Term of this Franchise Agreement (including any renewal periods actually exercised). Franchisee shall not negotiate any lease extension or modification that conflicts with this Agreement. Any renewal, extension, or modification of the lease must be coordinated with and conditioned upon renewal or modification of the Franchise Agreement. If Franchisee remains in possession of the premises after termination or nonrenewal of this Agreement, Franchisor shall have the right to terminate the lease or sublease without liability.

10.26 Upon expiration or termination of this Agreement, Franchisor shall have the right to enter the premises, without notice, to remove any proprietary materials, signage, confidential documents, marketing collateral, and equipment bearing the Marks. Franchisee shall not interfere with such removal and shall grant access to Franchisor or its designees during normal business

hours or at such times as Franchisor deems necessary. Franchisee shall also cooperate in the de-identification of the premises, including repainting, removing trade dress, and discontinuing use of any proprietary trade features.

10.27 If Franchisor identifies the site and negotiates the terms of the head lease or sublease directly with the landlord, Franchisee agrees that Franchisor may do so as Franchisee's agent or representative. Franchisee waives any conflict of interest in this regard and shall be bound by the resulting lease terms. Franchisee shall not attempt to renegotiate, dispute, or interfere with such lease terms except as expressly permitted by Franchisor in writing.

10.28 If Franchisee's use of the premises is materially hindered by an event of force majeure (including fire, flood, earthquake, civil unrest, public health orders, or other causes beyond the reasonable control of Franchisee), then Franchisee may request a temporary abatement of Monthly Base Rent, subject to Franchisor's approval and applicable lease terms. Any rent abatement shall be conditioned upon: (i) Franchisee providing prompt written notice of the event, (ii) Franchisee's continued good faith efforts to resume operations, and (iii) Franchisor's ability to obtain similar relief from the property owner. Nothing in this provision shall excuse Franchisee from paying Pass Thru Rent, taxes, utilities, or other charges unless expressly agreed in writing.

10.29 Franchisee shall not permit any lien, claim, or encumbrance to be filed against the premises as a result of work performed or materials supplied at Franchisee's request. If any such lien is filed, Franchisee shall promptly cause it to be discharged or bonded over within 10 calendar days of notice. Franchisee shall ensure that all contractors and subcontractors sign lien waivers in favor of Franchisor and its landlord prior to commencing work on the premises and again upon final payment. Franchisor shall have the right to review and approve all contracts for significant improvements or alterations.

10.30 If the landlord or property owner offers to sell the premises or its interest in the lease, Franchisor shall have a right of first refusal to acquire such interest on the same terms. Franchisee shall not acquire the property or lease interest unless Franchisor waives its right in writing. If Franchisee acquires the property without such waiver, Franchisor may terminate the Franchise Agreement or require the immediate sale or transfer of the premises to a third party.

10.31 If the landlord provides a tenant improvement allowance or any other financial incentive in connection with buildout or renovation of the premises, Franchisor reserves the right to: (i) Receive and administer such funds directly, (ii) Apply the funds to specific budget categories (e.g., kitchen equipment, HVAC, ADA upgrades), and (iii) Require documentation of all costs before disbursing funds to Franchisee. If Franchisee receives funds directly, Franchisee shall use such funds solely for approved project costs and shall return any unused amounts to Franchisor or the landlord.

10.32 If the premises are subject to demolition, major renovation, or a change of use by the landlord that materially impairs continued operation of the Restaurant, Franchisor may: (i) Relocate the Restaurant to another site within the Designated Area, (ii) Terminate the Franchise Agreement without liability, or (iii) Negotiate a temporary relocation or suspension of operations. Franchisee shall cooperate fully with any such transition and shall have no right to damages or compensation except as required by law or agreed in writing.

10.33 If the Franchise Agreement is terminated early due to Franchisee's default, Franchisor may accelerate all unpaid Monthly Base Rent and Pass Thru Rent for the remaining Term of the Franchise Agreement or lease, discounted to present value at 6% per annum. This provision shall not limit Franchisor's right to recover additional damages or enforce other remedies, including re-entry and eviction.

10.34 Franchisee shall not operate any restaurant or food-service business at the premises after the expiration or termination of this Agreement unless: (i) The Franchisor expressly consents in writing, and (ii) The new business does not offer seafood or related menu items, as determined by Franchisor in its sole discretion. This restriction shall survive expiration or termination and shall be enforceable through injunctive relief and liquidated damages as specified in this Agreement.

10.35 If required by Franchisor, Franchisee shall request that the landlord include in the lease an exclusive use provision restricting other tenants from operating seafood restaurants or other competing businesses within the same center or complex. Franchisee shall not waive or modify any exclusivity or radius restrictions without Franchisor's written approval. Franchisee shall promptly notify Franchisor of any known violations or breaches by third parties.

10.36 If the Restaurant is located within a multi-tenant development or shopping center, Franchisee shall: (i) Obtain and maintain rights to prominent exterior signage, subject to landlord and municipal approval, (ii) Request inclusion on all monument signs, pylon signs, or directory signage available to tenants, and (iii) Ensure that all signage complies with System standards and includes approved branding elements. Franchisee shall not display any signage that references any other brand, concept, or product not approved by Franchisor. Franchisor may require removal of non-compliant signage at Franchisee's expense.

10.37 If Franchisee negotiates a lease subject to cotenancy requirements (e.g., requiring a specified anchor tenant to remain open), such clauses must be disclosed to Franchisor and approved in advance. Franchisee shall not rely on the failure or closure of any cotenant to justify non-performance, abatement of rent, or termination of the Franchise Agreement unless Franchisor has expressly agreed to such a clause in writing.

10.38 Franchisee shall notify Franchisor if the landlord or property manager proposes to lease adjacent or nearby premises to a business that may conflict with the System's brand identity, including but not limited to: (i) Other seafood-focused restaurants, (ii) Cannabis dispensaries, (iii) Adult entertainment establishments, (iv) Discount dollar stores, and (v) Tattoo parlors, pawn shops, or gambling operations. Franchisee shall cooperate in opposing such uses to the extent permitted under its lease or local zoning ordinances.

10.39 Franchisee shall implement pest control and sanitation programs that comply with the Operations Manual, local health regulations, and any requirements of the landlord. Franchisee shall: (i) Contract with a licensed pest control provider for monthly inspections and treatments, (ii) Maintain logs and service records, and (iii) Promptly address any infestations or violations. If Franchisor determines that Franchisee has failed to maintain acceptable conditions, Franchisor may arrange for sanitation or pest control services at Franchisee's expense.

10.40 Franchisee shall operate the Restaurant in a manner that does not create an unreasonable

disturbance to neighboring tenants or properties. Franchisee shall: (i) Comply with local noise ordinances and landlord-imposed quiet hours, (ii) Limit amplified music or loud mechanical equipment to permitted hours, and (iii) Prevent odors, fumes, or smoke from escaping the premises in a manner that impacts others. Repeated violations may constitute a default under this Agreement.

10.41 Franchisee shall not block access to utility lines, shut-off valves, or building systems servicing other tenants. In the event of a utility failure affecting the premises, Franchisee shall immediately notify Franchisor and the landlord. Franchisor and the landlord shall have the right to enter the premises in the event of an emergency, utility disruption, fire, or safety hazard without prior notice.

10.42 Following any natural disaster, fire, or other catastrophic event that renders the premises partially or wholly unusable, Franchisee shall: (i) Notify Franchisor within 24 hours, (ii) Preserve any undamaged portions of the Restaurant to the extent safe and feasible, (iii) Cooperate with insurance adjusters, landlords, and contractors, and (iv) Comply with any restoration plans approved by Franchisor. Franchisee shall not abandon the premises or cease operations for more than 30 calendar days without Franchisor's written consent, except as required by law or due to physical inaccessibility.

10.43 In jurisdictions with strong commercial tenant protections or notice requirements (e.g., California, New York, Illinois), this Agreement shall be interpreted and modified to comply with applicable laws, including: (i) Providing required statutory notices for rent increases or lease modifications; (ii) Adhering to state-specific timelines for eviction proceedings; and (iii) Adjusting indemnification or limitation of liability clauses to the extent required by law. Franchisee waives any rights not expressly required by law that would delay enforcement of Franchisor's remedies following breach of any lease or occupancy terms.

10.44 If Franchisee owns or purchases the premises where the Restaurant is operated:

10.44.1 Franchisee agrees that during the Term and for a period of 2 years following the expiration or termination of this Agreement (regardless of cause), Franchisee shall not operate, or permit any third party to operate, any restaurant or food-service business at the premises that offers seafood-focused menu items or any concept confusingly similar to the System, as determined by Franchisor in its sole discretion.

10.44.2 Franchisee shall not modify the premises in a manner that materially alters the System trade dress or reduces visibility or accessibility without Franchisor's prior written approval.

10.44.3 Upon Franchisor's request, Franchisee shall execute and record a restrictive covenant or similar instrument encumbering the premises, which (i) limits competitive use, (ii) restricts signage and branding post-termination, and (iii) grants Franchisor a right of first refusal as described herein. This covenant shall run with the land and survive transfer of the property.

10.45 If Franchisee intends to sell, transfer, or otherwise convey its ownership interest in the premises, Franchisee must provide written notice to Franchisor at least sixty (60) calendar days in advance, including: (i) The proposed purchaser, (ii) Purchase price and terms, and (iii) A copy of the purchase agreement. Franchisor shall have the right, but not the obligation, to match the

purchase terms and acquire the premises. If Franchisor exercises its ROFR, Franchisee shall proceed with closing on the same terms and timeframe. If Franchisor waives the right or does not respond within the required period, Franchisee may proceed with the sale, but only to the identified buyer and on the stated terms. Any change in material terms or purchaser shall require new notice and restart the ROFR period.

10.46 Upon termination or expiration of this Agreement, Franchisee shall: (i) Remove all signage, branding, and trade dress from the premises, (ii) Repaint and renovate the premises as needed to eliminate customer association with the System, (iii) Refrain from using or licensing any distinctive architectural or interior elements associated with the System. If Franchisee fails to timely comply, Franchisor may enter the premises and perform such de-identification at Franchisee's expense. Franchisee acknowledges that continued use of System elements post-termination, even in a modified form, may result in irreparable harm to Franchisor, and Franchisor shall be entitled to injunctive relief.

10.47 If Franchisee is authorized to operate the Restaurant within a shared or co-located space (e.g., food court, sports arena, airport, ghost kitchen facility):

10.47.1 Franchisee shall not share storage, prep space, or staffing with any other brand or concept without Franchisor's written consent.

10.47.2 Franchisee shall ensure that customers experience a consistent and branded interaction that reflects the System, including dedicated signage, uniforms, menus, and point-of-sale systems.

10.47.3 Franchisee shall not cross-promote, bundle, or offer co-branded products or services with any other concept unless pre-approved by Franchisor in writing.

10.48 If Franchisor approves the operation of a temporary, seasonal, or pop-up Restaurant location:

10.48.1 Franchisee shall obtain all applicable permits and short-term occupancy agreements consistent with health and zoning regulations.

10.48.2 Franchisee shall ensure that the site meets System appearance standards and install temporary signage, furnishings, and fixtures in a manner that does not diminish brand integrity.

10.48.3 All obligations of this Agreement shall apply to the temporary location unless explicitly waived in writing by Franchisor. Use of the Marks at such locations without express written approval shall constitute a material default.

10.49 If Franchisee incurs significant costs in constructing or renovating the premises (whether owned or leased), such costs shall not create any entitlement to renewal, extended use, or reimbursement by Franchisor. Franchisee assumes the risk that such costs may not be recovered during the Term. Any unamortized investment or tenant improvements shall be the sole responsibility of Franchisee unless a separate agreement states otherwise.

10.50 If Franchisee pledges, mortgages, or otherwise encumbers the premises to secure financing, Franchisee shall: (i) Notify Franchisor of such encumbrance, (ii) Provide copies of all relevant

loan or security agreements, and (iii) Ensure that any lender agrees in writing to subordinate its interest to Franchisor's rights under this Agreement, including access to the premises and de-identification rights upon termination. Any foreclosure or forced sale of the premises shall not excuse Franchisee's performance under this Agreement or transfer franchising rights to the successor without Franchisor's express approval.

SECTION 11: Ownership and Management of the Franchise

11.1 Franchisee shall identify on the Cover Page of this Franchise Agreement an owner of the Franchisee holding not less than a 25% ownership interest in the Franchise as the "Franchise Manager."

11.2 The Franchise Manager shall have full authority to speak for and bind the Franchisee in all matters relating to the operation of the Franchise.

11.3 Franchisee, through all of its owners, warrants to Franchisor that Franchisor may rely upon the authority of the Franchise Manager unless and until Franchisee notifies Franchisor in writing, signed by a majority of the owners of the Franchisee, that a different owner holding not less than a 25% ownership interest in the Franchise has been designated as the Franchise Manager.

11.4 Franchisee shall identify, in an attachment to this Franchise Agreement, the names and other required information for all Principals of the Franchisee. Franchisee certifies and warrants that all owners, spouses of owners, and all persons who are a shareholder, member, manager, partner, officer, or director of any entity owning an interest in the Franchisee: (i) are listed in the Principals attachment to this Franchise Agreement; (ii) will execute the Principal Guaranty attached to this Franchise Agreement; and (iii) will execute such other documents as Franchisor may reasonably require.

11.5 The Franchisee and the Franchise Manager each attest that all Principals of the Franchisee have reviewed the Franchise Disclosure Document, this Franchise Agreement, and all attachments; have had the opportunity to consult with their own legal counsel; and agree to be bound by the terms set forth in this Franchise Agreement and the Principal Guaranty attached hereto.

SECTION 12: Suppliers, Equipment, Supplies, and Inventory

12.1 The Parties incorporate by reference all Operations Manuals then in effect, and as modified from time to time, in this Franchise Agreement.

12.2 To ensure consistency of quality, to maintain brand standards, and for Franchisee to satisfactorily perform its services to customers, Franchisee must purchase or lease certain fixtures, furniture, equipment, computer and audio-visual systems, interior and exterior signage, graphics, décor, restaurant design consulting services, general contractor services, engineering services, architect services, audio-visual installation services, music and music video services, food products and ingredients developed by or for Franchisor pursuant to a special recipe, formula, or specifications, beverages, uniforms, memorabilia, merchandise, advertising materials, printed promotional materials, gift certificates, stationery, contracts, forms, bags, packaging, and supplies

bearing the Marks, and all other goods and/or services as Franchisor may require, in accordance with the specifications and standards set forth in the Operations Manual or other written directives from Franchisor.

12.3 Franchisee must purchase such goods and services either from Franchisor, its affiliates, or from suppliers that Franchisor has approved or designated in writing. Franchisee may not contract with any alternative suppliers for these products and services, and Franchisor will not issue specifications for these proprietary items.

12.4 For products and services that are not proprietary or restricted to designated suppliers, Franchisee may request to use an unapproved supplier by submitting a written request for approval, together with all information required by the Operations Manual. Franchisee may not purchase from the proposed supplier until Franchisor has given prior written approval. Franchisor may require product samples, supplier specifications, and facility inspections (including at an independent laboratory) to determine whether the product or service meets Franchisor's standards and specifications and whether the supplier satisfies Franchisor's criteria.

12.5 Franchisor may condition supplier approval on factors including, but not limited to: product quality; pricing; consistency and reliability; financial stability; labor relations and client relations; delivery frequency; concentration of purchases; and service standards, such as prompt attention to complaints. Franchisor may re-inspect any approved supplier and revoke its approval if it fails to continue to meet these standards.

12.6 Franchisee must reimburse Franchisor for all costs incurred in the supplier approval process, including inspections and testing. Franchisor will notify Franchisee of its approval or disapproval of a proposed supplier within 30 to 180 calendar days, depending on the type of product or service.

12.7 Franchisee may purchase items and services for which Franchisor has not identified approved suppliers from any supplier, provided that such items and services meet Franchisor's specifications, which may include brand requirements. If brand requirements have been identified, Franchisee may purchase and use only approved brands.

12.8 Franchisor may require Franchisee to purchase upgrades, additions, enhancements, or replacements for hardware, software, or audio-visual systems, including any developed and licensed by Franchisor. Franchisee bears full responsibility for acquiring, operating, maintaining, and upgrading the technology system as required by Franchisor.

12.9 Franchisor may change the source of required supplies, equipment, or inventory at any time. If the change requires Franchisee to obtain new items at a cost of less than $1,000, Franchisee must comply immediately. If the cost is $1,000 or greater, Franchisee will have at least 30 calendar days to comply.

12.10 Franchisor may change the specifications for required supplies, equipment, or inventory at any time. If the cost of such change is less than $1,000, Franchisee must comply immediately. If the cost is $1,000 or greater, Franchisee will have at least 30 calendar days to comply.

12.11 If Franchisor determines that any supplies, equipment, or inventory obtained from an

unapproved source do not meet its standards or specifications, Franchisee must immediately discontinue their use. Franchisor is under no obligation to reimburse Franchisee for costs incurred and may charge Franchisee for the costs of testing or inspection.

12.12 Franchisor may, but is not required to, assist Franchisee in arranging financing for equipment, materials, and supplies.

SECTION 13: Billing and Monthly Fees

13.1 Franchisee shall pay the Initial Franchise Fee listed on the Cover Page of the Franchise Agreement as consideration for the expenses incurred by us in training and licensing you under the Franchise Agreement and for lost or deferred opportunities to franchise your business to others ("Franchise Fee"). The parties agree that payment is due in full upon execution of the Franchise Agreement by Franchisee and that Franchisor has earned the Franchise Fee in full upon execution.

13.2 Franchisor shall set the minimum and maximum amounts Franchisee may charge to customers for services and products. Such amounts will be listed in the Operations Manuals and may be in terms of pricing (e.g., $10.00 to $15.00) or in margin (e.g., 20% over cost of goods to 25% over cost of goods).

13.3 For the purposes of the Franchise Agreement, the term "Gross Revenue" means all revenues from the Franchisee business, whether such revenues are evidenced by check, cash, credit, charge account, exchange, or otherwise. There shall be deducted from Gross Revenue the price of goods returned by customers for exchange, provided that such returned goods have been previously included in Gross Revenue, and provided that the sales price of goods delivered to the customer in exchange is included in Gross Revenue. Gross Revenue does not include the amount of any sales tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers, provided that the amount is added to the selling price or absorbed therein and actually paid by the Franchisee to such governmental authority. Each charge or sale upon credit is treated as a sale for the full price in the month during which such charge or sale is made, irrespective of when the Franchisee receives payment (whether full or partial) therefor.

13.4 Franchisee shall pay a monthly Royalty Fee on or before the 10th calendar day of the following month in an amount equal to 5% of the Gross Revenue of the Franchise for the preceding month immediately ended. The Royalty is subject to annual adjustment for increases in the Consumer Price Index and other factors. Franchisor, in its sole discretion, may increase the Royalty Fee by up to 2% per year during the term of the Franchise Agreement.

13.5 Franchisee shall pay a monthly Advertising Fee on or before the 10th calendar day of the following month in an amount equal to 5% of the Gross Revenue of the Franchisee for the preceding month immediately ended. Franchisee agrees that Franchisor, in its sole discretion, may increase the Advertising Fee to up to 7.5% of the Franchisee's Gross Revenue.

13.6 If the Franchisee is past due on the payment of any amount owed to Franchisor under the Franchise Agreement, including accrued interest, the Franchisee shall be required, to the extent permitted by law, to pay interest on the past due amount to Franchisor for the period beginning

with the original due date for payment to the date of actual payment at an annual rate equal to the highest rate allowed by law or, if there is no maximum rate permitted by law, then 18%. Such interest will be calculated on the basis of monthly compounding and the actual number of days elapsed divided by 365.

13.7 Franchisee shall keep and preserve full and complete records of Gross Revenue for at least 3 years in a manner and form satisfactory to Franchisor and shall also deliver such additional financial and operating reports and other information as Franchisor may reasonably request on the forms and in the manner prescribed by Franchisor. Franchisee further agrees to submit, within 90 calendar days following the close of each fiscal year of the Franchisee's operation, a profit and loss statement covering operations during such fiscal year and a balance sheet taken as of the close of such fiscal year, all prepared in accordance with generally accepted accounting principles. The profit and loss statement and the balance sheet shall, if Franchisor requests certification, be certified by a certified public accountant. Franchisee shall, at Franchisee's expense, cause its public accountant and certified public accountant, if any, to consult with Franchisor concerning such statement and balance sheet. The original of each such report required by this Section shall be mailed to Franchisor at its headquarters as listed herein.

13.8 Franchisor shall have the right to inspect and/or audit Franchisee's accounts, books, records, and tax returns at all reasonable times to ensure compliance with the terms of this Franchise Agreement. If such inspection discloses that Gross Revenue actually exceeded the amount reported by Franchisee as Gross Revenue by an amount equal to 2% or more of the Gross Revenue originally reported to Franchisor, Franchisee shall bear the cost of such inspection and audit.

SECTION 14: Term and Renewal

14.1 Subject to the terms below, the Franchise Agreement and the Franchise and related licenses granted by Franchisor shall remain in full force and effect for a period beginning on the Effective Date and ending upon the expiration of the Term, unless terminated earlier pursuant to the terms herein.

14.2 Not less than 6 months and not more than 12 months prior to the expiration of the Term, Franchisee must notify Franchisor in writing of Franchisee's intention to renew the Franchise Agreement.

14.3 Provided Franchisee delivers to Franchisor the required notice and is not in default of the Franchise Agreement, Franchisee shall have the option to renew the Franchise for an additional 15 years.

14.4 As a condition to and at the time of any renewal, Franchisee and all of its Principals must:

14.4.1 Execute Franchisor's then-current Franchise Agreement, which may differ substantially from the Franchise Agreement under which Franchisee has operated, and any other ancillary agreements and documents required by Franchisor.

14.4.2 Execute a general release, in a form prescribed by Franchisor, of any and all claims against

Franchisor, its subsidiaries, and their respective officers, directors, agents, and employees in their corporate and individual capacities, including, without limitation, claims arising under the Franchise Agreement and any federal, state, or local laws, rules, or ordinances.

14.4.3 Pay to Franchisor a renewal fee not to exceed $100,000.

14.5 If Franchisee continues to operate the Franchise without the express written consent of Franchisor following the expiration of the Term of the Franchise Agreement, such continuation shall be construed only as a month-to-month extension, terminable by either Party on 30 calendar days' written notice to the other Party.

14.6 Termination of the Franchise Agreement for any reason by any Party shall terminate all remaining rights of renewal by any and all Principals of Franchisee.

SECTION 15: Assignment of Franchise

15.1 Franchisee shall not assign or otherwise transfer, in whole or in part (whether voluntarily or by operation of law), directly, indirectly, or contingently, any interest in this Franchise without Franchisor's express written consent and then only in accordance with the express limitations of this Section.

15.2 Franchisee shall notify Franchisor in writing of the terms and conditions of any proposed transfer, including but not limited to: the interest proposed to be transferred; the purchase price or other consideration to be received; any credit or financing terms extended by the seller; the date of the proposed transfer; and all other pertinent provisions of the proposed transfer. A copy of all contracts, agreements, memoranda of sale, deposit receipts, letters of intent, side letters, and similar documents must also be forwarded to Franchisor as soon as signed by the proposed seller. Following receipt of all pertinent data and documents concerning the proposed transfer, including any additional information concerning the transaction requested by Franchisor, Franchisor shall have 20 calendar days to advise Franchisee in writing of Franchisor's election to have the interest proposed to be transferred assigned to Franchisor, or to a third party designated by Franchisor, provided that the third party guarantees payments due to the selling Franchisee, on the terms and conditions agreed to by the prospective transferee ("Right of First Refusal").

15.3 If Franchisor elects to exercise, or to assign under payment guarantee, the Right of First Refusal, the Parties shall act expeditiously to complete the transfer, provided that the completion date may be extended at Franchisor's option for up to 30 calendar days.

15.4 If there are any material changes in the terms and conditions of the proposed transfer after Franchisor notifies Franchisee of its election not to exercise its Right of First Refusal, or after the expiration of the time period within which Franchisor may elect to exercise its right, Franchisee shall notify Franchisor in writing of the changes, and Franchisor shall then have an additional 10 calendar days to elect to exercise its Right of First Refusal.

15.5 If the proposed transfer is not completed for any reason within 90 calendar days after Franchisor elects not to exercise or assign its Right of First Refusal, or after the expiration of the time allowed for such election, a new Right of First Refusal shall commence as to that transaction

and any subsequent proposed sales or transfers. Franchisee shall provide Franchisor written notice of any proposed transfer and comply with this Section's requirements.

15.6 Franchisee's notice of proposed transfer must be accompanied, unless exempted, by a non-refundable application fee of $20,000 ("Application Fee"). The Application Fee will be credited toward the Transfer Fee, as defined below, if the transferee is approved, and otherwise forfeited to defray Franchisor's expenses in processing the application. The Application Fee is subject to upward adjustment based on changes in the Consumer Price Index between the date hereof and the date of transfer.

15.7 Subject to Franchisor's Right of First Refusal, Franchisee may transfer or assign any rights under this Agreement upon Franchisor's written consent, which may be conditioned upon:

15.7.1 Franchisor's satisfaction that the proposed transferee (and, if applicable, its officers or partners) meets the character, business experience, creditworthiness, financial strength, and other standards then required of new franchisees, considering the business potential of the unit; Franchisor may withhold consent if, in its sole discretion, the number or quality of units to be transferred, the proposed sales price, or the payment terms may make successful operation unreasonably doubtful.

15.7.2 Full payment of all outstanding debts to Franchisor.

15.7.3 Execution of a general release of all claims against Franchisor and its agents by Franchisee (or the transferor, if different) upon transfer of the entire interest in the Franchise Agreement or a material portion thereof.

15.7.4 Execution by the transferee of the then-current Franchise Agreement.

15.7.5 If the then-current Franchise Agreement is signed by the transferee, no new initial franchise fee shall be required, and the term of the franchise shall be the remaining term under this Agreement.

15.7.6 Payment of the Application Fee.

15.7.7 Payment of the Transfer Fee, as defined below.

15.7.8 Attendance and satisfactory completion by the transferee, and by any employees designated by Franchisor, of Franchisor's training program. If the transferee will replace the Franchise Manager, the transferee must complete training before Franchisor will approve the transfer. If the transferee fails to complete training, the Transfer Fee remains due and payable and is non-refundable. If transfer is allowed before completion of training, Franchisee shall operate the Franchise for the account of the transferee while training is completed.

15.7.9 Execution by Franchisee and transferee of all transfer documents Franchisor requires, including personal guarantees. Unless released in writing, Franchisee shall remain liable for the transferee's obligations.

15.7.10 Franchisee's good standing for compliance with this Agreement and the Operations

Manual before and during the proposed transfer, including curing all curable defaults. No uncured or incurable defaults will be excused.

15.8 If the transfer results in the cumulative transfer of more than 50% of the ownership interests of the original or then-current Franchisee(s), a transfer fee shall be due upon completion ("Transfer Fee") equal to the greater of $20,000, adjusted for CPI changes, or 10% of the total purchase price paid by the transferee.

15.9 If more than 50% of the ownership interests in a corporate or partnership Franchisee are proposed to be transferred by the initial owner(s), and Franchisor elects to purchase under its Right of First Refusal, Franchisor may require holders of the remaining interests to sell their interests to Franchisor on a pro rata basis. This right continues for 1 year after the closing of such a transfer in which Franchisor acquires a majority interest.

15.10 The Right of First Refusal does not apply to an approved transfer to a beneficiary by will or intestate succession, or to a lifetime transfer to a spouse or adult child. However, Franchisor may exercise the Right of First Refusal if the Agreement is proposed to be transferred by the Franchisee's personal representative, guardian, or beneficiary.

15.11 Franchisee's interest may be transferred by will or intestate succession upon death, including the interests of partners or shareholders in an entity Franchisee. If a court determines Franchisee or such an owner is legally incompetent, the court-appointed guardian may transfer the interest as permitted by law. All such transfers remain subject to Franchisor's conditions, including payment of applicable fees, execution of the then-current Franchise Agreement, and the Right of First Refusal, except that no transfer fee is payable for a transfer to a named beneficiary, spouse, or adult child.

15.12 If Franchisor does not approve a beneficiary-transferee under will or intestacy, the estate may sell to a third party approved by Franchisor within 6 months of the appointment of a personal representative, subject to the Right of First Refusal. If no approved transfer is completed within that period, Franchisor may terminate this Agreement.

15.13 Transfer by an individual or partnership to a wholly-owned corporation of the same owners shall not require Franchisor's approval or payment of fees, provided the transferring owners remain personally liable for the corporate Franchisee's obligations. Franchisor may require similar arrangements for transfers to a trust.

15.14 If an individual assigns to a corporation in which they remain majority shareholder and responsible operating officer, and no more than 50% of the ownership interest is cumulatively transferred from the original owners, only the Application Fee is due; the Transfer Fee is waived.

15.15 Transfers among existing shareholders or partners require payment of the Application Fee only, and Franchisor shall not exercise the Right of First Refusal. If one or more owners leave the entity, the Transfer Fee (in addition to the Application Fee) shall not exceed $20,000. Remaining owners must meet Franchisor's qualifications, and Franchisor may require training at the then-current fee. Outgoing owners remain liable unless released in writing.

15.16 Involuntary transfers, such as by legal process, are not permitted, are not binding on

Franchisor, and are grounds for termination. Using the Agreement as loan collateral is prohibited without Franchisor's prior written consent. No subfranchising, licensing, or other grant of rights is permitted.

15.17 If ordered by a court in divorce, dissolution, or similar proceedings to transfer any interest to a spouse, such transfer is subject to all transfer requirements unless both spouses are active Franchisees, in which case the transfer is exempt unless the transferee spouse is not actively engaged in operations.

15.18 Franchisor's consent is further conditioned upon the transferee's execution of an agreement assuming all obligations under this Agreement. Franchisee and each transferor remain jointly and severally liable for such obligations for the full term unless otherwise agreed in writing. Upon transfer, the percentage service fee shall automatically adjust to the then-prevailing rate for comparable franchises.

15.19 Upon sale, assignment, termination, expiration, or transfer, Franchisee shall deliver to Franchisor all property belonging to Franchisor or relating to its business.

15.20 Any transfer without Franchisor's prior written consent is void and constitutes a material breach. This includes transfers of ownership interests, mergers, consolidations, restructurings, and changes in partnership interests. Franchisee shall ensure Franchisor's approval is a condition of any transfer agreement.

SECTION 16: Material Breach of Franchise Agreement

16.1 The parties agree that the occurrence of any of the following events shall constitute a material breach of this Franchise Agreement and violate the essence of Franchisee's obligations. Without prejudice to any other rights or remedies at law or in equity, Franchisor, at its election, may terminate this Franchise Agreement without notice and without an opportunity for Franchisee to cure, upon the occurrence of:

16.1.1 Franchisee is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the property of Franchisee is assigned to or for the benefit of any creditor, or Franchisee admits its inability to pay debts as they become due.

16.1.2 Franchisee abandons the Franchise by failing to operate it for at least 5 consecutive calendar days during which Franchisee is required to operate under this Agreement, or for any shorter period after which it is reasonable for Franchisor to conclude that Franchisee does not intend to continue operating, unless such failure is due to fire, flood, earthquake, or other force majeure.

16.1.3 The parties agree in writing to terminate this Agreement.

16.1.4 Franchisee makes a material misrepresentation relating to the acquisition of the Franchise or engages in conduct materially and adversely affecting the operation or reputation of the Franchise or the System.

16.1.5 Franchisee engages in conduct materially and adversely affecting the operation or reputation of the Franchise or the System, which may include theft by Franchisee or its employees; carelessness with employee or customer safety; repeated failure to correct deficiencies identified by a customer or Franchisor; disparaging Franchisor or the System; cheating on royalties; violating non-compete provisions; using illegal drugs or alcohol, or being inebriated, while on the job; discontinuing service to a customer without Franchisor's consent; or misusing the Marks.

16.1.6 Franchisee fails, for a period of 10 calendar days after notice of noncompliance, to comply with any applicable federal, state, or local law or regulation affecting operation of the Business.

16.1.7 Franchisee repeatedly fails to comply with one or more requirements of this Agreement or the Operations Manuals, whether or not corrected after notice.

16.1.8 The Franchise is seized, taken over, or foreclosed by a government official in the exercise of Franchisee's duties, or by a creditor, lienholder, or lessor of Franchisee, provided that final judgment remains unsatisfied for 30 calendar days (unless a supersedeas or other appeal bond has been filed), or a levy of execution is made upon the Franchise or material Franchise property and not discharged within 5 calendar days.

16.1.9 Franchisee or the Franchise Manager is convicted of any felony or other criminal misconduct relevant to the Franchise.

16.1.10 Franchisee fails to pay any fees or other amounts due to Franchisor or any affiliate, within the time periods required under this Agreement or any other agreement, or within 5 calendar days after notice that such amounts are overdue.

16.1.11 Franchisor reasonably determines that continued operation of the Franchise by Franchisee will result in imminent danger to public health or safety.

16.1.12 Franchisee, after curing any failure in accordance with California Business & Professions Code § 20020, engages in the same noncompliance, whether or not corrected after notice.

16.2 In addition to the grounds for immediate termination in Section 16.1, Franchisor may terminate this Agreement for the following violations if not cured within 30 calendar days after written notice:

16.2.1 Franchisee, after curing any failure in accordance with California Business & Professions Code § 20020, engages in the same noncompliance, whether or not corrected after notice.

16.2.2 Franchisee violates any material term of this Agreement or any other agreement between the parties, including any other unit Franchise Agreement, lease, sublease, Operations Manual, or other agreement with Franchisor or its affiliates.

16.2.3 Franchisee intentionally under-reports gross billings or sales in any amount, or under-reports by more than 3% in any calendar quarter or year, regardless of intent.

16.2.4 Franchisee attempts or purports to transfer or assign all or any part of this Agreement, the Franchise, or any material portion of the real or personal property associated with either, except as

permitted under this Agreement; or attempts or purports to subfranchise or allow an unauthorized third party to use the rights, property, or assets licensed hereunder.

16.2.5 Franchisee loses or has suspended any license necessary to operate the Franchised Business.

16.3 If a breach does not result in immediate termination, Franchisee must correct the default within 30 calendar days after written notice describing the violation and the required corrective action. If Franchisor agrees in writing that more than 30 calendar days are reasonably required to cure, Franchisee shall be given such additional time as is reasonable, provided that corrective action is commenced promptly within the initial 30-day period and is pursued diligently to completion.

16.4 If the principal operator of the Franchise—whether the Franchise Manager or the Franchisee—was the principal operator of another franchise terminated for an uncured default, Franchisor may require that the operator be replaced and have no active role in operating or supervising the Franchise granted under this Agreement. This applies even if the franchises are under different ownership.

16.5 If a default is not cured after notice and within any applicable cure period, this Agreement will terminate without further notice as of the expiration of the cure period.

16.6 At any time prior to completion of initial training, Franchisor may terminate this Agreement in its sole discretion, without providing a reason, by refunding the full amount of the initial franchise fee. If termination is for a reason described in this Section or elsewhere in this Agreement, the applicable termination provisions shall control, and Franchisor shall specify the reason for termination and the section relied upon.

16.7 Upon termination for any reason, Franchisee shall immediately bring all accounts current and cease using all Franchisor trade names, Marks, proprietary software, trade secrets, patents, and other commercial property and symbols; discontinue use of any signs, displays, or materials unique to the System; return the Operations Manual and all other materials obtained from Franchisor; and refrain from representing that it is or ever was an authorized Franchisee.

16.8 Upon termination, Franchisor may, but is not obligated to, purchase from Franchisee any equipment, supplies, or inventory on hand or on order, along with other tangible items used in operating the Franchise. The purchase price will be equal to fair market value, without allowance for goodwill. Terms of purchase will be negotiated at the time of sale.

16.9 Upon termination, Franchisee shall cease using all telephone numbers listed in any directory under Franchisor's name or any confusingly similar name and, upon request, direct the telephone company to transfer such numbers and listings to Franchisor or its designee. Franchisee appoints Franchisor's officers as attorney-in-fact to direct such transfers if Franchisee fails to do so and holds the telephone company harmless for acting on such direction. Franchisee shall immediately assign telephone numbers and customer accounts to Franchisor, cancel any business name registrations indicating affiliation with Franchisor (unless still valid under another agreement), and notify suppliers, creditors, and customers of termination of affiliation. Franchisee shall not use any Franchisor trade secrets or proprietary material after termination.

16.10 Upon termination or non-renewal, Franchisor has the right and option to purchase all shares in any corporate Franchisee at a price equal to the initial franchise fee paid to Franchisor, prorated downward based on the portion of the term remaining.

16.11 In addition to the remedies set forth herein, Franchisor shall have all other remedies available at law or in equity arising from Franchisee's default.

16.12 Upon termination or non-renewal for any reason, Franchisee shall not be entitled to any payment for goodwill or other equity arising from ownership or operation of the Franchise.

16.13 All provisions of this Agreement that by their terms or implication apply after termination shall survive and continue in effect.

SECTION 17: Cost of Enforcement and Indemnification

17.1 If Franchisor institutes any action at law or in equity against Franchisee to secure or protect Franchisor's rights under, or to enforce the terms of, this Agreement, in addition to any judgment entered in its favor, Franchisor shall be entitled to recover reasonable attorneys' fees as may be allowed by the court, together with court costs and expenses of litigation.

17.2 Franchisee shall be solely responsible for the services and results of services provided by Franchisee and shall hold harmless and indemnify Franchisor, including its officers, directors, trustees, shareholders, heirs, executors, administrators, attorneys, successors, assigns, principals, agents, servants, employees, consultants, representatives, parents, owners, brokers, affiliates, subsidiaries, and related entities ("Franchisor Parties"), from any and all claims arising from actions by Franchisee, the customers Franchisee serves, or Franchisee's employees, agents, or representatives, including but not limited to claims of employment or joint employment.

17.3 If any of the Franchisor Parties is subject to a claim, demand, or penalty, or becomes a party to any suit or other judicial or administrative proceeding by reason of any claimed act or omission by Franchisee or Franchisee's employees or agents, or by reason of any act occurring on the Franchise premises, or by reason of an omission in connection with the business or operation of the Franchise, Franchisee shall indemnify and hold the Franchisor Parties harmless against all judgments, settlements, penalties, and expenses, including attorneys' fees, court costs, and other expenses of litigation or administrative proceedings, incurred by or imposed on the Franchisor Parties in connection with the investigation or defense of such claim, litigation, or proceeding.

17.4 In connection with Franchisee's obligation to indemnify and hold harmless the Franchisor Parties, Franchisee shall defend any Franchisor Party named in a lawsuit based on such loss or damage and shall pay all costs and reasonable attorneys' fees associated with such defense. If any Franchisor Party elects to retain its own counsel to defend any such action, Franchisee shall reimburse that Franchisor Party for all reasonable costs and legal fees incurred for such defense. Reimbursement shall be made to Franchisor in a timely manner as such fees are incurred by Franchisor and billed to Franchisee.

SECTION 18: Competition During and After Franchise Agreement

18.1 Pursuant to this Agreement, Franchisor will provide Franchisee with valuable consideration that includes the items generally identified in this Agreement, including but not limited to use of the Franchisor System, Operations Manuals, specialized training, and Confidential Information ("Competitive Information") identified in this Franchise Agreement.

18.2 In consideration of the aforementioned valuable consideration, during the term of this Agreement, Franchisee and all of its Principals agree to the following:

18.2.1 Without the prior written consent of Franchisor, Franchisee and all of its Principals shall not disclose the Competitive Information to any person except employees of Franchisee for purposes related solely to the operation of the Franchise, nor shall Franchisee reprint or reproduce the Competitive Information in whole or in part for any purpose except in connection with instruction of employees in the operation of the Franchise.

18.2.2 Without prior written consent of Franchisor, Franchisee and all of its Principals shall not employ or seek to employ any person who is at the time employed by Franchisor, any of its subsidiaries, or by any person who is at the time operating a Franchise, or otherwise induce, directly or indirectly, such person to leave such employment. This restriction shall not apply if such person has left the employment of the foregoing parties for more than 6 months.

18.2.3 Without prior written consent of Franchisor, Franchisee and all of its Principals shall not, directly or indirectly, engage in, acquire any financial or beneficial interest (including interests in corporations, partnerships, trusts, unincorporated associations, or joint ventures) in, or become a landlord for, any business similar to the Franchise. This restriction shall not apply to ownership of less than 2% of the shares of a company whose shares are listed and traded on a national or regional securities exchange.

18.2.4 Franchisee and all of its Principals shall not do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor, its trademarks, its trade names, or the Franchisor System.

18.3 In consideration of the aforementioned valuable consideration, for a continuous, uninterrupted period of 2 years after the term of this Agreement, commencing upon expiration, termination, assignment, or transfer of this Agreement, regardless of the cause, Franchisee and all of its Principals agree to the following:

18.3.1 Without the prior written consent of Franchisor, Franchisee and all of its Principals shall not disclose the Competitive Information to any person, nor shall Franchisee reprint or reproduce the Competitive Information in whole or in part.

18.3.2 Without prior written consent of Franchisor, Franchisee and all of its Principals shall not employ or seek to employ any person who is at the time employed by Franchisor, any of its subsidiaries, or by any person who is at the time operating a Franchise, or otherwise induce, directly or indirectly, such person to leave such employment. This restriction shall not apply if such person has left the employment of the foregoing parties for more than 6 months.

18.3.3 Without prior written consent of Franchisor, Franchisee and all of its Principals shall not, directly or indirectly, engage in, acquire any financial or beneficial interest (including interests in corporations, partnerships, trusts, unincorporated associations, or joint ventures) in, or become a landlord for, any business similar to the Franchise. This restriction shall not apply to ownership of less than 2% of the shares of a company whose shares are listed and traded on a national or regional securities exchange.

18.3.4 Franchisee and all of its Principals shall not do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor, its trademarks, its trade names, or the Franchisor System.

18.4 Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction over any final decision to which Franchisor is a party and that is not appealed, Franchisee and all of its Principals 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 resulting covenant were separately stated and made a part of this Section.

18.5 Franchisor may, in its sole discretion, reduce the scope of any covenant in this Section without Franchisee's consent, effective immediately upon written notice to Franchisee. Franchisee agrees to comply with any covenant as so modified, which modified covenant shall be fully enforceable notwithstanding any other provision of this Agreement.

18.6 Franchisee agrees that the existence of any claims that Franchisee, the Principals, or Franchisee's employees may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section. Franchisee shall pay all costs and expenses, including reasonable attorneys' fees and all court costs, incurred by Franchisor in connection with the enforcement of this Section.

18.7 Franchisee acknowledges that a violation of any provision of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee acknowledges that the Competitive Information described herein has been developed and compiled through Franchisor's time and effort in the franchising industry. Accordingly, Franchisee agrees that, in addition to Franchisor's remedies at law, Franchisor may seek and obtain preliminary and permanent injunctive relief restraining the breach or threatened breach by Franchisee, and Franchisee consents to the issuance of such an injunction.

18.8 If the Franchise is located outside California, the restrictions on engaging in Competitive Businesses outlined in this Section shall be judged by the law of the state in which the Franchise is located, not by California law, unless the law of such other state at the time enforcement is sought is, in Franchisor's opinion, less favorable to Franchisor than California law.

SECTION 19: Disputes and Dispute Resolution

19.1 Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, including any claim for equitable relief, between or involving Franchisee and

Franchisor, on whatever theory and/or facts based, and whether or not arising out of this Agreement ("Claim" or "Claims"), will be processed in the following manner, except as expressly provided herein:

19.1.1 THE PARTIES AGREE THAT IF ANY CONTROVERSY, DISPUTE OR QUESTION OF INTERPRETATION ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OCCURS, THE PARTIES MUST FIRST PROVIDE WRITTEN NOTICE OF ANY SUCH CONTROVERSY, DISPUTE OR QUESTION OF INTERPRETATION TO THE OTHER PARTY OF THE POTENTIAL CLAIM INCLUDING BOTH THE THEORY AND/OR FACTS UNDERLYING THE CLAIM AND THE FRANCHISEE'S PROPOSAL FOR HOW TO REMEDY SUCH DISPUTE.

19.1.2 THE RESPONDENT SHALL HAVE 30 CALENDAR DAYS FROM RECEIPT OF CLAIMANT'S WRITTEN NOTICE OF POTENTIAL CLAIM TO RESPOND TO RESPONDENT. IF RESPONDENT AGREES WITH CLAIMANT'S PROPOSAL FOR HOW TO REMEDY SUCH DISPUTE, REGARDLESS OF WHETHER THE RESPONDENT AGREES TO THE THEORY AND/OR FACTS UNDERLYING THE CLAIM, RESPONDENT SHALL HAVE THE OPTION TO ACCEPT CLAIMANT'S PROPOSAL FOR HOW TO REMEDY SUCH DISPUTE. UNDER THOSE CIRCUMSTANCES, THE PARTIES SHALL ENTER INTO A SETTLEMENT AGREEMENT WHICH INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING: (I) A RELEASE BY CLAIMANT OF ALL CLAIMS, KNOWN OR UNKNOWN, BY CLAIMANT THROUGH THE DATE OF THE SETTLEMENT AGREEMENT; (II) A PROVISION STATING THAT THE SETTLEMENT AGREEMENT IS THE RESULT OF A COMPROMISE AND SHALL NEVER AT ANY TIME OR FOR ANY PURPOSE BE CONSIDERED AN ADMISSION OF LIABILITY OR RESPONSIBILITY ON THE PART OF THE FRANCHISOR; AND (III) A PROVISION STATING THAT THE SETTLEMENT AGREEMENT, ITS TERMS AND CONDITIONS, AND THE THEORY AND/OR FACTS ARE TO BE HELD IN STRICT CONFIDENCE.

19.1.3 IN THE EVENT THAT RESPONDENT DOES NOT AGREE WITH CLAIMANT'S PROPOSAL FOR HOW TO REMEDY SUCH DISPUTE, RESPONDENT SHALL HAVE THE OPTION OF RESPONDING TO CLAIMANT'S POTENTIAL CLAIM BY SUBMITTING IT TO NON-BINDING MEDIATION IN SAN DIEGO COUNTY, CALIFORNIA, IN A GOOD FAITH EFFORT TO RESOLVE ANY SUCH DISPUTES. THE COSTS FOR SUCH NON-BINDING MEDIATION SHALL BE BORNE EQUALLY AMONG THE PARTICIPANTS WITH EACH PARTY BEARING THE COST FOR THEIR OWN RESPECTIVE ATTORNEYS. IF THE MEDIATION RESULTS IN A SETTLEMENT OF THE CLAIM, THE PARTIES SHALL ENTER INTO A SETTLEMENT AGREEMENT WHICH INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING: (I) A RELEASE BY FRANCHISEE OF ALL CLAIMS, KNOWN OR UNKNOWN, BY FRANCHISEE THROUGH THE DATE OF THE SETTLEMENT AGREEMENT; (II) A PROVISION STATING THAT THE SETTLEMENT AGREEMENT IS THE RESULT OF A COMPROMISE AND SHALL NEVER AT ANY TIME OR FOR ANY PURPOSE BE CONSIDERED AN ADMISSION OF LIABILITY OR RESPONSIBILITY ON THE PART OF THE FRANCHISOR; AND (III) A PROVISION STATING THAT THE SETTLEMENT AGREEMENT, ITS TERMS AND CONDITIONS, AND THE THEORY AND/OR FACTS ARE TO BE HELD IN STRICT CONFIDENCE.

19.1.4 ONLY AFTER THE PARTIES HAVE FULLY PARTICIPATED IN THE MEDIATION MAY ANY PARTY INSTITUTE A SUIT OR OTHER ADVERSARY ACTION AGAINST THE OTHER PARTY. THE PARTIES AGREE THAT ANY SUIT FILED IN DIRECT CONTRADICTION TO THIS SECTION SHALL BE IMMEDIATELY ABATED UNTIL ALL PRE-SUIT DISPUTE RESOLUTION REQUIREMENTS ARE FULFILLED.

19.2 Notwithstanding the foregoing, the parties mutually agree that Franchisor may bring and maintain an action against Franchisee or the Principals in any court of competent jurisdiction, without first providing written notice or submitting to non-binding mediation, for any amounts due to Franchisor under this Agreement or any ancillary agreements between Franchisor and Franchisee, and for any extraordinary relief against threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

19.3 THE PARTIES AGREE THAT ANY DAMAGES SOUGHT BY OR AWARDED TO FRANCHISEE SHALL BE LIMITED TO FRANCHISEE'S TOTAL INVESTMENT WITH FRANCHISOR, AND NO PUNITIVE OR EXEMPLARY DAMAGES WILL BE AWARDED TO FRANCHISEE.

19.4 **THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THIS AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE.**

SECTION 20: Construction of Franchise Agreement

20.1 The submission of this Franchise Agreement does not constitute an offer to license. This Franchise Agreement shall not be binding on Franchisor unless and until it has been fully executed by all of Franchisee's Principals and counter-executed by an authorized officer of Franchisor.

20.2 This Franchise Agreement (including any riders hereto) constitutes the entire agreement between the parties and supersedes all prior and contemporaneous oral or written agreements or understandings between them. Nothing in this Franchise Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee.

20.3 No interpretation, change, termination, or waiver of any provision of this Franchise Agreement shall be binding upon Franchisor unless in writing, signed by an authorized officer or franchising director of Franchisor, and specifically identified as an amendment to this Franchise Agreement.

20.4 No modification, waiver, termination, rescission, discharge, or cancellation of this Franchise Agreement shall affect the right of any party to enforce any claim or right under this Franchise Agreement that accrued prior to the date of such modification, waiver, termination, rescission, discharge, or cancellation.

20.5 All references in this Franchise Agreement to the singular shall include the plural where applicable, and vice versa.

20.6 The numbers and headings of all sections and paragraphs are for convenience only and shall not affect the meaning or interpretation of the provisions themselves.

20.7 **THE PARTIES AGREE AND INTEND THIS INSTRUMENT TO BE EXECUTED, INTERPRETED, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES, AND CALIFORNIA LAW SHALL APPLY TO ALL CLAIMS, DISPUTES, AND DISAGREEMENTS BETWEEN THE PARTIES, WHETHER ARISING FROM ALLEGED BREACHES OF THIS FRANCHISE AGREEMENT OR OTHER CLAIMS ARISING IN ANY WAY FROM THE PARTIES' DEALINGS. JURISDICTION AND VENUE IS DECLARED TO BE EXCLUSIVELY IN SAN DIEGO COUNTY, CALIFORNIA, OR IN THE APPLICABLE UNITED STATES DISTRICT COURT.**

20.8 If any portion of this Franchise Agreement is declared by a court of competent jurisdiction to be invalid, illegal, unconstitutional, or unenforceable, such portion shall be deemed severed from this Franchise Agreement, and the remaining provisions shall remain in full force and effect as if the invalid or unenforceable portion had never been included.

20.9 If any material provision of this Franchise Agreement is stricken or declared invalid, Franchisor reserves the right, in its sole discretion, to terminate this Franchise Agreement.

20.10 No waiver by Franchisor of any breach, or of a series of breaches, of this Franchise Agreement shall constitute a waiver of any subsequent breach or a waiver of any term of this Franchise Agreement.

20.11 The parties agree to execute such other documents and take such other actions as may be reasonably necessary to further the purposes of this Franchise Agreement, with each party to bear its own costs and attorneys' fees for these additional actions.

20.12 This Franchise Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Photocopies, facsimile copies, and scanned originals shall be deemed originals and shall be valid, binding, and enforceable in accordance with their terms.

SECTION 21: Franchisee Representations and Acknowledgements

21.1 Franchisee has all requisite power and authority to operate the Franchise and is duly licensed and qualified to transact business as a foreign entity in all jurisdictions in which the nature of the business it conducts makes such qualification necessary.

21.2 Franchisee shall diligently and fully exploit the rights granted under this Franchise Agreement by personally devoting full time and best efforts to the operation of the Franchise. If more than one individual has executed this Franchise Agreement as the Franchisee, each shall personally devote full time and best efforts to the operation of the Franchise. Franchisee shall

remain free from conflicting enterprises or other activities that would be detrimental to or interfere with the business.

21.3 The term of this Franchise is set forth in the Franchise Summary. No promise or representation is made as to the renewal of this Franchise or the grant of a new franchise.

21.4 This Franchise establishes the Franchise in the territory set forth in the Franchise Summary only, and no "exclusive," "protected," or other territorial rights in the contiguous market area of such Franchise are granted or inferred.

21.5 Franchisor or its affiliates are the sole owners of the Confidential Information, trade secrets, trademarks, trade names, service marks, and goodwill associated therewith, respectively, and Franchisee acquires no right, title, or interest in those names or marks other than the right to use them only in the manner and to the extent Franchisor prescribes and approves.

21.6 Franchisee acknowledges and agrees that Franchisee's name, address, and telephone number will be disclosed, as required by law, in Franchisor's Franchise Disclosure Document during the term of this Agreement and for one or more years following the Agreement's termination, non-renewal, or transfer.

21.7 This Franchise Agreement supersedes any and all other agreements and representations respecting the Franchise and contains all the terms, conditions, and obligations of the parties with respect to the grant of this Franchise. Nothing in this Franchise Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee.

21.8 Franchisee represents that it has received a copy of this Franchise Agreement, has read and understands all obligations being undertaken, and has had at least 7 calendar days prior to execution to consult with its attorney. Franchisee agrees and affirms that Franchisor has not represented Franchisee in negotiating this Franchise Agreement and that Franchisee enters into this Franchise Agreement freely, without duress or coercion, and based on Franchisee's own judgment and wishes.

21.9 This Franchise is offered to Franchisee personally and to no others, and may not be accepted by any other person, partnership, or corporation, or transferred by assignment, will, or operation of law.

21.10 Any notice hereunder shall be in writing and shall be delivered by personal service or by United States certified or registered mail, with postage prepaid, addressed to Franchisee at the address set forth in the Franchise Summary ("Franchisee Address") or to Franchisor at 1010 S. Coast Hwy 101, Encinitas, California 92024. Either party, by similar written notice, may change the address to which notices shall be sent.

21.11 There are no additional contractually obligated services provided by Franchisor to Franchisee except as explicitly set forth in this Franchise Agreement.

21.12 Franchisee acknowledges that neither Franchisor nor anyone purporting to act for Franchisor has made any promises or representations concerning the sales volumes the Franchise

will produce, the profits the Franchisee will make, the Franchise's likelihood of success, or any other matter in connection with the proposed Franchise other than those set forth in this Franchise Agreement and any signed amendments, exhibits, or schedules. If Franchisor or any of its agents has made such promises, Franchisee must ensure that they are set forth in writing in this Franchise Agreement or in an amendment, schedule, or exhibit, and that both Franchisor and Franchisee sign such amendment or exhibit. Franchisor, in granting this Franchise, is relying on Franchisee to ensure that all such matters are reduced to writing and attached to this Franchise Agreement. If Franchisee does not reduce such representations to writing and attach those documents to this Franchise Agreement, Franchisee agrees that it will not be able to rely in any way on such promises or representations and Franchisor will not be bound by them. **FRANCHISEE MUST ENSURE THAT ALL PROMISES AND REPRESENTATIONS FOR PRESENT AND FUTURE RESULTS AND RIGHTS, WHETHER ABSOLUTE OR CONTINGENT, ARE CONTAINED IN THIS FRANCHISE AGREEMENT OR THEY MAY BE FOREVER LOST.**

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have set their hands this

_____ day of_____, 20____.

FRANCHISOR:

FISH SHOP HOLDINGS LLC

DBA THE FISH SHOP

By: _____

FRANCHISEE:

By: _____
Signature of Owner, Partner or Authorized Officer

_____
Print Name

_____
Title

_____
Social Security Number

_____
Federal Tax ID Number

ATTACHMENT ONE: PROMISSORY NOTE

$ _____, Date: _____, 20 ___

FOR VALUE RECEIVED, the undersigned _____ ("Maker"), jointly and severally if more than one, promises to pay to Fish Shop Holdings LLC ("Franchisor"), or its order, at such place as Franchisor may designate in writing, the principal sum of _____ Dollars ($_____), in lawful money of the United States, with interest on the unpaid principal balance from the date hereof until paid in full at the rate of ten percent (10.0%) per annum, calculated on the basis of a 365-day year and actual days elapsed (this "Note"). This Note is given as part of the purchase price for a franchise fee and/or for equipment or supplies which Maker had the option to pay for in full in cash.

1. Payment Terms

1.1 Installments. Maker shall pay the principal and interest in ___ consecutive equal monthly installments of $_____ each, due on or before the ___ day of each month, commencing on _____, 20.

1.2 Application of Payments. Payments shall be applied first to any late charges, then to accrued interest, and then to principal.

1.3 Time is of the Essence. Timely payment is a material condition of this Note.

2. Prepayment

2.1 Maker may prepay all or any portion of the principal at any time without penalty or premium. Any partial prepayment shall be applied first to accrued interest, then to principal.

3. Late Charges

3.1 Any installment not received within 5 calendar days after its due date shall incur a late charge equal to the greater of $100 or 5% of the overdue amount, in addition to interest at the rate specified above, from the due date until paid.

4. Costs of Collection

4.1 Maker shall pay all costs of collection of this Note, including reasonable attorneys' fees, whether or not suit is filed, and including fees and costs incurred on appeal or in bankruptcy proceedings.

5. Waivers

5.1 Maker waives presentment, protest, demand, notice of protest, notice of demand, notice of dishonor, and notice of nonpayment. No delay or failure by Franchisor to exercise any right shall constitute a waiver of that right or of any other right hereunder.

6. Acceleration and Defaults

6.1 Events of Default. Without limiting any other remedies under this Note or applicable law, the entire unpaid principal and accrued interest shall, at the option of Franchisor, become immediately due and payable without demand or notice upon the occurrence of any of the following:

6.1.1 Failure of Maker to pay any installment of principal, interest, or other sum when due.

6.1.2 Breach by Maker of any warranty, covenant, or obligation under this Note, any Franchise Agreement with Franchisor, or any other agreement between Maker (or its affiliates) and Franchisor (or its affiliates).

6.1.3 Suspension of the franchised business, a general assignment for the benefit of creditors, commencement of proceedings for dissolution or liquidation, commencement of proceedings under any bankruptcy, insolvency, reorganization, readjustment of debt, or similar law, adjudication as bankrupt or insolvent, involuntary appointment of a receiver, or application therefor.

6.1.4 Levy of any attachment, execution, or other process against all or any part of Maker's assets.

6.1.5 Failure to pay, withhold, collect, or remit any tax or tax deficiency when assessed or due.

6.2 Cross-Default. Any default under the Franchise Agreement or other agreements with Franchisor or its affiliates shall constitute a default under this Note, and vice versa.

7. Security Interest

7.1 As security for payment of this Note, Maker grants to Franchisor a continuing first-priority security interest in all equipment, fixtures, inventory, accounts, and general intangibles of the franchised business, whether now owned or later acquired, and the proceeds thereof. Maker authorizes Franchisor to file a UCC-1 financing statement to perfect such interest.

8. Personal Guaranty

8.1 All Principals of Maker shall execute a personal guaranty in favor of Franchisor guaranteeing the prompt payment and performance of all obligations under this Note.

9. Governing Law; Venue

9.1 This Note shall be governed by and construed in accordance with the laws of the State of California, without reference to its conflict of laws principles. The parties agree that the exclusive jurisdiction and venue for any action arising out of or relating to this Note shall be in San Diego County, California, or in the applicable United States District Court located therein.

10. Miscellaneous

10.1 This Note may not be amended except by a written agreement signed by both parties. This Note shall bind Maker and Maker's heirs, personal representatives, successors, and assigns, and

shall inure to the benefit of Franchisor and its successors and assigns.

Executed this _____day of _____ , 20 _____.

"Maker"

By: _____

Print Name: _____
SSN: _____

By: _____

Print Name: _____
SSN: _____

By: _____

Print Name: _____
SSN: _____

ATTACHMENT TWO: PRINCIPALS

Name: _____

Relationship: _____

Taxpayer ID: _____

Address: _____

_____

Telephone: _____

Name: _____

Relationship: _____

Taxpayer ID: _____

Address: _____

_____

Telephone: _____

Name: _____

Relationship: _____

Taxpayer ID: _____

Address: _____

_____

Telephone: _____

ATTACHMENT THREE: PRINCIPAL GUARANTY

In consideration of the making by Fish Shop Holdings LLC ("Franchisor") of that certain Franchise Agreement ("Franchise Agreement") dated the _____ day of _____, 20, by and between Franchisor and _____ ("Franchisee"), which the parties agree was made, in part, in reliance on this Guaranty, the undersigned ("Guarantor"), jointly and severally if more than one, hereby unconditionally, absolutely, irrevocably, and continuously guarantees to Franchisor, its successors and assigns (collectively, "Franchisor"), the prompt and complete payment and performance of each and every obligation, debt, liability, covenant, and agreement of Franchisee under the Franchise Agreement and any related agreements, whether now existing or hereafter arising, whether direct or indirect, absolute or contingent, liquidated or unliquidated, including without limitation:

- Full compliance with all non-compete provisions and other restrictive covenants;
- Prompt payment of all royalty, accounting, advertising, and other fees, Promissory Note payments, and all other sums due;
- Performance of all operational, reporting, and other non-monetary obligations; and
- All post-termination covenants and obligations, including those relating to transfer, expiration, termination, or non-renewal.

Guarantor is: (i) a spouse or partner of Franchisee, if Franchisee is a sole proprietorship or partnership; (ii) a shareholder, officer, or director of a corporation that owns an interest in the Franchise; or (iii) otherwise a principal with a beneficial interest in the Franchise Agreement and privy to Franchisor's confidential information and trade secrets. Accordingly, Guarantor agrees to comply with all covenants of the Franchise Agreement, including those related to the protection of Franchisor's trade and service marks, all noncompetition and other restrictive covenants, financial responsibilities, and all post-termination covenants. The covenants of this Guaranty are incorporated herein as though fully set forth and shall survive any dissolution of marriage, resignation, sale, or other withdrawal of Guarantor from affiliation with Franchisee.

Guarantor waives notice of acceptance of this Guaranty, waives diligence, presentment, and suit by Franchisor to enforce any covenant of the Franchise Agreement or other guarantees herein, and waives notice of Franchisee's default under the Franchise Agreement or any related agreement. Guarantor further waives any right to require Franchisor to proceed first against Franchisee or any other person or entity or to exhaust any security or other remedies before proceeding against Guarantor.

This Guaranty shall remain in effect with respect to the Franchise Agreement and any renewals, modifications, amendments, or extensions thereof, and with respect to any successor agreements between Franchisor and Franchisee (or Franchisee's approved transferee), without notice to or approval of Guarantor, provided that any transfer of ownership rights relating to the Franchise Agreement has been approved by Franchisor in accordance with the terms thereof. This Guaranty shall remain valid until released in writing by Franchisor. No action, inaction, or delay by Franchisor shall release or impair this Guaranty.

Franchisor reserves the right to join Guarantor in any action or proceeding against Franchisee and may file suit and recover judgment from Guarantor without prior suit or exhaustion of any remedy against Franchisee.

If Franchisee is involved in bankruptcy, reorganization, or winding up, no law, regulation, or judicial or administrative determination pertaining to such action shall limit or discharge this Guaranty.

This Guaranty is a continuing guaranty and shall bind Guarantor and Guarantor's agents, successors, assigns, heirs, executors, and administrators. Where there is more than one Guarantor, each shall be jointly and severally liable for all obligations of Guarantor hereunder, and the death of any Guarantor shall not revoke or impair the obligations of the surviving Guarantor(s).

If this Guaranty is placed in the hands of an attorney for enforcement, Guarantor shall pay all of Franchisor's expenses, including reasonable attorneys' fees and costs, incurred in its enforcement, whether or not suit is filed, and including fees and costs incurred on appeal or in bankruptcy proceedings.

Signed this _____ day of _____, 20 _____.

GUARANTOR:

_____
Signature

_____
Print Name

_____

_____
Guarantor's Resident Address

EXHIBIT B: TABLE OF CONTENTS FOR OPERATIONS MANUALS

Franchise Operations Manual
Confidential & Proprietary – For Franchisee Use Only

Non-Disclosure Statement
This manual contains confidential information intended solely for franchisees of Fish Shop USA. Unauthorized use, distribution, or reproduction is strictly prohibited.

Table of Contents

1. **Welcome & Introduction – 12 pages**
   • Brand History and Mission
   • Vision for Franchising
   • Statement from Founders
   • Core Values and Culture
   • What It Means to Be a Franchise Partner
   • Community Engagement

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2. **Legal Framework & Franchisee Obligations – 18 pages**
   • Franchise Agreement Overview
   • Territory Rights and Restrictions
   • Intellectual Property Usage (Logo, Name, Menu, Uniforms)
   • Insurance Requirements
   • Non-Disclosure and Non-Compete Clauses
   • Compliance with Local, State, and Federal Laws
   • Labor Law Compliance

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3. **Operational Excellence – 15 pages**
   • Fundamental Rules of Operation
   • Product Flow Overview
   • Product Standards
   • Ingredient Do’s and Don’ts
   • Brand Standards vs. Best Practices

---

4. **Guest Focus – 22 pages**
   • Guest Service Standards
   • Satisfying Customers
   • Steps for Excellent Service

- Alternate Ordering Procedures
- Gift Card Procedures
- Guest Relationship Management
- Guest Recovery and Complaint Resolution
- Loyalty Program How-To
- Secret Shopper and Review Expectations

---

5. **Site Selection & Initial Setup – 16 pages**
   - Demographic Requirements
   - Site Criteria (Square Footage, Parking, Zoning, Kitchen)
   - Lease Negotiation Support
   - Health and Business Licensing
   - Alcohol Permits (If Applicable)
   - Fire Code Compliance
   - Pre-Opening Timeline and Countdown Calendar
   - Final Inspection and Soft Opening Schedule

---

6. **Build-Out & Design – 14 pages**
   - Approved Architect
   - Company Design Packages
   - Store Layout and Equipment Blueprint
   - Signage and Branding Standards
   - Décor, Banners, and Flyers Approval

---

7. **Equipment, Fixtures, and Inventory – 10 pages**
   - Approved Vendors List
   - Equipment and Smallware Specifications
   - Kitchen and Bar Setup Guides
   - Opening Inventory (Food, Beverage, Paper, Cleaning Supplies)

---

8. **Technology Systems – 12 pages**
   - POS System Setup and Training (TOAST)
   - Accounting Software
   - Scheduling Software
   - Inventory Management Tools
   - Online Ordering Platforms
   - Loyalty and Rewards Program Setup

- PCI Compliance
- Website and ADA Compliance

---

9. **Hiring, Staffing & Training – 20 pages**
   - Organizational Chart
   - Staffing Levels and Scheduling by Shift
   - Uniform and Appearance Standards
   - Onboarding and New Hire Training
   - Health and Hygiene Practices
   - Role-Specific Training Schedules (GM, FOH, BOH, Kitchen)
   - Responsible Alcohol Service Certification (If Applicable)
   - Required Food Handling Certifications

---

10. **Standard Operating Procedures (SOPs) – 36 pages**
    - Opening and Closing Checklists
    - Shift Handoffs
    - Cash Handling Protocols
    - Cleaning Schedules and Exterior Maintenance
    - Telephone and Guest Interaction Protocols
    - Gift Card and Check Processing
    - Serving and Expo Procedures
    - Food and Beverage Prep Standards (FIFO)
    - Recipes and Portion Controls
    - Daily, Nightly, and Weekly Prep Lists
    - Station Checks
    - Off-Premise and To-Go Execution

---

11. **Food Safety, Sanitation & Health Compliance – 28 pages**
    - Importance of Food Safety
    - Food Safety Checklist
    - Hand Hygiene and Sanitation
    - Illness, Disease, and Virus Protocols
    - Food Allergies and Intolerances
    - Food Item Transfers and FIFO Rotation
    - Pest Management
    - Foreign Object Prevention
    - Restroom Checks
    - Kitchen Temp Audits

- Equipment Maintenance and Cleaning
- First Aid Kit Standards

---

12. **Financial Management – 18 pages**
    - Budget Templates and Forecasting
    - Weekly and Monthly P&L Reviews
    - Labor Cost Tracking
    - Cost of Goods Sold (COGS) Tracking
    - Break-Even Analysis
    - Royalty and Advertising Development Fund Payments
    - Banking Procedures
    - Method of Accounting
    - Record Keeping and Retention Requirements
    - Financial Statements:
    - o Balance Sheet
    - o Profit and Loss (P&L)
    - Standardized Reporting
    - Loss Prevention Strategies

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13. **Marketing, Promotions & Community Outreach – 24 pages**
    - Brand Voice, Tone, and Visual Identity
    - Social Media Templates and Management
    - Grand Opening, Seasonal promotions, Marketing Calendar and Marketing Packages
    - Email and Photography Guidelines
    - Local Store Marketing
    - Community Sponsorships and Fundraising
    - Digital Ad and Review Management
    - Institutional and Off-Site Sales Strategies
    - Business-to-Business Relationship Building

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14. **Customer Experience – 8 pages**
    - Service Model and Expectations
    - Complaint Resolution Process
    - Secret Shopper Program Overview
    - Guest Survey Invitations
    - Holiday Schedule and Hours of Operation

---

15. **Safety and Security – 20 pages**
    - Importance of Safety and Guest Protection
    - Safety Committees and Procedures
    - Safety Equipment Requirements
    - Managing Claims
    - OSHA Compliance
    - Hazard Communication Program
    - SDS and Chemical Labeling
    - Opening and Closing restaurant Security
    - Robbery Procedures
    - Door and Trash Removal Security
    - Cash Management Safety
    - Emergency Procedures

---

16. **Ongoing Support & Communication – 6 pages**
    - Franchisee Support Team Contacts
    - Franchisee Portal Access
    - Regular Training Updates
    - Annual Franchisee updates and Conference
    - Performance Benchmarking and Coaching

---

17. **Appendices – 46 pages**
    - Sample Staff Schedules
    - Hiring Forms and Templates
    - Vendor Contracts and Agreements
    - Recipe Cards and Beverage Controls
    - Marketing Assets (Flyers, Social Posts)
    - Employee Handbook Template
    - Safety Data Sheets
    - Store Design and Décor References

Total Manual Length: 325 pages

Page counts are based on the current working copy of the Operations Manual as of August 2025. Franchisor may update, revise, expand, or reduce the Operations Manual from time to time. Franchisees will receive access to the most current version after opening.

EXHIBIT C: FINANCIAL STATEMENTS

EXHIBIT D: LIST OF PAST AND CURRENT FRANCHISEES

As this is our initial franchise offering in the United States, there are no past or current franchisees to disclose at this time.

EXHIBIT E: LIST OF AGENTS FOR SERVICE OF PROCESS IN VARIOUS STATES

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS	
STATE	**AGENTS FOR SERVICE OF PROCESS**
CALIFORNIA	California Department of Financial Protection and Innovation 651 Bannon Street, Suite 300 Sacramento, CA 95811
HAWAII	Director of Hawaii Department of Commerce and Consumer Affairs 1010 Richards Street Honolulu, Hawaii 96813
ILLINOIS	Illinois Attorney General 500 South Second Street Springfield, IL 62706
INDIANA	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 6546 Mercantile Way P.O. Box 30222 Lansing, MI 48910
MINNESOTA	The Commissioner of Commerce of Minnesota Department of Commerce 85 7th Place East, Suite 600 St. Paul, MN 55101
NEW YORK	Secretary of State of the State of New York 162 Washington Avenue Albany, NY 10271
NORTH DAKOTA	North Dakota Securities Commissioner State Capitol Bismarck, ND 58505
OREGON	Department of Consumer and Business Services Labor and Industries Building Salem, Oregon 97310 (503) 378-4140
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Suite 232 233 Richmond Street Providence, RI 20903-4232

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS	
STATE	**AGENTS FOR SERVICE OF PROCESS**
SOUTH DAKOTA	Director of South Dakota Division of Securities 118 West Capitol Street Pierre, SD 57501-2017
VIRGINIA	Clerk of the State Corporation Commission 1300 East Main Street Richmond, VA 23219
WASHINGTON	Director of Washington Financial Institutions General Administration Building Securities Division – 3rd Floor West 210-11th Street SW Olympia, WA 98504
WISCONSIN	Commissioner of Securities of Wisconsin 101 East Wilson Street Madison, WI 53702
FEDERAL TRADE COMMISSION	Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street NW Washington, D.C. 20580 (202) 326-3128

EXHIBIT F: STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR
CALIFORNIA	Commissioner, Department of Financial Protection & Innovation 1-866-275-2677 Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 Sacramento 651 Bannon Street, Suite 300 Sacramento, CA 95811 San Diego 1455 Frazee Road, Suite 315 San Diego, CA 92108 San Francisco One Sansome Street, Suite 600 San Francisco, CA 94104
HAWAII	Business Regulation Division Securities Compliance Department of Commerce and Consumer Affairs 1010 Richards Street Honolulu, HI 96813 (808) 586-2727
ILLINOIS	Illinois Attorney General 500 S. Second Street Springfield, IL 62706 (217) 782-4465
INDIANA	Indiana Secretary of State Securities Division Room E-11 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-7042
MICHIGAN	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117

STATE	STATE ADMINISTRATOR
MINNESOTA	Franchise Examiner Minnesota Department of Commerce 85 7th Place East, Suite 600 St. Paul, MN 55101-3165 (612) 296-6328
NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 23rd Floor 120 Broadway New York, NY 10271 (212) 416-8211
NORTH DAKOTA	Franchise Examiner Office of Securities Commissioner 600 East Blvd., 5th Floor Bismarck, ND 58505 (701) 328-4712
OREGON	Department of Consumer and Business Services Labor and Industries Building Salem, Oregon 97310 (503) 378-4140
RHODE ISLAND	Chief Securities Examiner Division of Securities 233 Richmond St., Ste. 232 Providence, RI 02903-4232 (401) 277-3048
SOUTH DAKOTA	Franchise Administrator Division of Securities 118 West Capital Pierre, SD 57501-5070 (605) 773-4013
VIRGINIA	Chief Examiner State Corporate Commission Division of Securities and Retail Franchising 1300 E. Main St., 9th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Administrator Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760

STATE	STATE ADMINISTRATOR
WISCONSIN	Franchise Administrator Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 (608) 266-8559

EXHIBIT G: GENERAL RELEASE

GENERAL RELEASE

KNOWN TO ALL THOSE PRESENT: That _____, whose address is _____ in _____, _____ (hereinafter "Releasor"), for and in consideration of Fish Shop Holdings LLC (hereinafter "Franchisor") [check one] [ ] agreement to renew my franchise for another term or [ ] consent to transfer the ownership of my franchise, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, on behalf of itself and its principals, owners, members, shareholders, partners, officers, directors, agents, employees, independent contractors, attorneys, heirs, executors, administrators, legal and personal representatives, successors, and assigns, hereby fully, irrevocably, and unconditionally releases, remises, and forever discharges Franchisor, its parent, subsidiaries, affiliates, predecessors, successors, assigns, and each of their respective owners, officers, directors, shareholders, members, partners, agents, employees, independent contractors, representatives, attorneys, heirs, executors, administrators, and insurers (collectively, the "Released Parties") from any and all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, demands, liabilities, losses, costs, attorneys' fees, and expenses whatsoever, whether known or unknown, suspected or unsuspected, in law or equity, which Releasor ever had, now has, or hereafter may have against the Released Parties, arising out of or relating in any way to Releasor's ownership, operation, or involvement, directly or indirectly, in the franchise and/or the Franchise Agreement, including but not limited to any claims for breach of contract, fraud, misrepresentation, statutory violations, negligence, breach of fiduciary duty, unfair competition, or any other theory of recovery, and including any claims for damages, restitution, rescission, injunctive or declaratory relief, attorneys' fees, or costs.

Releasor expressly acknowledges and agrees that this General Release includes a waiver of any rights under Section 1542 of the California Civil Code (if applicable) and any similar federal, state, or territorial statute, law, or regulation, which provides 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.

Releasor knowingly and voluntarily waives the provisions of Section 1542 and any similar law, and acknowledges that this waiver is an essential term of this General Release.

Releasor acknowledges that the person(s) executing this General Release have read it carefully, understand its terms, and intend to be legally bound by it. The person signing below represents and warrants that they have full authority to execute this General Release on behalf of Releasor and to bind Releasor fully to its terms.

WITNESS the signature(s) of Releasor this _____ day of _____, 20____, at _____, _____ (City and State of Execution).

Releasor:	Releasor:
_____	_____
Signature	Signature
_____	_____
Print Name/Date	Print Name/Date

[ADDITIONAL RELEASORS ON THE FOLLOWING PAGE WHICH MAY BE DUPLICATED]

Releasor:

Signature

Print Name/Date

Releasor:

Signature

Print Name/Date

Releasor:

Signature

Print Name/Date

Releasor:

Signature

Print Name/Date

Releasor:

Signature

Print Name/Date

Releasor:

Signature

Print Name/Date

Releasor:

Signature

Print Name/Date

Releasor:

Signature

Print Name/Date

EXHIBIT H: ADDENDUMS TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

STATE ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the states identified below:

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 DISCLOSURE DOCUMENT.

The California Corporations Code, Section31125, requires that we give you a disclosure document, approved by the Department of Financial Protection and Innovation, prior to solicitation of a proposed material modification of your Franchise Agreement.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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.

No statement, questionnaire, or acknowledgement 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.

California has a labor law known as California Assembly Bill 5 or "AB5" that governs when someone is classified as an employee or an independent contractor. Your franchise agreement states that you are an independent contractor, but AB5 may mean you are an employee instead. Being an employee may entitle you to minimum wage, sick and family leave, unemployment and workers' compensation, expense reimbursements, protection from retaliation and discrimination, and other benefits given to employees. You should research with an attorney regarding California's labor laws.
Item 3 of the Disclosure Document is supplemented by the following:

1. Neither the franchisor nor any person identified in Item 2 of the Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined

in the Securities Exchange Act of 1934, U.S.C.A., 78a *et. seq.*, suspending or expelling such persons from membership in such association or exchange.

Item 5 of the Disclosure Document is supplemented by the following:

1. The Department has determined that we, the franchisor, have not demonstrated that we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

Item 17 of the Disclosure Document is supplemented by the following:

1. California Business and Professions Code Sections 20000 through 20043 establish the rights of 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.

2. 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).

3. The Franchise Agreement contains a covenant not to solicit our customers or employees which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

4. 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).

5. California Corporations Code section 31512.1 prohibits a franchisor from disclaiming or denying representations made by the franchisor or its agents to a prospective franchisee or a franchisee's reliance on these representations, or disclaiming violations under the law, in any franchise disclosure document, franchise agreement, or related document. If the Franchise Disclosure Document, Franchise Agreement, or any related document or exhibit contains a provision that is inconsistent with the law, the law will control.

6. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

7. 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 DISCLOSURE DOCUMENT.

8. The indemnification provision in the Franchise Agreement may not be fully enforceable as to punitive damages under California law.

9. The Franchise Agreement contains covenants not to compete that extend beyond expiration or termination of the franchise. This provision may not be enforceable under California law.

FOR THE STATE OF ILLINOIS

Item 17 of the Disclosure Document is supplemented by the following:

1. The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

2. The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.

3. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

FOR THE STATE OF INDIANA

Item 17 of the Disclosure Document is supplemented by the following:

1. The Indiana Deceptive Franchise Practices Law (Indiana Code 23-2-2.7 et seq.) in general governs the relationship between the franchisor and the franchisee by forbidding certain provisions in the Franchise Agreement and related documents and by preventing the franchisor from engaging in certain acts and practices which could be considered coercive or oppressive to the master licensee.

2. If any of the provisions of the Franchise Agreement conflict with this law, this law will control.

3. Any provisions requiring you to sign a general release of claims against us, including upon execution of the Franchise Agreement or a successor Franchise Agreement or transfer, does not release any claim you may have under the Indiana Deceptive Franchise Practices Law.

4. The Franchise Agreement provides that suit must be brought in California. These provisions may not be enforceable under Indiana law. Indiana franchise laws will govern the Franchise Agreement and any and all other related documents.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Law are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

FOR THE STATE OF MARYLAND

Item 5 of the Disclosure Document is supplemented by the following:

1. Based on our current financial condition, the Maryland Attorney General's Office requires that we post a surety bond to guarantee that we will fulfill our pre-opening obligations to you. The surety bond will be on file if and when we offer franchises in Maryland with the Maryland Securities Division.

Item 11 of the Disclosure Document is supplemented by the following:

1. Maryland regulations require that a franchisee be able to obtain an accounting of the marketing fee expenditures. Therefore, you may request and obtain an accounting of the prior years' marketing fee expenditures, by sending to us a written request by certified mail, with an enclosed self-addressed and stamped envelope and a $250 administrative fee.

Item 17 of the Disclosure Document is supplemented by the following:

1. The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

2. Any provisions requiring you to sign a general release of claims against us, including upon execution of the Franchise Agreement or a successor Franchise Agreement, refund of initial fees, or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

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

4. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures.

FOR THE STATE OF MINNESOTA

Item 13 of the Disclosure Document is supplemented by the following:

1. Notwithstanding the foregoing, we will indemnify you against liability to a third party resulting from claims that your use of a Mark infringes trademark rights of a third party; provided, that we will not indemnify against the consequences of your use of the Marks unless the use is in accordance with the requirements of the Franchise Agreement and the System.

Item 17 of the Disclosure Document is supplemented by the following:

1. Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination, penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80vC.01 – 80C.22.

3. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

4. Injunctive Relief. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rules 2860.4400J.

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota franchise statutes are met independently without reference to these Additional Disclosures.

FOR THE STATE OF NEW YORK

The Cover Page of the Disclosure Document is supplemented by the following:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT H 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, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 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.

Item 3 is deleted and replaced with the following:

1. Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a felony, a violation of any franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations. Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, 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. Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation. Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of 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. No additional litigation is required to be disclosed in this Disclosure Document.

Item 4 is deleted and replaced with the following:

1. Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one

year after the officer or general partner of the franchisor held this position in the company or partnership.

The following is added to the end of Item 5:

1. The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17 of the Disclosure Document is supplemented by the following:

1. 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.

2. You may terminate the agreement on any grounds available by law.

3. However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

4. 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.

5. We will not assign our rights under the Franchise Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under the Franchise Agreement.

6. The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law. The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement that is inconsistent with that law.

7. You must sign a general release when you enter the Franchise Agreement, upon entering into a successor Franchise Agreement, and in connection with any transfer under the Franchise Agreement. These provisions may not be enforceable under New York law.

8. Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

FOR THE STATE OF NORTH DAKOTA

Item 17 of the Disclosure Document is supplemented by the following:

1. Any release executed will not apply to the extent prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

2. Any covenants not to compete such as those mentioned herein are generally considered unenforceable in the State of North Dakota.

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to these Additional Disclosures.

FOR THE STATE OF RHODE ISLAND

Item 17 of the Disclosure Document is supplemented by the following:

1. Section 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 provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to these Additional Disclosures.

FOR THE STATE OF VIRGINIA

Item 17 of the Disclosure Document is supplemented by the following:

1. 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.

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to these Additional Disclosures.

FOR THE STATE OF WASHINGTON

Item 17 of the Disclosure Document is supplemented by the following:

1. RCW § 19.100.180 and court decisions may supersede the Franchise Agreement in your relationship with us, including in the areas of termination and renewal of your Franchise Agreement.

2. In the event of a conflict between the Washington Franchise Investment Protection Act and the law chosen in the Franchise Agreement, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.

3. A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

4. 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 in Washington.

5. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

6. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In the event of a conflict of state laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

7. Franchisee may have the right to terminate the franchise relationship should the franchisor fail to perform its duties or under applicable law

These provisions shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to these Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

STATE ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the states identified below:

FOR THE STATE OF CALIFORNIA

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.

No statement, questionnaire, or acknowledgement 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 ALBERTA, CANADA

Section 4 of the Alberta Franchises Act provides that a franchisor must give every prospective franchisee a copy of the franchisor's Disclosure Document. The Disclosure Document must be received by the prospective franchisee at least 14 calendar days before the earlier of (a) the signing by the prospective franchisee of any agreement relating to the franchise, or (b) the payment of any consideration by the prospective franchisee relating to the franchise. In addition, the franchisor must provide, in writing, to the prospective franchisee a description of any material change.

Sections 13 of the Alberta Franchises Act provides that if a franchisor fails to fulfill the obligation to provide disclosure document, the prospective franchisee may rescind all the franchise agreements by giving a notice of cancellation to the franchisor or its associate, as the case may be, (a) no later than 60 calendar days after receiving the Disclosure Document, or (b) no later than 2 years after the franchisee is granted the franchise, whichever occurs first.

Sections 14 of the Alberta Franchises Act provides that a notice of cancellation given under section 13 operates (a) to cancel the franchise agreements, or (b) in the case of an agreement that is an offer to purchase, to withdraw the offer to purchase. The franchisor, or its associate, as the case may be, must, within 30 calendar days of receiving a notice of cancellation under section 13, compensate the franchisee for any net losses that the franchisee has incurred in acquiring, setting up and operating the franchised business.

FOR BRITISH COLUMBIA, CANADA

Section 5 of the British Columbia Franchises Act provides that a franchisor must give every prospective franchisee a copy of the franchisor's disclosure document. The disclosure document must be received by the prospective franchisee at least 14 calendar days before the earlier of (a) the signing by the prospective

franchisee of any agreement relating to the franchise, or (b) the payment of any consideration by the prospective franchisee relating to the franchise. A franchisor can receive a deposit from a potential franchisee at any point, if (a) the deposit is not greater than 20% of the initial franchise fee; (b) the deposit is returnable if the franchise agreement is never signed; and (c) the deposit should provide no obligation to sign the franchise agreement.

A disclosure document must contain (a) prescribed financial statements; (b) copies of all proposed franchise agreements, and other agreements relating to the franchise, to be signed by a prospective franchisee; (c) prescribed statements that have the purpose of assisting a prospective franchisee to make informed investment decisions; (d) other prescribed information; and (e) copies of other prescribed documents. In addition, a disclosure document must include all material facts, which includes any information about the business, operations, capital or control of the franchisor or franchisor's associate, or about the franchise or the franchise system, that would reasonably be expected to have a significant effect on the value or price of the franchise to be granted or on the decision to acquire the franchise. Furthermore, the franchisor must provide, in writing, to the prospective franchisee a description of any material change.

Section 9 of the British Columbia Franchises Act provides that a defect in form, a technical irregularity or an error contained in disclosure document does not affect the substance of the disclosure document or the statement of material change.

Section 13 of the British Columbia Franchises Act provides that any purported waiver or release by a franchisee of a right is void; however, waiver or release by a franchisee, or by a prospective franchisee, made in accordance with a settlement of an action, claim or dispute is still valid.

FOR MANITOBA, CANADA

Section 5 of the Manitoba Franchises act provides that a franchisor must give every prospective franchisee a copy of the franchisor's disclosure document. The disclosure document must be received by the prospective franchisee at least 14 calendar days before the earlier of (a) the signing by the prospective franchisee of any agreement relating to the franchise, or (b) the payment of any consideration by the prospective franchisee relating to the franchise. The franchisor must give the prospective franchisee a written statement describing any material change.

A franchisor can provide the franchisor's disclosure document in parts, provided that the franchisor must satisfy the following rules:

1) the risk warning statements must be provided first;
2) all of the required information, including information about the franchisor, information about the franchise, and lists of franchisees must be provided together;
3) the following statement must be printed prominently at the top or front of any document containing information that forms part of the disclosure document:

   THE FOLLOWING INFORMATION FORMS PART OF THE DISCLOSURE DOCUMENT REQUIRED TO BE PROVIDED UNDER THE FRANCHISES ACT**.**

4) the certificate of franchisor must be included with the last part of the disclosure document provided by the franchisor. The 14-day period before signing the franchise agreement starts after the last document is delivered.

The Franchise Agreement requires the parties to first meet to mediate the dispute before bringing any arbitration or court action against the other (except as otherwise provided below). Pursuant to the Franchise Agreement, any such mediation shall be non-binding and shall be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes.

NOTE: Section 5(6) of the Act requires the disclosure document to include information about mediation procedures and arbitration proceedings if mediation is required by the Franchise agreement. Information required to disclose includes:

(a) the criteria and methods for selecting a mediator or arbitrator;
(b) the rules and procedures governing mediation and arbitration;
(c) any confidentiality obligations imposed on parties to the mediation or arbitration;
(d) the costs of mediation or arbitration proceedings or the method of calculating those costs; and
(e) any other prescribed information and statements

FOR NEW BRUNSWICK, CANADA

Section 5 of the New Brunswick Franchises Act provides that a franchisor must give every prospective franchisee a copy of the franchisor's disclosure document. The disclosure document must be received by the prospective franchisee at least 14 calendar days before the earlier of (a) the signing by the prospective franchisee of any agreement relating to the franchise, or (b) the payment of any consideration by the prospective franchisee relating to the franchise.

A franchisor may use as its disclosure document a document that is prepared and used to comply with the disclosure requirements under the franchise law of a jurisdiction outside New Brunswick if the franchisor includes such additional information with that document as is necessary to comply with the disclosure requirements of the New Brunswick Franchises Act and the regulation.

In addition to providing a list of current franchisees, the franchise disclosure document must also include a list of other businesses in New Brunswick of the same type as the franchise being offered, including the name and business address of each business.

Section 5(11) of the New Brunswick Franchises Act provides that a confidentiality agreement does not qualify as a franchise agreement for the 14 day disclosure period.

Section 8 of the New Brunswick Franchises Act describes a procedure for mediation of certain disputes between franchisors and franchisees, which provides 15 calendar days for parties involved to resolve the dispute before attempting to mediate following the rules set out in the mediation regulation. A party to a franchise agreement who has a dispute with one or more other parties to the agreement may deliver to the party or parties with whom the party has a dispute a notice of dispute setting out (a) the nature of the dispute, and (b) the desired outcome of the dispute. If the parties to the dispute fail to resolve the dispute, a party to

the dispute, within 30 calendar days after delivery of the notice of dispute but not before the expiry of the 15 calendar days for resolving the dispute as described in the first sentence of this paragraph, may deliver a notice to mediate to all the parties to the franchise agreement.

FOR ONTARIO, CANADA

Section 5 of the Arthur Wishart Act provides that a franchisor shall provide a prospective franchisee with a disclosure document not less than 14 calendar days before the earlier of (a) the signing by the prospective franchisee of the franchise agreement or any other agreement relating to the franchise; and (b) the payment of any consideration by or on behalf of the prospective franchisee to the franchisor or franchisor's associate relating to the franchise. However, franchisors are able to accept a deposit from a prospective franchisee prior to issuing a disclosure document, provided that the deposit: (a) is fully refundable; (b) does not exceed 20 percent of the franchisee fee (to a maximum of CA$100,000); and (c) is given under an agreement that does not in any way bind the franchisee to enter into a franchise agreement.

In addition, under the exception in Section 1.1 of the Arthur Wishart Act, franchisors in Ontario are allowed to enter into an agreement with prospective franchisees before providing the disclosure document if the agreement only contains terms that (a) require any information or material that may be provided to a prospective franchisee to be kept confidential; (b) prohibit the use of any information or material that may be provided to a prospective franchisee; or (c) designate a location, site or territory for a prospective franchisee. However, if the agreement contains terms that require information to be kept confidential or prohibit the use of information that (i) is or comes into the public domain other than as a result of a contravention of the agreement, (ii) is disclosed to any person other than as a result of a contravention of the agreement, or (iii) is disclosed with the consent of all the parties to the agreement, then the exception would not apply. Furthermore, the agreement must not prohibit the disclosure of information to an organization of franchisees, other franchisees of the same franchise system or a franchisee's professional advisors.

Section 6 of the Arthur Wishart Act provides franchisee the right to rescind the franchise agreement, without penalty or obligation, within two years after entering into the franchise agreement if the franchisor never provided the disclosure document.

FOR PRINCE EDWARD ISLAND, CANADA

Section 5 of the Prince Edward Island Franchise Act provides that a franchisor shall provide a prospective franchisee with a disclosure document and the prospective franchisee shall receive the disclosure document not less than 14 calendar days before the earlier of, (a) the signing by the prospective franchisee of the franchise agreement or any other Agreement relating to the franchise; and (b) the payment of any consideration by or on behalf of the prospective franchisee to the franchisor or franchisor's associate relating to the franchise.

Section 6 of the Prince Edward Island Franchise Act provides that a franchisee may rescind the franchise agreement, without penalty or obligation, no later than 60 calendar days after receiving the disclosure document, if the franchisor failed to provide the disclosure document or a statement of material change, or if the contents of the disclosure document did not meet the requirements required by the Prince Edward Island Franchise Act. It also allows a franchisee to rescind the franchise agreement, without penalty or obligation, no later than two years after entering into the franchise agreement if the franchisor never provided the

disclosure document.

EXHIBIT I: STATE EFFECTIVE DATES

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

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

State	Effective Date
California	TBD
Hawaii	Not Effective
Illinois	Not Effective
Indiana	Not Effective
Maryland	Not Effective
Michigan	Not Effective
Minnesota	Not Effective
New York	Not Effective
North Dakota	Not Effective
Rhode Island	Not Effective
South Dakota	Not Effective
Virginia	Not Effective
Washington	Not Effective
Wisconsin	Not Effective

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.

EXHIBIT J: RECEIPTS OF FRANCHISE DISCLOSURE DOCUMENT

RECEIPT (YOUR COPY)

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 Franchisor offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan requires us to provide you the disclosure document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business 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.

If Franchisor 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 any applicable state agency (as listed in this disclosure document).

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	**Principal Business Address**	**Phone**

I received a disclosure document with an issuance date of _____, 2026. State registration effective dates are listed on the State Effective Dates page contained in this disclosure document. The disclosure document included the following Exhibits:

Franchise Disclosure Document	
Exhibit A	Franchise Agreement
Attachment One	Promissory Note
Attachment Two	Principals
Attachment Three	Principal Guaranty
Exhibit B	Table of Contents for Operations Manuals
Exhibit C	Financial Statements
Exhibit D	List of Past and Current Franchisees
Exhibit E	List of Agents for Service of Process in Various States
Exhibit F	State Administrators
Exhibit G	General Release
Exhibit H	Addendums to the Franchise Disclosure Document and Franchise Agreement
Exhibit I	State Effective Dates

Dated: _____

_____

Printed Name

_____

Signed, individually and as an officer of [ ]
(a corporation)
[] (a partnership)
[] (a Limited Liability Company)

Dated: _____

_____

Printed Name

_____

Signed, individually and as an officer of [ ]
(a corporation)
[ ] (a partnership)
[] (a Limited Liability Company)

[Keep the previous page for your records]

RECEIPT (OUR COPY)

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 Franchisor offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan requires us to provide you the disclosure document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business 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.

If Franchisor 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 any applicable state agency (as listed in this disclosure document).

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Exhibit I	State Effective Dates

Dated: _____

_____

Printed Name

_____

Signed, individually and as an officer of [ ]
(a corporation)
[] (a partnership)
[] (a Limited Liability Company)

Dated: _____

_____

Printed Name

_____

Signed, individually and as an officer of [ ]
(a corporation)
[ ] (a partnership)
[] (a Limited Liability Company)

[Return the previous page to Franchisor]