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**FRANCHISE DISCLOSURE DOCUMENT  
FUJISAN FRANCHISING CORP.,**

a California Corporation  
14420 Bloomfield Avenue  
Santa Fe Springs, CA 90670  
Telephone: (562) 404-2590

Website: [www.fujisanfranchisingcorp.com](http://www.fujisanfranchisingcorp.com)

Fujisan Franchising Corp. will grant you a franchise to operate one FujiSan® Asian bar service kiosk (each, a "Kiosk") serving Asian style food products in a host location, such as a retail grocery outlet or college campus site, using a distinctive system. The estimated total investment necessary to begin operation of a FujiSan Kiosk franchised business is \$28,183 to \$104,055 for a Traditional Kiosk, \$3,250 to \$22,950 for a Satellite Kiosk and \$19,283 to \$63,772 for a Reduced Operating Hours Kiosk. A Satellite Kiosk may only be operated in companionship with a Traditional or Reduced Operating Hours Kiosk. This includes \$19,168 to \$57,880 for a Traditional Kiosk, \$1,250 to \$7,850 for a Satellite Kiosk and \$13,168 to \$29,697 for a Reduced Operating Hours Kiosk that must be paid to the franchisor and/or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you, such as by electronic means. To discuss the availability of disclosures in different formats, contact Franchise Administration Department, Fujisan Franchising Corp., 14420 Bloomfield Ave., Santa Fe Springs, California, 90670; Tel. (562) 404-2590.

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

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

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

**Issuance Date:** March 21, 2025

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## 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C-1 and C-2.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the estimated initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Fujisan Asian bar kiosk in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Fujisan franchisee?</b>	Item 20 or Exhibits C-1 and C-2 lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in the disclosure document to better understand this franchise opportunity. See the table of contents.

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

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risks to Consider about *This* Franchise

Certain states require the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve almost all disputes with us by arbitration or litigation only in California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with us in California than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from us, from our affiliates, or from suppliers we designate at prices we or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **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.
5. **Turnover Rate.** During the last 3 years, approximately 38% of franchised outlets were terminated, transferred or ceased operations for other reasons. The franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

## **DISCLOSURES REQUIRED BY MICHIGAN 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 this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.**
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 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 the 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.**

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(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.

**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.**

Michigan law provides that a franchisor whose most recent statements are unaudited and which show a net worth of less than \$100,000 shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor 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. In the event that an escrow is so established, the escrow agent shall be a financial institution authorized to do business in the State of Michigan. The escrow agent may release to the franchisor those amounts of the escrowed funds applicable to a specific franchisee or subfranchisor upon presentation of an affidavit executed by the franchisee and an affidavit executed by the franchisor stating that the franchisor has fulfilled its obligation to provide real estate, improvements, equipment, inventory, training, or other items. This portion of the Michigan law does not prohibit a partial release of escrowed funds upon receipt of affidavits of partial fulfillment of the franchisor's obligation.

**SHOULD THE PROSPECTIVE FRANCHISEE HAVE ANY QUESTIONS REGARDING THE NOTICE OF THIS FILING WITH THE ATTORNEY GENERAL, SUCH QUESTIONS SHOULD BE ADDRESSED TO:**

State of Michigan  
Consumer Protection Division  
Attention: Franchise Bureau  
525 West Ottawa Street  
G. Mennen Williams Building, 1<sup>st</sup> floor  
Lansing, MI 48933  
(517) 335-7567

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## EXHIBITS

- A. Financial Statements
- B. Franchise Agreement with Schedules
  - SCHEDULES:**
    - A. Fee Schedule, Notice Addresses, Franchisee Owners and Officers
    - B. Guarantee and Assumption of Obligations
    - C. Franchisee Disclosure Acknowledgment Statement
    - D. Current Form of Releasing Language
    - E. -1 Location Addendum: Traditional Kiosk Addendum
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    - F. -1. Owner Non-Compete, Non-Disclosure and Confidentiality Agreement (Non-CA Franchises)
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- C.-1 List of Current Franchisees
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- C.-3 List of Company-Owned Kiosk Locations
- C.-4 List of Franchisees Not Yet Operating As Of 12/31/24
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- F. Transfer of Franchise to a Business Entity
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- H. State Addenda
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- J. Asset Purchase Agreement
- K. State Effective Dates
- L. Receipts



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

We are Fujisan Franchising Corp. We are a California corporation formed on June 14, 2016. Since we require our franchisees to be a corporation or a limited liability company with a minimum of 1 employee, “you” means the company that buys the franchise and each shareholder or member of that franchisee entity. Capitalized terms not defined in this Disclosure Document have the meaning described in the franchise agreement (the “Franchise Agreement” or “Agreement”) attached as Exhibit B to this Disclosure Document.

Our business address is 14420 Bloomfield Avenue, Santa Fe Springs, CA 90670. Our telephone number is (562) 404-2590. Exhibit E identifies our agents for service of process in various states.

We have offered franchises for FujiSan Asian Bar Kiosks (each a “FujiSan Kiosk” or “Kiosk”) since 2016. We have offered and sold similar sushi kiosk franchises under the “Omari™” trademarks since 2024. We anticipate converting some existing Fujisan® branded kiosks to the Omari™ brand. We have never offered any franchises in any other line of business. Our franchisees will be required to purchase proprietary, branded and other products from us to maintain the quality essential to the FujiSan brand.

Our affiliate, Fuji Food Products, Inc. (“FFP”), a California corporation, had Kiosks which operated under concessions arrangements with various grocery outlets and food retailers and were managed by independent third parties under services agreements (collectively, “Contract Managers”), but no longer offers these services agreements. FFP sells manufactured Asian style food products at wholesale to retailers under the “Okami” brand. FFP’s address is 14420 Bloomfield Ave., Santa Fe Springs, California, 90670. We will buy most, if not all, of the food products and other items/services that we sell to you from FFP, which was founded in 1990 and incorporated in California in 1998. FFP sometimes provides management and administrative support services to us.

We grant franchises for the operation of a FujiSan Kiosk located on premises owned, leased, operated and/or managed by a third party, and/or a party to a Third-Party Contract (a “Premises Host”) and specializing in producing, merchandising and selling sushi, appetizers, salads, soups, entrees and other Asian-style food and related items according to the System. A Premises Host may be a company conducting business as a retail grocery outlet, a food service provider at an institutional venue or another location manager and generally will have an agreement with us, an affiliate of ours or with a party with whom we have contracted to establish a Kiosk on their premises. You do not separately enter into any agreement with the Premises Host. We have the right, in our sole discretion, to designate the particular Premises Host for each kiosk location that we offer to you. We may exclude certain grocery chains and other host locations from any franchise offered to you and limit the particular host locations to, for example, one premises host with whom we have a particular business arrangement for a particular brand or System offered by us. We may also require that all of your Kiosks be located in stores owned by one particular Premises Host. We will provide details concerning these requirements prior to asking you to sign any franchise agreement or addendum with us.

Under our Franchise Agreement (attached as Exhibit B to this Disclosure Document) and a location addendum, you will be granted the right to operate one Kiosk at an initial location using the FujiSan System. The System includes the Marks, as well as Kiosk design and layout, operational procedures, recipes and product preparation techniques, certification programs, ingredient information and sources, trade secrets and copyrighted works, and confidential

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operations information and instructions (“Operations Manual” or “Manuals”), all of which can continue to develop and change over time. Your use of the Marks and System potentially can be limited by a Premises Host, which might require you to operate the Kiosk under a different name, for example, or may restrict use of in store signage.

We offer different kinds of Kiosk locations – Traditional Kiosks (each a “Traditional Kiosk”), Reduced Operating Hours Kiosks (each a “Reduced Operating Hours Kiosk”) and ancillary Kiosks (each a “Satellite Kiosk”). The type of location that is being granted in each instance is identified on an addendum to the Franchise Agreement, and the kind of addendum we offer (if any) is up to us. If we choose to offer you the right to operate more than one Kiosk, each location will have its own addendum and the terms that apply for the business operated there. You will sign the then current form of the applicable addendum, which we can change over time. Our current forms of location addenda are included as Schedules E-1 and E-2 to the Franchise Agreement.

A Traditional Kiosk is a facility that prepares select menu items on site and includes a customer service counter staffed by you and is generally operated each day the Premises Host is open for business.

A Satellite Kiosk is only available to an existing franchisee that is operating a Traditional or Reduced Operating Hours Kiosk. If you have a Satellite Kiosk, you use your Traditional or Reduced Operating Hours Kiosk to prepare the food products with which you stock the Satellite Kiosk, which must be done daily when the Premises Host is open for business. The Satellite Kiosk is a self-service operation, with customers making their product selections without any customer service assistance from you.

A Reduced Operating Hours Kiosk is a facility that prepares select menu items on site and includes a customer service counter staffed by you and is operated on a part-time basis each day during the year or on a full-time daily basis during part of the year and part-time daily basis during the remainder of the year, as required by the Premises Host and/or the Franchisor.

We can vary the operating and other criteria for the various Kiosks through the Manuals, and the Premises Host’s requirements also might mean you will have to deviate from these standards.

We do not have any predecessors or parents. We have no affiliates which grant franchises in any line of business.

As with any retail food preparation operation, you must comply with local, state and federal regulations and laws governing health, safety, sanitation and food labeling. You also will be required to follow the Hazard Analysis and Critical Control Point program established by the U.S. Food and Drug Administration, and all other applicable government requirements, including food handling certification standards and regulations. Your Kiosk is subject to health and safety audits performed by state and local agencies and other public authorities and you must follow their instructions. You must also comply with employment laws covering matters like minimum wages, overtime, child labor and working conditions. Under California Labor Code §§1474-1477 (also known as AB 1228), national fast-food chains of more than 60 stores operating certain “limited service restaurants” under a common brand must comply with minimum hourly wage and other requirements, unless exempt under applicable law. You must independently determine whether this law applies to any Franchised store you operate in California and comply as required. You and your staff may be required to undergo background checks and drug testing, tuberculosis and other physical testing.

Sushi is now widely accepted and served year round from a broad range of establishments, ranging from high end sushi restaurants to quick service or satellite operations and which can be free standing or housed inside another facility, like a grocery store, or in a setting with a distinct and separate purpose, such as an airport or a university. The market for your products is developing in some markets and well-developed in others, and is highly fragmented. You will compete with local restaurants that offer sushi as a menu item, some of which may be national or regional chains or franchised locations, as well as other grocery stores, food service counters and competing food concepts. We or our affiliates also can operate Kiosks and other businesses trading in competitive products in locations near your Kiosk or in the general market area, and a Premises Host is not restricted from selling competitive products.

A fundamental requirement of your joining and remaining part of the FujiSan franchise community will be your commitment to the operation of your Franchised Business according to the Franchise Agreement, System standards/requirements, our Operations Manual, and our policies and procedures. You must at all times develop and operate your Franchised Business in compliance with the mandatory requirements of each of these, and we can change them over time. These mandatory requirements are established to maintain the goodwill, quality and consistency associated with the FujiSan brand and are important to your business and to our business. System standards do not include any employment policies.

You should understand that if you become an owner of a FujiSan franchisee, you will be an independent business owner and solely responsible for the day to day operations of that business, including the hiring, firing, scheduling, compensation and discipline of your own employees and all of the terms and conditions of their employment.

We currently offer existing FujiSan franchisees a \$250-\$500 inventory credit if they refer a candidate who becomes a franchisee for certain Kiosk Locations. Other conditions apply including, signing and opening deadlines as well as remaining in good standing. We can change this policy at any time. Franchisees who receive financial incentives for such referrals may be required to register as franchise brokers under applicable state laws. (See State Law Addenda at Section 44 of the Franchise Agreement.)

## **ITEM 2. BUSINESS EXPERIENCE**

### **Alex Meruelo, Director**

Mr. Meruelo has been a director and our majority shareholder since June 2016.

### **Luis Armona, Director**

Mr. Armona has been a director and one of our shareholders since June 2016. He has an ownership interest in and serves on the board of our Affiliate, Fuji Food Products, Inc., since July 2009, in Santa Fe Springs, California.

### **Mario Tapanes, Secretary and Legal Counsel**

Mr. Tapanes has been our Secretary since June 2016.

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### **Farrell Hirsch, President**

Mr. Hirsch has been our President since our formation. He has also been President of Fuji Food Products, Inc. in Santa Fe Springs, California since December 2015.

### **Allen Stoller, Chief Financial Officer**

Mr. Stoller has been our CFO since April 2022. He's been CFO for the Meruelo Group in Downey California since July 2013.

### **Keith Maeda, Vice President**

Mr. Maeda has been in his current position with us since November 2016. From April 2016 to November 2016, he was Vice President of Sushi Chef Division with Fuji Food Products, Inc. in Santa Fe Springs, California since April 2016.

### **Paulette Fletcher, Director of Operations**

Ms. Fletcher has been our Director of Operations since January 2019. From May 2018 to December 2018, she was our Senior Franchise Support Manager. From April 2017 to April 2018, she was our Franchise Support Manager. From April 2014 until March 2017, she was District Manager for our Affiliate, Fuji Food Products, Inc. in Santa Fe Springs, California.

### **Philip Schoen, Director of Operations**

Mr. Schoen has been our Director of Operations since March 2019. From November 2018 to March 2019, Mr. Schoen was our Director of Training and New Store Openings. He was our Senior Regional Development Manager from March 2017 to November 2018. From February 2015 to March 2017 he was Regional Development Manager for our Affiliate, Fuji Food Products, Inc. in Santa Fe Springs, California.

### **Chinatsu Khounpraseuth, Director of Operations**

Ms. Khounpraseuth has been our Director of Operations since April 2022. From April 2021 to April 2022, she was Senior Manager of Operations for Asiana Cuisine Enterprises in Torrance, California. From April 2002 to June 2020, she was Head of Venue Development of Hana Group USA in Philadelphia, Pennsylvania. From June 2020 until March 2021, she took some personal time with her family.

### **Jason Prout, Director of Operations**

Mr. Prout has been our Director of Operations since June 2023. From January 2023 to June 2023, he served as our Senior Franchise Support Manager. From July 2022 to January 2023, he was Director of Operations for ACE in Torrance, California. From October 2018 to July 2022, he was our Senior Franchise Support Manager.

**Jing Fang Tian, Franchise Development Manager**

Mr. Tian has been our Franchise Development Manager since March 2017. He was District Operations Manager from September 2011 through February 2017 for Fuji Food Products, Inc. in Santa Fe Springs, California.

**Bo Hton Thurein, Senior Franchise Development Manager**

Mr. Thurein has been our Senior Franchise Development Manager since January 2020. He was our Franchise Development Manager from April 2018 to December 2019.

**Niang Sian San Nuam, Franchise Development Manager**

Ms. Nuam has been a Franchise Development Manager since October 2021. From January 2019 to October 2021, she was a bakery team member at Whole Foods Market in Atlanta, Georgia. From November 2020 to January 2021, she was a sushi chef at Tsunami of Greenville, in South Carolina. From August 2020 to November 2020, she was a sushi chef for Otto Izakaya in Greenville, South Carolina.

**ITEM 3. LITIGATION**

On October 18, 2019, we entered into an Assurance of Discontinuance (“AOD”) with the Washington Attorney General’s office (“AGO”). Under the AOD we agreed to permanently discontinue the use of and to no longer enforce “no-poach” language in our franchise agreements which restrict the ability of franchisees to hire the employees from competing franchisees and from any locations owned and operated by us. We further agreed to notify the AGO of any efforts by a franchisee in Washington to enforce any existing “no-poach” provision, to proactively remove “no-poach” language from each Washington franchisee’s franchise agreement and to remove “no-poach” language from all other Fujisan franchisee’s agreements upon renewal.

Ya Ming Aung and Terrance Taylor v. Fujisan Franchising Corporation and Rogeih Meshreki, Case No. CL220000693-00 (Danville Circuit Court, Virginia), filed October 14, 2022.

Aung is a former franchisee. Taylor, her husband, was an employee of the franchise. We cancelled the franchise agreement in August, 2022 for abandonment of the franchise business. Plaintiffs claim breach of contract, failure to remit monies due, failure to provide product, removal of equipment by Mr. Meshreki, and misrepresentation. Plaintiffs sought compensatory damages of \$150,000 and post-judgement interest and attorney’s fees. Counsel for Aung and Taylor withdrew from the case and the action was dismissed May 21, 2024.

Other than these two actions, no litigation is required to be disclosed in this Item.

**ITEM 4 BANKRUPTCY**

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

## ITEM 5 INITIAL FEES

Initial Franchise Fee: You pay us a franchise fee to operate a Kiosk at an initial location identified in an addendum to your Franchise Agreement. The franchise fee is paid in a lump sum when you sign your franchise agreement. Unless pro-rated if we, at our option, grant you a term of less than 3-years, the franchise fee is \$3,750 for a Traditional Kiosk; the franchise fee for a Reduced Operating Hours Kiosk is \$1,000 and the franchise fee for a Satellite Kiosk is \$500. A Satellite Kiosk may only be operated in companionship with a Traditional or Reduced Operating Hours Kiosk. In the fiscal year 2024, four franchisees paid a reduced franchise fee of \$1,250 for Traditional Kiosks, one franchisee paid a reduced initial franchise fee of \$333 for a Reduced Operation Hours Kiosk location and three franchisees paid \$167 for Satellite Kiosks for shorter franchise agreement terms related to our agreement with the Premises Host.

Limited Refund Requirements: The initial franchise fee is partially refundable in limited circumstances. If you are operating a single Kiosk location, are in good standing under your Franchise Agreement, and lose the right to operate it in the first 12 months of your Franchise Agreement through no fault of yours, you may be entitled to a refund. Any refund is a pro-rated portion of your initial franchise fee based on the number of months remaining before the first anniversary of the effective date (for example: if you paid a \$3,750 initial franchise fee, and the franchise agreement was effective January 1, 2016 and it was mutually terminated in this way on July 1, 2016, then you would receive  $\frac{1}{2}$  of your initial franchise fee as a refund). We require you to sign a general release as a condition to the refund.

Background Investigation and Credit Checks: We can require you to pay us a non-refundable candidate evaluation fee of up to \$300 per person to offset credit check costs, background investigation costs and similar expenses before you can be offered a franchise. The fee may vary depending on the location of your Kiosk and the information you provide to us. The fee payment does not obligate you or us to offer/accept a franchise or enter into a franchise relationship. We can adjust the amount of the candidate evaluation fee in the future, as well. The fee is nonrefundable.

Initial Certification/Training Fee: We typically conduct training online and at our North Carolina training facility ("Fuji-NC Facility") or our California training facility ("Fuji-CA Facility"). Depending on timing before opening your Kiosk, course and space availability, travel restrictions and other factors, your training may be conducted at one or more of the following: our Fuji-NC Facility, our Fuji-CA Facility, on-site at your Kiosk or at another site we designate.

We charge a non-refundable Initial Certification Fee of \$6,000 when you sign the Franchise Agreement for up to 2 participants to attend our Initial Certification Program. If more than 2 attendees participate, one or more additional instructors will be required and you will pay an additional fee of \$6,000 per additional instructor. We may reduce the duration of any certification program under circumstances we deem warranted, such as when the attendee has prior pertinent experience. If we reduce the duration of the Kiosk Certification, we typically charge a reduced rate of \$750 per day for the Kiosk Certification plus \$3,750 for the Owner Certification Program. You are required to pay for any travel, lodging, meals, wages (as applicable) and other incidental costs you and any of your attendees incur while attending any of our training/certification programs.

**Manual Deposit:** You must pay us a Manual Loan Deposit of \$300 per Traditional or Reduced Operating Hours Kiosk. The deposit is refundable on return of the loaned Manual to us, and/or if your electronic access to the Manual is discontinued.

**Initial Inventory Purchases:** You will be required to purchase from us an initial inventory of food and equipment, including signage and grand opening and initial marketing materials, products, uniforms and supplies that we consider necessary for you to begin operations. We estimate that it will be in the range of \$11,368 to \$47,230 for a Traditional Kiosk, \$8,118 to \$21,797 for a Reduced Operating Hours Kiosk and \$750 to \$7,350 for a Satellite Kiosk, but cannot assure you that you will not spend more. We will invoice you for the dollar amount of the initial inventory, which is non-refundable and due to us on demand and according to the invoice terms. Amounts due for Freight Charges are not included in the estimated ranges.

We may sell a Kiosk we operate to a prospective Fujisan Franchisee. In that case, you and we would sign an asset purchase agreement for the purchase of certain assets. The terms of the purchase agreement would be negotiated between you and us on a case by case basis. A sample asset purchase agreement is attached to this Disclosure Document as Exhibit J. You also would sign a Franchise Agreement with us if you bought an existing Kiosk from us.

We are not required to offer you more than one FujiSan Kiosk location addendum. But if we choose to offer you more than one, all "Initial Fees", "Other Fees" and required purchases will apply to each location.

#### ITEM 6. OTHER FEES

Name of Fee (Note 1)	Amount	Due Date	Remarks
Background Investigation/ Credit Check Fee	Up to \$300 per Person	On Demand	If we or the Premises Host for a Kiosk requires credit or background checks for any location (Note 2). Amount is subject to change.

Name of Fee (Note 1)	Amount	Due Date	Remarks
Additional Informational Program Fee	We do not offer additional certification or instructional programs at this time, so are unable to provide a range of fees or costs.	As Incurred	We may require you and your Managers to attend additional certification and instructional programs to remain up to date on Products and Services, quality control requirements, preparation technique and other System elements. You are responsible for all incidental costs of program participation, such as hotels, meals, transportation and your staff's salaries.
Consultation Services Fee	\$750/day plus incidental expenses (including costs of transportation, meals, lodging, and other living expenses.)	On Demand	We provide these services in our discretion, when we determine that additional or unscheduled field services or support are needed in connection with your Kiosk. The fee is subject to change.



<b>Name of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Financial Audit	Varies	On demand if you under-report Gross Revenues or Wholesale Gross Revenues	If an inspection or audit reveals an underpayment or understatement to us, you pay the amount of the underpayment, plus 1.5% interest per month (or the highest rate allowed by the state where you are located, whichever is higher). If there is an underpayment or understatement of 2% or more, then you must also reimburse our costs and expenses for the inspection or audit.
Compensation to Franchisor ("Franchisor's Share")	Varies by Kiosk. Typically 20% to 27% of franchisee's Gross Revenues and/or Wholesale Gross Revenues and 20% to 27% of Wholesale Gross Revenues and/or Wholesale Gross Revenues goes to the Premises Host and 5% to 15% goes to us. Either rate could be higher or lower depending on Kiosk addendum and various economic factors. (Note 3)	Monthly	These fees are not uniformly imposed. The percentages are negotiated with the Premises Host.

<b>Name of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Cancellation Fee	\$3,750 per Kiosk	On Demand	If you stop operating a Kiosk location or if the franchise agreement/an addendum is terminated before end of term, we can charge you this fee to offset our re-marketing costs and other unanticipated expenses associated with a termination prior to the intended date.
Missed Session Fee	\$250 per person, per session day (Note 4)	Date of scheduled session	If we offer additional certification or instructional programs, we can charge a fee for any unexcused failure to attend a scheduled mandatory additional certification or instructional session.
Franchise Renewal Fee	\$3,750 for a Traditional Kiosk Location  \$500 for a Satellite Kiosk Location  \$1,000 for a Reduced Operating Hours Kiosk Location	Upon Renewal.	You pay us this fee if you and we wish to renew your franchise for a further term.
Franchise Transfer Fee	\$1,500 per Kiosk	Prior to Transfer	You pay us this fee if you wish to transfer your franchise to a 3 <sup>rd</sup> party, and we consent to the transfer.

<b>Name of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Marketing Fund Fee	Currently none; if fund established 1% of your Gross and/or Wholesale Revenue (as applicable)	Twice monthly on or before Reconciliation.	We may establish a Marketing Fund. We reserve the right to increase the fee to a maximum of 3% and/or change to a different payment period on 30 days' written notice.
Local Marketing Co-op Contribution	Currently none; if Co-op established 2% of your Gross and/or Wholesale Revenue (as applicable)	Monthly	We may require you to join a local marketing group (a "Co-op") if one is established in an area where your Kiosk is located. Co-op contributions are in addition to Marketing Fund Fees, advertising materials purchased from us for your Kiosk and costs associated with participation in programs such as gift cards/customer loyalty programs, or any mobile or other payment capability/app/program for your Kiosk.
Freight Charges	Currently ranges from \$300-\$700 per pallet, but subject to change.	Deducted by us at the time of Reconciliation	Charges and timing of payments are subject to change based on various economic factors including distribution constraints and/or market disruption.

<b>Name of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Gift Card/Loyalty Program Participation/Mobile or Other Payment Capability/App/ Program Fees and Expenses	Uncertain	As incurred, if a program or app is implemented	Possible costs of compliance with requirements we could establish involving these programs and related required equipment/software expenses, if any. Costs do not count towards any Marketing Fund or Local Co-Op fees.
Indemnification	Unknown	On Demand	You pay our and the Premises Host's costs/defense incurred because of you, your Kiosk and its operations.
Insurance	\$800 - \$5,000 (annually)	As Incurred	If you do not obtain the required insurance, we may (but are not obligated to) obtain it for you. You reimburse us for the cost, and/or we can deduct it from amounts we owe you. We may charge an administrative fee for obtaining insurance for you. Currently, the fee is \$200, but is subject to change.
Lab Testing	Varies. Up to \$500 per item tested.	As Incurred	If we obtain lab tests of items from your Kiosk, you will pay us the then-current lab testing fee, which we can change.

<b>Name of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Labeling	Varies	As Incurred	You pay for the cost of product re-labeling and system changes to accommodate your pricing if other than recommended price.
Interest on late payments	1.5% per month (or the highest rate allowed by the state where you are located, whichever is higher) on overdue amounts.	On demand if you do not pay us money you owe us	
Manual Loan Deposit	\$300 per Operations Manual	Before we loan each Manual, either in hard copy or electronically	Refundable on return of the loaned Manual to us, and/or if your electronic access to the Manual is discontinued. We can apply any refund due to you towards any amounts you owe us.
Point of Sale promotion and materials (Note 5)	\$100 - \$200 per month	As Incurred	
New Product/Supplier Evaluation Fee	\$500, plus our costs for the evaluation	On Demand	If you wish to use a product/service or supplier that we haven't approved, you submit a request to us and we invoice you \$500 for our internal processing of the request, plus our costs. Fee is subject to change.

<b>Name of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Standards Administration Fee	Up to \$500 per default/complaint	On Demand	This fee assists us in recouping internal costs we may incur with the handling of complaints and/or curable defaults involving your Kiosk or Franchised Business and/or your failure to maintain quality and consistency in Kiosk.
Technology Fee (Note 6)	Up to \$109 per month, depending on Premises Host. Currently \$51 per month per Kiosk.	The 1 <sup>st</sup> of each month	Fee can be changed on 30 days notice.
Damages, costs and expenses, including reasonable Attorneys' Fees we incur on your breach of the Franchise Agreement	Varies	On Demand	Payable only if you breach the Franchise Agreement.

**Notes to Chart on Other Fees  
For a FujiSan Franchise**

**Note 1:** Unless otherwise noted, all fees are nonrefundable and payable to us on demand and/or we can deduct them from amounts we owe you. Except as indicated in the table or notes, the fees are uniform. There may be instances in which we have varied, or will vary, the terms on which we offer franchises to suit the circumstances of a particular transaction, to the extent lawful. We can choose to waive and/or credit, reduce or defer payment of any and all fees and charges of any kind in connection with a franchise on a case-by-case basis, as we consider appropriate and as permitted by law. Conversion franchisees may have more favorable fee structures than other franchisees. We do not currently offer franchisees a food protection manager certification program or any background services/health/drug testing services. If we choose to implement them at a future date, we can charge a fee for those services and possibly require their purchase from us or an affiliate.

**Note 2:** You and any specified personnel must undergo drug, TB and other physical testing and/or criminal background checks at your expense if we or the Premises Host require it, and if allowed by law. You authorize the results to be shared with us and the Premises Host. If you fail any test or check, then we can terminate your franchise agreement and any Addendum without liability or refund.

**Note 3:** “Gross Revenues” means all amounts you or the Premises Host receive from the sale of Products and Services, whether approved or otherwise, or made under the Marks, less customer refunds, credits and sales taxes paid by you or the Premises Host. Generally, the Premises Host collects your Gross Revenues. After the Premises Host deducts its share (the “Premises Host Share”), we deduct our share (the “Franchisor Share”) from your Gross Revenues. “Wholesale Gross Revenues” means amounts received from Products and Services prepared and provided by Franchisee, whether approved or otherwise, at established Wholesale Prices, to the Premises Host and sold at retail. Wholesale Prices for the Location are negotiated and established according to the Third-Party Contract, subject to change from time to time. Generally, the Premises Host collects the Wholesale Gross Revenues which is usually the difference between the retail price and Wholesale Price. After the Premises Host deducts its share (the “Premises Host Share”), we deduct our share (the “Franchisor Share”) from your Wholesale Gross Revenues. We pay you your portion of your Gross Revenues and/or Wholesale Gross Revenues, as applicable, (less any other amounts payable to us or our associates) on a calendar month basis. When you sign your addendum for a Kiosk location it will describe the percentage of Gross Revenues and/or Wholesale Gross Revenues that is due you (the “Franchisee Share”), less deductions for inventory purchases or other amounts you owe to us. For example, the Gross Revenues and/or Wholesale Gross Revenues you generate in June would be used to reconcile amounts owed to the Premises Host and to us, and then we would pay you your share in July. The ranges shown above may vary depending on various economic factors, including, distribution constraints or market disruption, among other forces. A Premises Host occasionally may require an adjustment to Gross Revenues, Wholesale Gross Revenues share portions and/or Wholesale Price. In that case, we will inform you of the adjusted shares requirement and offer you a revised share. If you accept within 30 days, the applicable Kiosk Addendum will be amended to reflect your adjusted share. If you decline, the Addendum is mutually cancelled at the end of the 30 day period. You can request a substitute Kiosk location. We will try to accommodate your request, but cannot guarantee an alternative Kiosk location will be identified or that it will be comparable. We also have the right to implement an alternative compensation process, including the right to require that you collect customer payments and pay us a percentage royalty based on your Gross Revenues and/or Wholesale Gross Revenues. This type of change would result in your share being approximately the same as the amount/percentage originally stated in your Kiosk Addendum.

**Note 4:** These fees are subject to annual inflation adjustment in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor.

**Note 5:** We have product sampling and in-store promotions policies that we publish in our Manuals. You are required to meet mandatory policies at your expense and to participate in promotions. You may be required to purchase related products and promotional materials from us or our affiliates.

**Note 6:** All franchisees currently pay a uniform Technology Fee of \$51 per month (per Kiosk), for ongoing tablet technology support. This fee is subject to change. Currently, Kiosks located on the premises of a certain Premises Host pay an additional Technology Fee of \$58 per month, which is imposed by the Premises Host.

## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT FOR A TRADITIONAL KIOSK LOCATION (NOTE 1)

DESCRIPTION (NOTE 2)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Background Investigation/Credit Check Fee (Note 4)	\$0 - \$600	Cashier Check or wire transfer	As part of our franchise candidate evaluation process	Us
Franchise Fee (Note 8)	\$3,750	Cashier Check or wire transfer	When franchise agreement is signed	Us
Certification Program Fee (Note 3)	\$3,750 - \$6,000	Cashier Check or wire transfer upon being approved as a franchisee.	Due upon execution of Franchise Agreement.	Us
Estimated Expenses While Attending Our Certification Program (Note 3)	\$940 - \$3,175	As Arranged.	As Incurred.	Hotels, Airlines, Restaurants, etc.
Kiosk placement, additional inventory and services expenses (Note 10)	Typically, 20% to 27% of your "Gross Revenues" or "Wholesale Gross Revenues" goes to the Premises Host and an additional 5% to 15% goes to us, for these expenses. Varies w/ Premises Host's terms and Gross Revenues or Wholesale Gross Revenues at the applicable type of Kiosk you select as well as various economic factors	ACH	Monthly	Premises Host and us



<b>DESCRIPTION (NOTE 2)</b>	<b>ESTIMATED COST</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAID</b>
Equipment and Small Wares (Note 6)	\$4,600 - \$21,600	Cashier Check, wire transfer and/or deduction from commission	Before Kiosk opens for operation (Note 2)	Us
Opening Food Inventory (Note 12)	\$6,000 - \$23,000	Cashier Check or wire transfer or deducted from earned monthly sales	Before Kiosk opens for operation (Note 2)	Us or Pre Approved Supplier
Freight Charges (assumes approximately 2 pallets/month)	\$1,800 - \$4,200	Deducted from Gross/ Wholesale Revenues	At time of Reconciliation	Us
Licenses & Permits (Note 11)	\$200 - \$2,200	As Arranged	As incurred. Before Kiosk opens for operation (Note 2)	Local utilities and agencies or us or an affiliate
Possible TB Testing and Drug Testing (Note 5)	\$0 - \$500	Cashier Check or wire transfer	As required by Premises Host	Third Party
Insurance (Note 9)	\$800 - \$5,000	As Arranged	Before Kiosk opens for operation	Insurance Companies
Food Manager/Handler Exam and Certificate (Note 7)	\$275 - \$1,100	As Arranged	Before the start of training	3 <sup>rd</sup> Party testing service
Uniforms	\$268 - \$780	Cashier Check or wire transfer	Before opening (Note 2)	Us
Operations Manual Loan Deposit (Note 13)	\$300	Cashier Check or wire transfer	Prior to Opening	Us
Professional Advisor (Note 14)	\$0 - \$5,000	As Arranged	When incurred before opening	CPA, attorney, etc.

DESCRIPTION (NOTE 2)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Grand Opening OR Initial Marketing Materials (Note 15)	\$500 - \$1,850	Cashier Check or wire transfer or deducted from earned monthly sales	Before Kiosk opens for operation (Note 2)	Us
Additional Funds (initial 3 month period) (Note 16)	\$5,000 - \$25,000	Varies	As incurred	Employees, suppliers, and Us
TOTAL (Note 17)	\$28,183- \$104,055			

The above costs are generally non-refundable unless otherwise arranged with the applicable vendor.

**Notes to Chart on Your Estimated Initial Investment  
For a FujiSan Traditional Kiosk Location**

**Note 1:** These estimates are for 1 Traditional Kiosk in a Premises Host location.

**Note 2:** This table provides certain estimated costs related to pre-opening expenses for a Traditional Kiosk and certain costs you can anticipate to occur during the first 3 months of the Kiosk's operations. We used our experience with franchisees to make these estimates. These are only estimates. We may extend credit for certain expenses involved in starting a Kiosk business, like opening inventory, small wares/equipment, uniforms, marketing expenses and costs of licenses and permits. We also might finance some of your opening expenses, like certification program fees. See Item 10 for details regarding financing. If you acquire an operating Traditional Kiosk from us the price you pay for its assets and other terms of acquisition will be negotiated between you and us and is not reflected in the above chart.

**Note 3:** As of the date of this Disclosure Document, we have training facilities in North Carolina ("Fuji-NC Facility") and California ("Fuji-CA Facility") and conduct a portion of the training online. Depending on course and space availability, timing before opening, travel restrictions and other factors, you will receive your training at one or more of the following: the Fuji-NC Facility, the Fuji-CA Facility, on-site at your Kiosk or at another site we designate.

We charge a non-refundable Initial Certification Fee of \$6,000 when you sign the Franchise Agreement for 1 to 2 participants to attend our Initial Certification Program. Typically, our Initial Certification Program involves 2 days of online training, a 1 - 3 day Kiosk Certification Program and a 5 day Owner Certification Program. If more than 2 attendees participate, one or more additional instructors will be required and you will pay an additional fee of \$6,000 per additional instructor. We may reduce the duration of any certification program under circumstances we deem warranted, such as when the attendee has prior pertinent experience. If we reduce the duration of the Kiosk Certification, we typically charge a reduced rate of \$750 per day for the Kiosk Certification plus \$3,750 for the Owner Certification Program.

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You also must pay for any travel, lodging, meals, wages (as applicable) and other incidental costs you and any other of your attendees incur while attending the Initial Certification Program and/or any of our other instructional programs they attend. The figures provided range from \$940 to \$3,175 for lodging, airfare, meals and fuel costs related to local and non-local candidates attending our program.

**Note 4:** Please see Item 5 for additional information regarding the Background Investigation and Credit Check fees. The fees may vary depending on the location of your Kiosk and local requirements and the information you provide to us. The high-end figure assumes evaluations for 2 individuals.

**Note 5:** Low end is for no testing or criminal background check. High end is for TB testing, drug testing, and criminal background check for 1 person. Drug/TB testing services are currently offered by a third-party vendor, we do not currently offer any drug testing services but may do so in the future.

**Note 6:** This is for the purchase of rice cookers, tables, racks, trays, knives, utensils, storage containers, sampler kit, delivery containers, tablet, stylus, label printer, rice sheeter, kitchen log and handbook and related items. Low end vs. high end depends on the quantity of each item purchased. Refer to Item 10 for information regarding possible financing of this expense.

**Note 7:** This is for food protection manager testing and certification per person. This certificate must be obtained through a 3<sup>rd</sup> party approved source as required under applicable law.

**Note 8:** This is for the initial fee, which you pay in cashier's check or wire transfer on signing your franchise agreement. Please see Item 5 for additional information regarding initial franchise fees.

**Note 9:** This is the estimated insurance premium for one year. Premium costs depend on sales and size of operation, carrier selected and other factors. You must give us proof of required insurance before your Kiosk can begin operation, and then must give us complete copies of each policy within 21 days after that. All policies must name us, our Affiliates, certain related persons and the Premises Host as additional insureds via an endorsement; contain waivers of subrogation endorsement; and give notices to us. If you fail to purchase, maintain or provide proof of insurance and copies of policies, then we can buy that insurance on your behalf and charge you an administrative fee. The administrative fee is currently \$200, but is subject to change. We are not obligated to do this, but if we do, you reimburse us for the premiums and administrative fee. We can offset any unpaid premiums against any amount we owe you. We may, from time to time, modify the types and/or limits of required insurance policies, and you are required to comply with any new requirements. We do not guarantee that our minimum insurance requirements will be adequate coverage for your business; you are advised to consult a qualified insurance broker to discuss your insurance needs.

Commercial General:	not less than \$2,000,000 per occurrence and \$4,000,000 aggregate;
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Worker's Compensation:	statutory amounts required by the states;
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Employer's Liability:	limits of \$1,000,000 per occurrence;
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Unemployment:	covering your employees (as required by state law);
Property:	covering the Kiosk(s) for perils (flood and earthquake coverage is recommended, but not required at this time);
Business Income:	to insure profits and business expenses for 1 year in the event of perils including flood and earthquake;
State Disability	covering your employees (as required by state law);
Auto liability	at least \$1,000,000 per occurrence of bodily injury and property damage combined for autos you own, lease, hire or borrow; and
Employment Practices Liability	for franchisees with multiple locations only at this time

**Note 10:** The addendum you sign for your Kiosk location will describe the Gross Revenues and/or Wholesale Gross Revenues percentage applicable to your Kiosk location (“Franchisee Share”), less deductions for kiosk placement, additional inventory purchases or other amounts you owe to us and the Premises Host. These rates vary depending on the Kiosk addendum you sign and the specific Premises Host negotiations. Also, various economic factors, including, distribution constraints or market disruption, among other forces, can result in a variance in these ranges. We cannot estimate the dollar amount the Premises Host Share represents because it is a percentage of revenues and we cannot project your revenues at a Kiosk. The Premises Host commonly develops and builds out the Kiosk before you occupy it and there generally is no separate charge to you associated with the facility layout or build out. You typically will not pay a traditional ‘rent’ or “occupancy” fee directly to the Premises Host, instead, part of the expenses deducted by the Premises Host relate to the placement and use of your kiosk at that Host location, as provided in the contract between us and the Premises Host. Refer to Item 6 for more information on Gross Revenue sharing.

**Note 11:** Costs vary by city, county, and state. You must obtain all licenses, permits and approvals needed before you begin operating. If we or an affiliate obtain them on your behalf, then you reimburse us the related costs. The above range also includes an estimate of costs in forming a kind of Business Entity to conduct your Kiosk business and in filing a fictitious business name, if required. Professional fees, like legal or accounting fees, are not included in this range, but would be additional expenses and would vary significantly depending on the firms engaged to perform the services and on your particular ownership circumstances.

**Note 12:** Before you begin operating your Kiosk, we can choose to stock your Kiosk with the opening food inventory, but we are not obligated to do so (see Item 11 regarding our pre-opening obligations). The range is based primarily on the menu that the Premises Host approves for the Kiosk. You pay us for the opening inventory/supplies we deliver. See Item 8 for additional information regarding food products. Refer to Item 10 for information regarding possible financing of this expense.

**Note 13:** This fee is refundable when you return the Operations Manual upon the termination or expiration of the Franchise Agreement.

**Note 14:** We recommend that you consult with independent professional advisors like a lawyer and CPA concerning the operation of your Kiosk.

**Note 15:** Low end is when a Grand Opening Kit and/or the purchase of any signs, banners, or point of sale décor is not required, or if the Premises Host provides them for you or won't permit you to display them. High end is for the full range of signs, banners, and point of sale décor. You must keep the appearance of your Kiosk consistent with our required quality and trademark standards, our Manual and the Premises Host rules. We can notify you if your Kiosk's appearance, signs or decor does not meet our standards, and can require you to correct any deficiency.

**Note 16:** You must have additional funds available to pay employee wages, supplies, taxes, administrative and other operational costs that may arise in the first three months of operation. These "Additional Funds" amounts do not take into consideration any of your personal living expenses or other expenses, such as finance charges, interest or debt service obligations, sales and/or use taxes on goods and services, income taxes, and a variety of other amounts not described above. These expenses may be offset by any revenue you earn during the same period. The estimates include compensation for 5 full time employees at \$15/hour. Your costs will vary depending on applicable law, your chosen compensation program, the number of employees you hire and the schedules you set for them. We used our affiliate's 13 years of experience with Kiosks in Premises Host locations and the experience of our franchisees to formulate our estimates.

**Note 17:** The total range listed in the above chart does not include compensation for your time or labor and other material costs or any sort of owner's draw. The estimates presented relate only to certain costs associated with the franchised business and do not cover any personal, "living" expenses or certain other business expenses you may have, such as the share of Gross Revenues or Wholesale Gross Revenues retained by us or your Premises Host, debt service on any loans or financing arrangements, tax expenses and a variety of other amounts not described in the above charts. You should also note that the 3-month period from beginning business used for purposes of the above chart does not mean that you will have reached "break-even", "positive cash flow", or any other particular financial position within that timeframe or afterwards. We do not know when your Kiosk will generate a positive cash flow, if at all. You should check with your financial and other advisors.

**YOUR ESTIMATED INITIAL INVESTMENT  
FOR A REDUCED OPERATING HOURS KIOSK (NOTE 1)**

<b>DESCRIPTION (NOTE 2)</b>	<b>ESTIMATED COST</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAID</b>
Background Investigation/Credit Check Fee (Note 4)	\$0 - \$600	Cashier Check or wire transfer	As part of our franchise candidate evaluation process	Us
Franchise Fee (Note 8)	\$1,000	Cashier Check or wire transfer	When franchise agreement is signed	Us
Certification Program Fee (Note 3)	\$3,750- \$6,000	Cashier Check or wire transfer upon being approved as a franchisee.	Due upon execution of Franchise Agreement.	Us
Estimated Expenses While Attending Our Certification Program (Note 3)	\$940 - \$3,175	As Arranged.	As Incurred.	Hotels, Airlines, Restaurants, etc.
Kiosk placement, additional inventory and services expenses (Note 10)	Typically, 20% to 27% of your "Gross Revenues" or "Wholesale Gross Revenues" goes to the Premises Host and an additional 5% to 15% goes to us, for these expenses. Varies w/ Premises Host's terms and Gross Revenues or Wholesale Gross Revenues at the Kiosk as well as various economic factors	ACH	Monthly	Premises Host and us
Equipment and Small Wares (Note 6)	\$4,600 - \$8,100	Cashier Check, wire transfer and/or deduction from commission	Before Kiosk opens for operation (Note 2)	Us

DESCRIPTION (NOTE 2)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Opening Food Inventory (Note 12)	\$2,750 - \$11,067	Cashier Check or wire transfer or deducted from earned monthly sales	Before Kiosk opens for operation (Note 2)	Us or Pre Approved Supplier
Freight Charges (assumes approximately 1 pallet/month)	\$900 - \$2,100	Deducted from Gross/ Wholesale Revenues	At time of Reconciliation	Us
Licenses & Permits (Note 11)	\$200 - \$2,200	As Arranged	As incurred. Before Kiosk opens for operation (Note 2)	Local utilities and agencies or us or an affiliate
Possible TB Testing and Drug Testing (Note 5)	\$0 - \$500	Cashier Check or wire transfer	As required by Premises Host	Third Party
Insurance (Note 9)	\$800 - \$5,000	As Arranged	Before Kiosk opens for operation	Insurance Companies
Food Manager/Handler Exam and Certificate (Note 7)	\$275 - \$1,100	As Arranged	Before the start of training	3 <sup>rd</sup> Party testing service
Uniforms	\$268 - \$780	Cashier Check or wire transfer	Before opening (Note 2)	Us
Operations Manual Loan Deposit (Note 13)	\$300	Cashier Check or wire transfer	Prior to Opening	Us
Professional Advisor (Note 14)	\$0 - \$5,000	As Arranged	When incurred before opening	CPA, attorney, etc.
Grand Opening OR Initial Marketing Materials (Note 15)	\$500 - \$1,850	Cashier Check or wire transfer or deducted from earned monthly sales	Before Kiosk opens for operation (Note 2)	Us

DESCRIPTION (NOTE 2)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Additional Funds (initial 3 month period) (Note 16)	\$3,000 - \$15,000	Varies	As incurred	Employees, suppliers, and Us
TOTAL (Note 17)	\$19,283 - \$63,772			

The above costs are generally non-refundable unless otherwise arranged with the applicable vendor.

**Notes to Chart on Your Estimated Initial Investment**  
**For a FujiSan Reduced Operating Hours Kiosk**

**Note 1:** These estimates are for 1 Reduced Operating Hours Kiosk in a Premises Host location.

**Note 2:** This table provides certain estimated costs related to pre-opening expenses for a Reduced Operating Hours Kiosk and certain costs you can anticipate to occur during the first 3 months of the Kiosk's operations. We used our experience with franchisees to make these estimates. These are only estimates. We may extend credit for certain expenses involved in starting a Kiosk business, like opening inventory, small wares/equipment, uniforms, marketing expenses and costs of licenses and permits. We also might finance some of your opening expenses, like certification program fees. See Item 10 for details regarding financing.

**Note 3:** As of the date of this Disclosure Document, we have training facilities in North Carolina ("Fuji-NC Facility") and California ("Fuji-CA Facility") and conduct a portion of the training online. Depending on course and space availability, timing before opening, travel restrictions and other factors, you will receive your training at one or more of the following: the Fuji-NC Facility, the Fuji-CA Facility, on-site at your Kiosk or at another site we designate.

We charge a non-refundable Initial Certification Fee of \$6,000 when you sign the Franchise Agreement for 1 to 2 participants to attend our Initial Certification Program. Typically, our Initial Certification Program involves 2 days of online training, a 1 - 3 day Kiosk Certification Program and a 5 day Owner Certification Program. If more than 2 attendees participate, one or more additional instructors will be required and you will pay an additional fee of \$6,000 per additional instructor. We may reduce the duration of any certification program under circumstances we deem warranted, such as when the attendee has prior pertinent experience. If we reduce the duration of the Kiosk Certification, we typically charge a reduced rate of \$750 per day for the Kiosk Certification plus \$3,750 for the Owner Certification Program.

You also must pay for any travel, lodging, meals, wages (as applicable) and other incidental costs you and any other of your attendees incur while attending the Initial Certification Program and/or any of our other instructional programs they attend. The figures provided range from \$940 to \$3,175 for lodging, airfare, meals and fuel costs related to local and non-local candidates attending our program.



**Note 4:** Please see Item 5 for additional information regarding the Background Investigation and Credit Check fees. The fees may vary depending on the location of your Kiosk and local requirements and the information you provide to us. The high-end figure assumes evaluations for 2 individuals.

**Note 5:** Low end is for no testing or criminal background check. High end is for TB testing, drug testing, and criminal background check for 1 person. Drug/TB testing services are currently offered by a third-party vendor, we do not currently offer any drug testing services but may do so in the future.

**Note 6:** This is for the purchase of rice cookers, tables, racks, trays, knives, utensils, storage containers, sampler kit, delivery containers, tablet, stylus, label printer, kitchen log and handbook and related items. Low end vs. high end depends on the quantity of each item purchased. Refer to Item 10 for information regarding possible financing of this expense.

**Note 7:** This is for food protection manager testing and certification per person. This certificate must be obtained through a 3<sup>rd</sup> party approved source as required under applicable law.

**Note 8:** This is for the initial fee, which you pay in cashier's check or wire transfer on signing your franchise agreement. Please see Item 5 for additional information regarding initial franchise fees.

**Note 9:** This is the estimated insurance premium for one year. Premium costs depend on sales and size of operation, carrier selected and other factors. You must give us proof of required insurance before your Kiosk can begin operation, and then must give us complete copies of each policy within 21 days after that. All policies must name us, our Affiliates, certain related persons and the Premises Host as additional insureds via an endorsement; contain waivers of subrogation endorsement; and give notices to us. If you fail to purchase, maintain or provide proof of insurance and copies of policies, then we can buy that insurance on your behalf and charge you an administrative fee. The administrative fee is currently \$200, but is subject to change. We are not obligated to do this, but if we do, you reimburse us for the premiums and administrative fee. We can offset any unpaid premiums against any amount we owe you. We may, from time to time, modify the types and/or limits of required insurance policies, and you are required to comply with any new requirements. We do not guarantee that our minimum insurance requirements will be adequate coverage for your business; you are advised to consult a qualified insurance broker to discuss your insurance needs.

Commercial General:	not less than \$2,000,000 per occurrence and \$4,000,000 aggregate;
Worker's Compensation:	statutory amounts required by the states;
Employer's Liability:	limits of \$1,000,000 per occurrence;
Unemployment:	covering your employees (as required by state law);
Property:	covering the Kiosk(s) for perils (flood and earthquake coverage is recommended, but not required at this time);

Business Income:	to insure profits and business expenses for 1 year in the event of perils including flood and earthquake;
State Disability	covering your employees (as required by state law);
Auto liability	at least \$1,000,000 per occurrence of bodily injury and property damage combined for autos you own, lease, hire or borrow; and
Employment Practices Liability	for franchisees with multiple locations only at this time

**Note 10:** The addendum you sign for your Kiosk location will describe the Gross Revenues and/or Wholesale Gross Revenues percentage applicable to which your Kiosk location ("Franchisee Share"), less deductions for kiosk placement, additional inventory purchases or other amounts you owe to us and the Premises Host. These rates vary and could be higher or lower depending on the Kiosk addendum you sign and the specific Premises Host negotiations. Also, various economic factors, including, distribution constraints or market disruption, among other forces, can result in a variance in these ranges. We cannot estimate the dollar amount the Premises Host Share represents because it is a percentage of revenues and we cannot project your revenues at a Kiosk. The Premises Host commonly develops and builds out the Kiosk before you occupy it and there generally is no separate charge to you associated with the facility layout or build out. You typically will not pay a traditional 'rent' or "occupancy" fee directly to the Premises Host, instead, part of the expenses deducted by the Premises Host relate to the placement and use of your kiosk at that Host location, as provided in the contract between us and the Premises Host. Refer to Item 6 for more information on Gross Revenue sharing.

**Note 11:** Costs vary by city, county, and state. You must obtain all licenses, permits and approvals needed before you begin operating. If we or an affiliate obtain them on your behalf, then you reimburse us the related costs. The above range also includes an estimate of costs in forming a kind of Business Entity to conduct your Kiosk business and in filing a fictitious business name, if required. Professional fees, like legal or accounting fees, are not included in this range, but would be additional expenses and would vary significantly depending on the firms engaged to perform the services and on your particular ownership circumstances.

**Note 12:** Before you begin operating your Kiosk, we can choose to stock your Kiosk with the opening food inventory, but we are not obligated to do so (see Item 11 regarding our pre-opening obligations). The range is based primarily on the menu that the Premises Host approves for the Kiosk. You pay us for the opening inventory/supplies we deliver. See Item 8 for additional information regarding food products. Refer to Item 10 for information regarding possible financing of this expense.

**Note 13:** This fee is refundable when you return the Operations Manual upon the termination or expiration of the Franchise Agreement.

**Note 14:** We recommend that you consult with independent professional advisors like a lawyer and CPA concerning the operation of your Kiosk.

**Note 15:** Low end is when a Grand Opening Kit and/or the purchase of any signs, banners, or point of sale décor is not required, or if the Premises Host provides them for you or won't permit

you to display them. High end is for the full range of signs, banners, and point of sale décor. You must keep the appearance of your Kiosk consistent with our required quality and trademark standards, our Manual and the Premises Host rules. We can notify you if your Kiosk's appearance, signs or decor does not meet our standards, and can require you to correct any deficiency.

**Note 16:** You must have additional funds available to pay employee wages, supplies, taxes, administrative and other operational costs that may arise in the first three months of operation. These "Additional Funds" amounts do not take into consideration any of your personal living expenses or other expenses, such as finance charges, interest or debt service obligations, sales and/or use taxes on goods and services, income taxes, and a variety of other amounts not described above. These expenses may be offset by any revenue you earn during the same period. The estimates include compensation for 3 full time employees at \$15/hour. Your costs will vary depending on applicable law, your chosen compensation program, the number of employees you hire and the schedules you set for them. We used our affiliate's 13 years of experience with Kiosks in Premises Host locations and the experience of our franchisees to formulate our estimates.

**Note 17:** The total range listed in the above chart does not include compensation for your time or labor and other material costs or any sort of owner's draw. The estimates presented relate only to certain costs associated with the franchised business and do not cover any personal, "living" expenses or certain other business expenses you may have, such as the share of Gross Revenues or Wholesale Gross Revenues retained by us or your Premises Host, debt service on any loans or financing arrangements, tax expenses and a variety of other amounts not described in the above charts. You should also note that the 3-month period from beginning business used for purposes of the above chart does not mean that you will have reached "break-even", "positive cash flow", or any other particular financial position within that timeframe or afterwards. We do not know when your Kiosk will generate a positive cash flow, if at all. You should check with your financial and other advisors.

**YOUR ESTIMATED INITIAL INVESTMENT  
FOR A SATELLITE KIOSK LOCATION (NOTE 1)**

<b>DESCRIPTION (NOTE 2)</b>	<b>ESTIMATED COST</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAID</b>
Franchise Fee	\$500	Cashier Check or wire transfer	When Satellite Kiosk Addendum is signed	Us
Smallwares, Coolers, Ice Packs and Sample Kit (Note 3)	\$250 - \$1,500	Cashier check or deducted from earned monthly sales.	Before Kiosk opens for operation	Us or supplier
Insurance (Note 4)	\$800 \$5,000	Upon third party format	Before Kiosk opens for operation	Insurance Company
Licenses & Permits (Note 5)	\$200 - \$3,000	As arranged	Before Kiosk opens for operation	Us or Government Agency
Opening Food Inventory (Note 6)	\$500 - \$4,000	Cashier check or wire transfer or deducted from earned monthly sales	Before Kiosk opens for operation	Us
Freight Charges (assumes 0-1 pallets per month)	\$0 - \$2,100	Deducted from Gross/ Wholesale Revenues	At time of Reconciliation	Us
Initial Marketing Materials (Note 7)	\$0 - \$1,850	Cashier Check or wire transfer or deducted from earned monthly sales	Before Kiosk opens for operation	Us

DESCRIPTION (NOTE 2)	ESTIMATED COST	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Kiosk placement, additional inventory and services expenses (Note 9)	Typically, 20% to 27% of your “Gross Revenues” or “Wholesale Gross Revenues” goes to the Premises Host and an additional 5% to 15% goes to us, for these expenses. Varies w/ Premises Host’s terms and Gross Revenues or Wholesale Gross Revenues at the Kiosk as well as various economic factors	ACH	Monthly	Premises Host and us
Additional Funds (initial 3 month period) (Note 10)	\$1,000 - \$5,000	Varies	As incurred	Employees and suppliers
TOTAL (Note 11)	\$3,250 - \$22,950			

In general, none of the expenses listed in the above chart is refundable.

**Notes to Chart on Your Estimated Initial Investment  
For a FujiSan Satellite Kiosk Location**

**Note 1:** These estimates are for 1 Satellite Kiosk in a Premises Host location. We may give you an addendum for a Satellite Kiosk, but only if you already have an existing Traditional or Reduced Operating Hours Kiosk location. We may extend credit for certain expenses involved in starting a Kiosk business, like opening inventory, small wares/equipment, uniforms, marketing expenses and costs of licenses and permits. We also might finance some of your opening expenses, like certification program fees. See Item 10 for details regarding financing.

**Note 2:** This table provides certain estimated costs related to pre-opening expenses for a Satellite Kiosk and certain costs you can anticipate occurring during the first 3 months of the Kiosk’s operations. We used our experience with franchisees to make these estimates. These are only estimates.

**Note 3:** You will use the tablet and stylus for product ordering and the label printer for printing product labels. You will use coolers and ice packs to transport your food products to your Satellite

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Kiosk location. The Sample Kit will be used to sample at the Satellite Kiosk location. Low end is if you already have the necessary equipment. High end is to purchase all necessary coolers and ice packs.

**Note 4:** This is the estimated insurance premium for one year at your Satellite Kiosk location. Refer to Note 9 of the previous chart for current coverage specifics. Premium costs depend on sales and size of operation, carrier selected and other factors. You must give us proof of required insurance before your Kiosk can begin operation, and then must give us complete copies of each policy within 21 days after that. All policies must name us, our Affiliates, certain related persons and the Premises Host as additional insureds via an endorsement; contain waivers of subrogation endorsement; and give notices to us. If you fail to purchase, maintain or provide proof of insurance and copies of policies, then we can buy that insurance on your behalf and charge you an administrative fee. The administrative fee is currently \$200, but is subject to change. We are not obligated to do this, but if we do, you grant us the authority, and you pay us for the insurance premiums. We can offset any unpaid premiums against any Gross Revenues or Wholesale Gross Revenues due you. Our insurance requirements for a Satellite Kiosk location are the same as for a Traditional or Reduced Operating Hours Kiosk location. We may, from time to time, modify the types and/or limits of required insurance policies, and you are required to comply with any new requirements. We do not guarantee that our minimum insurance requirements will be adequate coverage for your business; you are advised to consult a qualified insurance broker to discuss your insurance needs.

Commercial General:	not less than \$2,000,000 per occurrence and \$4,000,000 aggregate;
Worker's Compensation:	statutory amounts required by the states;
Employer's Liability:	limits of \$1,000,000 per occurrence;
Unemployment:	covering your employees (as required by state law);
Property:	covering the Kiosk(s) for perils (flood and earthquake coverage is recommended, but not required at this time);
Business Income:	to insure profits and business expenses for 1 year in the event of perils including flood and earthquake;
State Disability	covering your employees (as required by state law);
Auto liability	at least \$1,000,000 per occurrence of bodily injury and property damage combined for autos you own, lease, hire or borrow; and
Employment Practices Liability	for franchisees with multiple locations only at this time

**Note 5:** Costs vary by city, county, and state. You must obtain all licenses, permits and approvals needed to conduct business lawfully at your Kiosk before you begin operating. If we or an affiliate obtain them on your behalf, then you reimburse us the related costs.

**Note 6:** Food inventory will be delivered to your Traditional or Reduced Operating Hours Kiosk for preparation there.

**Note 7:** Low end is if you already have the signs, banners, or point of sale décor as currently-approved by us, or if the Premises Host provides them for you or won't permit you to display them. High end is for a full display. You must keep the appearance of your Kiosk consistent with our required quality or trademark standards, our Manual and the Premises Host rules. We can notify you if your Kiosk's appearance does not meet our standards and can require you to correct any deficiency.

**Note 8:** This fee is refundable when you return the Operations Manual upon the termination or expiration of the Franchise Agreement.

**Note 9:** The addendum you sign for your Kiosk location will describe the Gross Revenues and/or Wholesale Gross Revenues percentage applicable to your Kiosk location ("Franchisee Share"), less deductions for kiosk placement, additional inventory purchases or other amounts you owe to us and the Premises Host. These rates vary and could be higher or lower depending on Kiosk addendum you sign and the specific Premises Host negotiations. Also, various economic factors, including, distribution constraints or market disruption, among other forces, can result in a variance in these ranges. We cannot estimate the dollar amount the Premises Host Share represents because it is a percentage of revenues and we cannot project your revenues at a Kiosk. The Premises Host commonly develops and builds out the Kiosk before you occupy it and there generally is no separate charge to you associated with the facility layout or build out. You typically will not pay a traditional 'rent' or "occupancy" to the Premises Host, instead, part of the expenses deducted by the Premises Host relate to the placement and use of your kiosk at that Host location, as provided in the contract between us and the Premises Host. Refer to Item 6 for more information on Gross Revenue sharing.

**Note 10:** You must have additional funds available to pay employee wages, supplies, taxes, gasoline for product delivery, administrative and other operational costs that may arise in the first three months of operation of your Satellite Kiosk location. These Additional Funds amounts do not take into consideration any of your personal living expenses or other expenses, such as finance charges, interest or debt service obligations, sales and/or use taxes on goods and services, income taxes, and a variety of other amounts not described above. These expenses may be offset by any revenue you earn during the same period.

We used our affiliate's 13 years of experience with Kiosks in Premises Host locations and the experience of our franchisees to formulate our estimates.

**Note 11:** There could be other factors not listed that may affect your initial investment. You should check with your financial and other advisors. The total range listed in the above chart also does not include compensation for your time or labor and other material costs or any sort of owner's draw or certain other business expenses you may have, such as the share of Gross Revenues or Wholesale Gross Revenues retained by us or your Premises Host, debt service on any loans or financing arrangements, tax expenses and a variety of other amounts not described in the above charts. Additionally, our estimates assume that you already have a vehicle capable of delivering to the Satellite Kiosk location the product you prepare at the Traditional or Reduced Operating Hours Kiosk for delivery to that site. You should also note that the 3-month period from beginning business used for purposes of the above chart does not mean that you will have reached "break-even", "positive cash flow", or any other particular financial position within that

timeframe or afterwards. We do not know when your Kiosk will generate a positive cash flow, if at all. You should check with your financial and other advisors.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must offer only Products and Services at your Kiosk that we and the Premises Host authorize. We can require you to buy these and other goods and services that we designate only from us, our affiliates or from suppliers we choose. If we set standards and any specifications or requirements for any Products and Services or suppliers then you can only use/offer suppliers, Products and/or Services that meet those requirements. We may reconsider our approval of any goods, services or suppliers. We will notify you if we revoke an approval, and you must stop purchasing disapproved goods or services and must not make purchases from a disapproved supplier. Any negotiated volume discount may not be available to franchisees located in markets that a particular supplier does not serve or does not serve in sufficient volume. Presently, there are no purchasing or distribution cooperatives that you must join.

We and our franchisees have a substantial interest in having consistent quality Products and Services associated with the FujiSan Kiosk Marks and System. Additionally, the ingredient statements and nutritional facts with which our approved products are labeled are based upon the food products, sauces, and spices used and/or produced by us according to proprietary recipes. These are some of the reasons that we currently are the only approved supplier for core products you are required to purchase for your Franchised Business, currently including rice, vinegar, pre-packaged food products and condiments, seafood products, branded items, labels, sauces and sushi trays. You can request our approval of another supplier that you source locally, but the products you want to purchase from them must meet our standards and specifications, as noted above.

You will have an opportunity to review our current product/service price list before you sign the Franchise Agreement, but prices and products/services are subject to change. We can require that you sign our then current form non-disclosure agreement. We purchase almost all of the products we sell to you from our affiliate, Fuji Food Products (FFP). FFP will make a profit on items we purchase from them for resale to you. We anticipate their mark up on sales to us will be approximately 33% - 45%, which mark-up we pass down on resale to you, unless we determine additional amounts are needed to cover market fluctuations or other circumstances. We, our associates and approved suppliers may use discretion in allocating Products or Services, especially if there are shortages, interruptions or delays. No other affiliate of ours supplies Products and Services that are purchased by our franchisees.

We are a supplier of Products and Services we can require you to buy before you begin service at your Kiosk, including a credit and background check, our certification program, initial inventory of food and equipment, and signs and other point of sale materials. You pay us a fee for all of these Products and Services. A Manuals deposit also is required, but is refundable if you return the Manuals when the Franchise Agreement is over. You also can be required where it is lawful to undergo drug testing, other physical testing and/or a background investigation. Currently, you pay us \$200 for any background investigation required after the Franchise Agreement is signed. (Refer to Items 5 and 6 for additional information on these costs.)



You are required to purchase tablet technology support services from a designated vendor that is unaffiliated with us. We may change vendors or discontinue this requirement, and the fees may change. We collect these fees on behalf of the vendor without marking up the price, but we reserve the right to do so in the future.

Typically, you will have to locate your Kiosk in a grocery store or other Premises Host's facility according to agreements that we or our affiliate make with the Premises Host. We and/or our affiliate and the Premises Host keep a portion of the revenues you generate with your Kiosk. (Refer to Item 6 for additional information on revenue sharing).

Occasionally, we may provide you a list of approved or designated suppliers and distributors for certain products and/or services for use or sale at your Kiosk. Currently, we have a list of approved suppliers for some equipment. If you would like us to consider an alternative or additional supplier, product or service, you pay us a \$500 internal processing fee and also pay any costs we incur in the evaluation. We can approve or disapprove as we see fit and are not required to make available to prospective suppliers, standards and specifications that are confidential and/or proprietary to us or any other affiliate of ours. In evaluating suppliers, we will consider a variety of factors, which can include whether the supplier is able to supply the products or services according to our standards, is able to produce and deliver products timely and with good quality service, is financially stable, offers appropriate sales terms and meets other applicable criteria. We will tell you our decision within about 60 days of your written request.

You must obtain and maintain insurance coverage meeting our specifications and through carriers satisfactory to us. Current requirements include commercial general liability (\$2,000,000 per occurrence and \$4,000,000 aggregate), worker's compensation (as required by state law), employer's liability (\$1,000,000 per occurrence), unemployment insurance, property insurance, business income insurance, state disability insurance (as required by state law), automobile insurance (\$1,000,000 per occurrence for owned, leased, hired or borrowed automobiles), and Employment Practices Liability Insurance (for franchisees with multiple kiosks).

We and our affiliates can receive discounts, volume rebates, administration fees, commissions, advertising allowances or other advantages that we can obtain from suppliers. We do not currently have arrangements to earn money from your purchases or leases from unrelated suppliers, but we could make these arrangements in the future. Additionally, we and/or our affiliates have the right to be an approved supplier, exclusive or otherwise, and to earn a profit on any Products or Services sold to you. We do not currently markup items/services we sell you, but reserve the right to do so. Any affiliate will make a profit on items we purchase from them for resale to you, as noted above.

For the fiscal year ended December 31, 2024, our revenues from franchisees' purchases or leases of products/services from us were \$61,037,264, or 24.8% of our total revenues of \$252,471,074.

Our Directors, Mr. Meruelo and Mr. Armona, and our Secretary, Mr. Tapanes, have an ownership interest in us and our affiliate, FFP.

Unless you receive a specific written warranty for a particular item or service, all items we or an affiliate sell are provided "as is" and without any warranties, express or implied. You have to follow our policies and procedures about our or our affiliate's product shipments.

We do not provide you with any material benefit, such as the grant of an additional franchise or a renewal franchise, based on your use of or purchases from approved suppliers.

Assuming that the estimated minimum initial costs to begin operations and other financial obligations are within the ranges described in Item 7, we estimate that your required purchases and leases will represent approximately 95% of all purchases and leases you make in the establishment and opening of your Kiosk. We also estimate that the required purchases and leases you make on an ongoing basis will represent approximately 95% of all purchases and leases you make in operating the business on an ongoing basis.

## **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 this disclosure document.**

<b>Obligation</b>	<b>Sections In Agreement</b>	<b>Items In Disclosure Document</b>
a. Site selection and acquisition/lease	Section 4 of Franchise Agreement ("FA")	Items 11 and 12
b. Pre-opening purchases/ leases	Sections 11.F., 12.H, 12.I, 14.D, 14.E, 14.H, 14.N and 16.C of FA	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 4, 5, 9.A, 15.A, 15.B and 16 of FA	Items 7, 8, 11 and 12
d. Initial and ongoing training	Section 5 of FA	Items 5, 6, 7 and 11
e. Opening	Sections 14.B and 15. B of FA	Item 11
f. Fees	<p>Sections 2, 3.B, 5.A, 5.G, 5.H, 9.A, 11, 12.C, 12.D, 12.F, 12.I., 12.J, 12.K, 13.E, 14.F, 14.M, 14.R, 18.A, 20.D, 29, and 34.G of FA</p> <p>Section F of Satellite Kiosk Addendum</p> <p>Section F of Traditional or Reduced Operating Hours Kiosk Addendum</p> <p>Section 1.2 of the Asset Purchase Agreement</p>	Items 5, 6 and 7

<b>Obligation</b>	<b>Sections In Agreement</b>	<b>Items In Disclosure Document</b>
g. Compliance with standards and policies/Operations Manual	Sections 5, 9, 10, 11, 13 and 14 of FA  Sections D and E of Satellite Kiosk Addendum  Sections D and E of Traditional or Reduced Operating Hours Kiosk Addendum	Items 7, 8 and 11
h. Trademarks and proprietary information	Sections 6, 7, 8, 9 and 11 of FA	Items 13 and 14
i. Restrictions on products/services offered	Section 14 of FA	Items 8 and 16
j. Warranty and customer service requirements	Sections 14.L and 14.P of FA	Item 8
k. Territorial development and sales quotas	Section 1.B of FA	Item 12
l. Ongoing product/service purchases	Sections 5.H, 12.C and 14 of FA	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 4.D and 14.C of FA	Items 7, 8 and 11
n. Insurance	Section 16 of FA	Items 5, 6 and 7
o. Advertising	Section 11 of FA	Items 6, 11 and 13
p. Indemnification	Section 16.F, 22.B, 37 of FA	Items 6, 13 and 14
q. Owner's participation/management/staffing	Sections 5, 14.I, 14.P and 17 of FA	Items 11 and 15
r. Records/reports	Sections 13.A and 13.B of FA	Items 11 and 15
s. Inspections/audits	Sections 13.D and 13.E of FA	Items 6 and 11
t. Transfer	Sections 3.A, 20, 21 and 22 of FA  Section 11 of Asset Purchase Agreement	Items 6, 17 and Exhibit F
u. Renewal	Section 3 of FA	Items 6 and 17

Obligation	Sections In Agreement	Items In Disclosure Document
v. Post-termination obligations	<p>Sections 17 and 19 of FA</p> <p>Section G of Traditional or Reduced Operating Hours Kiosk Addendum</p> <p>Section G of Satellite Kiosk Addendum</p> <p>Section 2 Owner Non-Compete, Non-Disclosure and Confidentiality Agreement</p>	Item 17
w. Non-competition covenants	<p>Section 17 of FA</p> <p>Sections 1 and 2 Owner Non-Compete, Non-Disclosure and Confidentiality Agreement</p>	Item 17
x. Dispute resolution	Section 34 of FA	Item 17
y. Other: guarantee of franchisee obligations	<p>Section 36.B and Schedule B of FA</p> <p>Section H of Satellite Kiosk Addendum</p> <p>Section H of Traditional or Reduced Operating Hours Kiosk Addendum</p> <p>Promissory Note with Personal Guaranty</p> <p>Attachment 2 of the Asset Purchase Agreement</p>	Item 15

## ITEM 10. FINANCING

We expect that we sometimes will sell Products and Services on an open account basis to certain franchisees and payment generally will be due within 30 days of purchase, although we can vary terms. We can deduct these purchases from your share of Gross Revenues or Wholesale Gross Revenues. We also may extend financing to franchisees to which our accounting department decides to extend credit for certain expenses involved in starting a Kiosk business, like opening inventory, small wares/equipment and costs of licenses and permits, and various other costs (refer to the chart below). We also might finance some of your opening expenses, like certification program fees. You cannot rely on our financing and will need to discuss it with us on a case by case basis. We deduct your monthly payment(s) to us from your share of Gross Revenues or Wholesale Gross Revenues. If your share of Gross Revenues or Wholesale Gross Revenues is less than the amount you owe us for a particular month, we may finance the shortfall. We will

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make deductions from your share of Gross Revenues or Wholesale Gross Revenues in the following months according to the credit terms and until the balance is paid. The chart below represents terms that we expect will apply, but the amounts financed and the time period for repayment may vary. We and our affiliates do not offer other direct or indirect financing or sell any debt to a third party. We and our affiliates do not guarantee any of your obligations.

Under the Franchise Agreement, if you do not pay us any money you owe us, we can charge an interest rate of 1.5% per month (or the highest rate allowed by the state where you are located, whichever is higher) on overdue amounts and can terminate the Franchise Agreement for an uncured failure to pay.

**Summary of Possible Financing Offered**  
(Subject to Approval)

Item Financed	Down Payment	Amount Financed	Term (Months)	Interest Rate if Current*	Monthly Payment	Prepay Penalty	Security Required	Liability and Loss of Legal Right on Default
Initial Franchise Fee	\$0 - 1,000	Up to \$3,750	1 to 4 months*	None	Depending on amount financed, credit score, sales generated by the Kiosk, and final decision by Franchisor's accounting Department	None	Personal Guaranty	Interest will accrue for uncured past due amounts**, and we can accelerate repayment in full, terminate the Franchise Agreement and/or recover attorneys' fees and collection costs, if you fail to timely pay.

Item Financed	Down Payment	Amount Financed	Term (Months)	Interest Rate if Current*	Monthly Payment	Prepay Penalty	Security Required	Liability and Loss of Legal Right on Default
Opening Inventory	\$0-\$2,500	\$4,000 - \$23,000	1 to 4 months	None	Depending on amount financed, sales generated by the Kiosk, and final decision by Franchisor's accounting Department	None	Personal Guaranty	Interest will accrue for uncured past due amounts**, and we can accelerate repayment in full, terminate the Franchise Agreement and/or recover attorneys' fees and collection costs, if you fail to timely pay.
Certification Program fees (excluding expenses you incur during training)	\$0-\$2,500	Up to \$6,000	1 - 4 months	None	Depending on amount financed, sales generated by the Kiosk, and final decision by Franchisor's accounting Department	None	Personal Guaranty	Interest will accrue on past due amounts** and we can accelerate repayment in full, terminate the Franchise Agreement and/or recover attorneys' fees and collection costs if you fail to cure any past due amounts.

Item Financed	Down Payment	Amount Financed	Term (Months)	Interest Rate if Current*	Monthly Payment	Prepay Penalty	Security Required	Liability and Loss of Legal Right on Default
Equipment and Small Wares	\$0-\$2,500	\$4,000 - \$8,000	1 - 4 months	None	Depending on amount financed, sales generated by the Kiosk, and final decision by Franchisor's accounting Department	None	Personal Guaranty	Interest will accrue on past due amounts** and we can accelerate repayment in full, terminate the Franchise Agreement and/or recover attorneys' fees and collection costs if you fail to cure any past due amounts.
Licenses and permits; uniforms, and/or marketing materials	None	From approximately \$250 – \$3,830	1-4 months	None	Depending on cost and types/combination of item(s) financed, sales generated by the Kiosk, and final decision by Franchisor's accounting Department	None	Personal Guaranty	Interest will accrue on past due amounts** and we can accelerate repayment in full, terminate the Franchise Agreement and/or recover attorneys' fees and collection costs if you fail to cure any past due amounts.

\*The typical financing term is up to 4 months, but we may extend the term to up to 8 months if we deem an extension necessary and appropriate. If your loan term extends beyond a 4-month payment schedule, you may be charged an additional interest fee of 1.5% on the remaining balance.

\*\*Interest rates shown in the above chart do not include the 1.5% per month interest we can charge you if the money you owe us is past-due. Past due is 30 calendar days after any due

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date. See current form of Promissory Note With Personal Guaranty and Deferred Payment Agreement attached as Exhibit I.

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

**Except as listed below, Fujisan Franchising Corp. is not required to provide you with any assistance.**

- A. Pre-Opening Services. Before you open your first Kiosk for business, we provide you the following services:
1. At the time you purchase the franchise, you and we jointly agree on a location and the type of Kiosk that you will operate there – Traditional or Reduced Operating Hours and with or without a Satellite Kiosk Location Addendum – by signing the appropriate Location Addendum (Refer to Exhibit B of this Disclosure Document). We or our affiliate will have an agreement with the Premises Host for the Kiosk location, and you are not a party to that agreement. Generally, the Premises Host will work with us/our affiliate on the build out of the Kiosk location for you, including the work space, refrigeration, display case and dry storage area build out;
  2. A certification program for up to 2 persons (Franchise Agreement, Section 5);
  3. Opening assistance for your initial Kiosk in connection with the completion of the initial certification program. (Franchise Agreement, Section 15.B);
  4. Sale and delivery to you (ourselves or through a designated supplier) of an initial supply of product inventory, uniforms, supplies and equipment necessary to begin operations at the Kiosk. (Franchise Agreement, Section 12.H); and
  5. Notification to you when the conditions to delivery of the certification program services and the opening of your Kiosk have been met. You may not open your FujiSan Kiosk for business until you have our written permission. (Franchise Agreement, Section 15.B).
- B. During the operation of your business, we provide you with the following:
1. Additional assistance via telephone, email and/or other method that we select at times and in the manner we consider appropriate. (Franchise Agreement, Section 15.C);
  2. As a loan, one copy of our Manuals, which we may choose to provide in electronic or other form. (Franchise Agreement, Section 9.A);
  3. Any additions to, deletions from or revisions of our Manuals, in writing, which are pertinent to you. (Franchise Agreement, Section 9.C);



4. Our consent to, or disapproval of, proposed advertising you submit for our review. (Franchise Agreement, Section 11.A);
5. A list of approved Products/Services and suppliers and updates, as we think necessary, and an evaluation at your request of your proposed suppliers/products/services, for which you pay us a fee. (Franchise Agreement, Sections 14.E and 14.F); and
6. A regular revenue sharing statement (a "Reconciliation") showing your share of revenues from your Kiosk sales, less amounts due us or our affiliate, and a payment for your remaining share of Gross Revenues or Wholesale Gross Revenues. (Franchise Agreement, Sections 12.A and B).

## Training

### Initial Certification Program.

Before opening, one or more of your Designated Owners (i.e., the person(s) named in Schedule A of the Franchise Agreement) must successfully complete, to our satisfaction, our Initial Certification Program which is comprised of a 2-Day Online Certification Program, 5-Day Owner Certification Program for up to 2 of your Designated Owners, and a 1-3 Day Kiosk Certification Program described in further detail below. The Initial Certification Program is offered at least once a month from our training facility in North Carolina and at least once a month from our training facility in California, but some or all of our curriculum may be offered online, on-site at your Kiosk or at a location we designate, depending on timing before opening, program and space availability, travel restrictions such as during COVID-19, and other factors.

If the Kiosk is ready to operate when you sign the Franchise Agreement, you must complete the Initial Certification Program and begin operating the Kiosk within 30 days after you sign the Franchise Agreement. If at least one of your Designated Owners fails to complete the entire Initial Certification Program to our satisfaction, we may terminate the Franchise Agreement.

You pay us an Initial Certification Program fee of \$6,000 for up to 2 participants attending the Initial Certification Program with a single instructor at the time you sign a franchise agreement with us. If there are more than 2 participants one or more additional instructors will be required and you will pay an additional fee of \$6,000 per instructor. We may reduce the duration of training under circumstances we deem warranted, such as when the attendee has prior pertinent experience. If we reduce the duration for the Kiosk Certification, we typically charge a reduced rate of \$750 per day for the Kiosk Certification in addition to a \$3,750 certification fee for the Owner Certification Program. You are required to pay for any travel, lodging, meals, wages (as applicable) and other incidental costs you and any of your attendees incur while attending any of our training/certification programs.

The instructional materials we use in the certification program include the Manuals and other materials we believe will be beneficial. Classes will be taught by members of our staff, which include; Philip Schoen our Director of Operations who is currently in charge of our training and Initial Certification Program. Mr. Schoen has been with us or our affiliate, Fuji Food Products, Inc. for a total of 8 years, his complete bio is provided in Item 2 of this Disclosure Document; others in our rotation of instructors include Aung Lin, who has over 4 years' experience as a Regional

Training Manager with us; Trairat Uthum who has been our Regional Training Manager since May 2021; and Elizabeth Yap who has been our Regional Training Manager since March 2020.

**A. Owner Certification Program:**

At least one of your Designated Owner(s) must complete the curriculum below within the 7-day period. Only Designated Owners are permitted to attend the Owner Certification Program.

**2-DAY ONLINE CERTIFICATION PROGRAM**  
(for Designated Owner(s))

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Sushi Chef program overview and orientation	2	0	Online
Food Safety, sanitation and GMP	6	0	Online
Franchise Business Management	5	0	Online
<b>TOTAL HOURS</b>	<b>13</b>	<b>0</b>	

**5-DAY OWNER CERTIFICATION PROGRAM**  
(for Designated Owner(s))

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Food Safety, sanitation and GMP	4	5	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
Franchise Business Management	6	2	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
Equipment Use and Maintenance	1	1	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Recipes, Systems, and Procedures	4	20	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
<b>TOTAL HOURS</b>	<b>15</b>	<b>28</b>	

**B. Kiosk Certification:**

The \$6,000 Certification Fee also covers up to 2 attendees at our Kiosk Certification Program. If the Designated Owner is not the chef, your designated chef also must complete the Kiosk Certification Program.

**3-DAY KIOSK CERTIFICATION PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Store set up and raw material ordering and receiving	0	4	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
Inventory management	0	2	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
Knife skills and prep	0	3	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
Product preparation	0	15	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
Sampling 101	0	2	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Business review	0	2	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
Audit and health inspection review	0	2	Our Fuji-NC Facility, Our Fuji-CA Facility, Your Kiosk or a location designated by us
<b>TOTAL HOURS</b>	<b>0</b>	<b>30</b>	

We may, but don't have to, perform additional on-site consultation services. If you request that we provide additional on-site consultation and we decide to do it, or if we require you to receive additional on-site remedial consultation, you must pay our then-current daily consultant fee, plus any related expenses we incur, including transportation, meals, lodging and other related expenses. (Franchise Agreement, Section 5.H). The current fee is \$750/day, but we can adjust that amount.

We can require that the Designated Owner and/or your Kiosk Manager(s) attend additional informational programs at locations we select to keep up to date on Products, techniques and other FujiSan required System elements. If we do, you will pay the then published fee for the program and any costs you or your staff incur to participate, including travel related expenses. We can charge up to \$250 for an unexcused failure to attend a required program, and we can adjust that amount for inflation. (Franchise Agreement, Section 5.H).

You are responsible for hiring and then training each employee of yours to perform his/her job capably and according to FujiSan required quality standards and your Premises Host requirements. You must conduct in-house training with your staff if we request it to be sure that their training is up to date and product standards met. You are responsible for ensuring that the Designated Owner, chef(s) and other applicable Franchisee staff obtain and maintain food protection manager certifications, as required by applicable law. If you have more than one Kiosk location, you train your Kiosk Manager(s). If we believe any Kiosk is not operating to System standards, we can require that you and/or the Kiosk Manager participate in a remedial certification program at your expense. You pay the then published fee, as well as any consultant expenses, such as lodging, food and transportation. (Franchise Agreement, Section 5.G).

### Manuals

During the term of your franchise agreement, we will lend you a copy of our Operations Manual, Recipe Book and the U.S. Food and Drug Administration's Hazard Analysis and Critical Control Point ("HACCP") food safety program (the "Manuals"). We may choose to deliver the Manuals in electronic, rather than tangible, form and they can consist of 1 or more separate manuals and components. (Franchise Agreement, Section 9.A). The following is the Table of Contents of our Manuals as of the date of this disclosure document, but can vary based on the Kiosk location and the applicable Premises Host:

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Topic	Number of Pages
Recipe Books (separate Manuals)	110
Ancillary Recipes (Depend on Premises Host)	
Introduction to the Fujisan Brand	5
Fujian Support Services	2
Preparations for Your Opening Day	11
Daily Operations	6
Continued Support	4
Food Safety and Compliance	52
Systems and Procedures	35
FAQs	2
<b>TOTAL PAGES</b>	<b>227</b>

The Manuals can include mandatory standards, procedures, policies and specifications pertaining to our System and to operation of a franchised FujiSan Kiosk location and other elements of our System to maintain the quality of the products and services associated with the FujiSan brand, as well as information intended to be helpful to you in managing your business, but which is not part of the System standards and requirements. You must operate your Kiosk in compliance with the required elements of the System and all mandatory standards, procedures, policies, and methods. (Franchise Agreement, Section 9.E). While the Manuals inform you of System standards, you should understand that your Franchised Business is an independent business and that you are free to conduct your Franchised Business as you think best, so long as your operations remain consistent with the Franchise Agreement, System standards and all applicable codes, laws, regulations, ordinances and other legal requirements. Within those parameters, you are solely responsible to supervise, manage and control the day to day operations of your Franchised Business, and you determine the methods and hours necessary to fulfill your obligations. The Premises Host at your location may designate particular hours, shifts (day or night) and other operating requirements with which you must comply. We can change the System and the contents of the Manuals. You must follow the mandatory changes and keep the Manuals up to date. (Franchise Agreement, Section 9.D). You also must keep the contents confidential. When your Franchise Agreement expires or is terminated you must return to us and stop all use of the Manuals. We refund your \$300 deposit fee when the Manuals are returned. (Franchise Agreement, Section 9.A).

### Advertising

We do not currently have a formal advertising program, an advertising fund or an advertising council composed of franchisees, although we may provide you, at your expense, with advertising templates or promotional items that you can use in advertising your Kiosk. If you want to modify these templates or use any other advertising, you must ask us to review them first and cannot use any advertising or promotional materials that we or your Premises Hosts ask you not to use. (Franchise Agreement, Section 11.A).

We can require you to advertise in the Yellow Pages and White Pages of the local telephone directory covering your Kiosk location(s) and in Internet directories. (Franchise Agreement, Section 11.A). However, our current policy is not to require franchisees to advertise in local telephone or internet directories and incur those expenses. We also may require you to display at

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your Kiosk informational material regarding our franchise opportunities (Franchise Agreement, Section 11.A).

You must purchase Grand Opening or Initial Marketing Materials, including any signs, banners, or point of sale décor, before your Kiosk opens as directed by us and/or the Premises Host. You must keep the appearance of your Kiosk consistent with quality and trademark standards, any Manual and the Premises Host rules. We will notify you if your Kiosk's appearance, signs or decor does not meet our standards, and can require that you correct any deficiency. These expenditures are in addition to required Marketing Fund contributions and to any Local Marketing Co-op payment requirements.

We recommend prices and pricing practices and may provide product labels that reflect our practices. If you charge other prices, then you pay for the cost of re-labeling and system changes made to accommodate your pricing. (See Item 6 for cost information). However, we reserve the right to establish minimum and maximum prices for items you sell to the extent the law allows us. (Franchise Agreement, Section 14.R.). You also must comply at your expense with required policies we may establish in the Manuals or other written instruction to you regarding product samples to be made available to customers and other menu promotions.

You will participate at your expense in any coupon, discount or similar product promotions/campaigns established by us or your Premises Host. If we establish a Marketing Fund, these expenses will not be considered to be Marketing Fund contributions or fees, but will count towards your fulfillment of any Local Marketing Co-op requirements if a Local Co-Op is formed. (Franchise Agreement, Section 11.A.)

#### Local Marketing Co-Op

We can require Franchisees to join a local marketing group (a "Co-op") if one is prescribed by us for an area in which your Kiosk is located. Any Co-op will include one or more Fujisan Kiosks. All Fujisan Franchisees in the prescribed area will be obligated to participate in the Co-op, with each Fujisan Kiosk having a single vote, including any Kiosks owned by us or our Franchisor Associates. If established, you must contribute up to 2% of Gross Revenues and/or Wholesale Gross Revenues to the Co-op program monthly. Your Co-op contribution cannot exceed 2% of Gross Revenues and/or Wholesale Gross Revenues, unless a greater amount is approved by more than two thirds of the Kiosks in the Co-op, whether franchised or owned by us or our Franchisor Associates. (Franchise Agreement, Section 11.G.)

There are no advertising cooperatives at this time.

#### Marketing Fund

We may, but are not obligated to, establish a fund (the "Marketing Fund" or "Fund") for the purpose of promoting and enhancing the Kiosks, the System and the Marks. If we establish a Marketing Fund, you must participate in all Marketing Fund programs and pay a Marketing Fund contribution. The current Marketing Fund Fee is 1% of your Gross or Wholesale Revenue (as applicable) and the payment period will be twice monthly, however, we hereby reserve the right to increase the Marketing Fund Fee up to a maximum of 3% of Gross or Wholesale Revenues and/or change to a different payment period (e.g., weekly, etc.), on 30 days' written notice to you. Any Fujisan Kiosk owned by us or a Franchisor Associate may, but is not obligated to, make contributions to any Marketing Fund. (Franchise Agreement, Section 11.C.)

We will have sole discretion over all matters relating to its operations and be solely responsible for its financial management. The Marketing Fund will be accounted for separately and contributions may be used to pay for taxes related to the Fund and all administrative, accounting, audit, legal and other costs related to Fund activities and purposes and/or as authorized by the relevant franchise agreements. We will prepare and give to you an annual summary of revenues and expenditures for the Marketing Fund upon a written request from you. The Marketing Fund may be used as we consider appropriate, including for, but not limited to, product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the Internet; in-house agency services and expenses; all outside costs of administering the Fund, including related legal, insurance, accounting, auditing, and collection fees/costs; brand/image campaigns; media; national, regional, local and other marketing programs; agency and consulting services; research; web site development, maintenance and web-based campaigns; 800 numbers and advertising fulfillment costs; any expenses approved by us and associated with franchisee advisory groups; and research costs. A brief statement regarding the availability of franchises may be included in advertising and other items produced or disseminated using the Marketing Fund, but Marketing Fund contributions will not be used for the direct solicitation of franchise sales. We can compensate ourselves and/or any Franchisor Associate for internal costs of administering the fund, including applicable salary expenses; administrative costs; accounting and record keeping costs; internal production, research and creative expenses; goods and services delivered by us to the Marketing Fund; and related overhead costs and other internal expenses incurred by us.

If/when we implement a Fund, we have the right to spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year, and the Marketing Fund may borrow from us or other lenders to cover Marketing Fund deficits. We can accumulate funds over time until we determine in our sole discretion that sufficient funds are available to adequately conduct Fund activity(ies). We can cause the Marketing Fund to invest any surplus. We can at our discretion defer, waive and/or compromise claims for contributions to, and/or claims against or with respect to, the Marketing Fund and take legal or other action against any franchisee in default of its obligations and/or deny it access to programs, materials and/or other benefits funded by the Marketing Fund. We do not guarantee that any particular franchisee will benefit directly or in proportion to its contribution from the placement of advertising by the Marketing Fund, and we do not ensure that expenditures will be proportionate to contributions made by franchisees in any geographic area. No profit or gain will accrue directly to us from the Marketing Fund. Any interest earned on Marketing Fund contributions will be paid to the Marketing Fund. Franchisor Associates and us will not be liable for any act or omission in connection with the Marketing Fund. Any Marketing Fund is not a “trust,” and does not create and is not in the nature of a “fiduciary” or similar special arrangement.

Although we intend the Marketing Fund to be ongoing, we have the right to terminate the Marketing Fund, but only after we expend all Marketing Fund contributions or return the contributions to you and other franchisees on a pro rata basis.

As we have not yet begun a fund, we did not receive Marketing Fund contributions or make any expenditures in the prior fiscal year.

We can establish a Fujisan or other branded websites, and can require you to participate and provide pertinent information for content development. (Franchise Agreement, section 11 D.)

## Computer System

Except as described below, we do not currently require you to have any computer equipment, software or similar systems because purchases from your Kiosk are normally made through the Premises Host's POS equipment. We do not have independent access to the Premises Host's POS system. You currently do not have to purchase a POS System or pay the Premises Host any fees relating to its equipment. But we have the right to require you to buy, use, maintain and upgrade any required computers and systems under the Franchise Agreement and, if we do so, also have the right to independently access data on those systems. We have no obligation to update, maintain or provide any systems. (Franchise Agreement, Section 13.C).

You must purchase a tablet, stylus pen and label printer from us for placing product orders and printing product labels as part of your initial equipment purchase. The cost of the equipment is approximately \$930, and it comes with the manufacturers' 1-year limited warranties (defective parts, etc.). We do not provide a warranty or other ongoing maintenance, repairs, upgrades, or updates. You must upgrade/update these items as we require. You must purchase tablet technology support services from a designated vendor.

Under our current business model, the Premises Host reports to us the volume of business you do and the product sales data in its system that come from your Kiosk. We share this information with you in a monthly Reconciliation report that we use to calculate your share of Kiosk sales revenues. (Refer to Item 7 for more information on Revenue Sharing arrangements). You generally have 30 days to dispute the report if you think it is in error and also can follow our request process if you need further substantiation. (Franchise Agreement, Sections 13.B and F).

We can choose to create and/or maintain a FujiSan website(s). If we do, you will follow our policies and procedures for participating in the website, email protocols and usage policies that we give you in the Manuals or publish in another way.

## Site Selection

We currently expect that your Kiosk will be located in a grocery store or other retail location that is operated by the store owner, manager or a food service provider (your Premises Host). We or our affiliate usually enter into an agreement with the Premises Host in advance and identify locations for Kiosk operations. The Premises Host is primarily in charge of building out the space for the Kiosk in its facility, but you are responsible for making sure that you have all required licenses/permits/certifications/approvals that are necessary for you to meet local legal requirements. You give us permission in the Franchise Agreement to apply for some of these documents on your behalf. If we decide that we want to facilitate the process in this way, you reimburse us for the costs we incur on your behalf.

We or our affiliate selects a kiosk site in the sense that an agreement for the same is reached by us/them with a Premises Host to locate a kiosk in the facility. Factors we consider before agreeing to such an arrangement with a Premises Host include the economic terms, demographics of the area and prior experiences, if applicable, with the specific Host. You and we ordinarily will have agreed upon a location before you sign your Franchise Agreement and a Location Addendum to the Franchise Agreement will include the address and Revenue Sharing terms. However, the Agreement does not impose a time limit on us for locating or approving a site. If the Premises Host has the Kiosk ready for you and you and we have not agreed otherwise, you must begin operating the Kiosk within 30 days after signing the Franchise



Agreement. If you don't, we can cancel the agreement without a refund to you (except for return of your Manuals deposit when you give the Manuals back to us).

Sometimes delays in beginning operations occur because of your availability, delays in Kiosk build out, or changes in or difficulties with location selection. If the Premises Host has the Kiosk ready for you and you and we have not agreed otherwise, you must participate in the certification program and begin operating the Kiosk within 30 days after signing the Franchise Agreement. If you don't, we can cancel the agreement without a refund to you (except for return of your Manuals deposit when you give the Manuals back to us). (Refer to Item 12 for more information about your Kiosk location).

## **ITEM 12. TERRITORY**

We grant you a franchise to operate a FujiSan Kiosk at a location identified on a Location Addendum to your Franchise Agreement. If we choose to offer you the opportunity to operate more than one Kiosk, you will sign the then current form of the applicable Location Addendum for each Kiosk and the Franchise Agreement will apply to each one that you sign. You have no right to acquire another Kiosk location. You are not granted any minimum territory.

You can operate only your FujiSan Franchised Business at a Kiosk identified on a location addendum and can only sell products that we approve and which are acceptable to the Premises Host. We have the right, in our sole discretion, to designate the particular Premises Host for each kiosk location that we offer to you. We may exclude certain grocery chains and other host locations from any franchise offered to you and limit the particular host locations to, for example, one premises host with whom we have a particular business arrangement for a particular brand or System offered by us. We may also require that all of your Kiosks be located in stores owned by one particular premises host. We will provide details concerning these requirements prior to asking you to sign any franchise agreement or Addendum with us.

We will not franchise or operate a FujiSan Sushi Kiosk at your specific Premises Host address. You will not receive an exclusive territory. You may face competition from other franchises, from outlets that we own, or from other channels of distribution or competitive brands that we control. Our affiliate, FFP, manufactures, distributes and sells sushi and various related products under Marks other than FujiSan, which are like the products that you will sell. It also sells to grocery retailers and others prepared Asian style food products under the "Okami" brand, which may be stocked in any of their locations, including possibly by your Premises Host. Additionally, we or FFP may ourselves or through a designee/licensee choose to establish Kiosks or to sell competitive products through a variety of other venues, such as universities, airports, shopping centers and others, any of which could compete with your Kiosk. Neither we nor our affiliates must pay you for soliciting or accepting orders within your territory.

We and our affiliates have all rights involving your Kiosk location not expressly granted to you in your Franchise Agreement. You have no marketing or customer exclusivity or other area rights under the Franchise Agreement and no right to object to or make any claims about any FujiSan Kiosk or any other operations or activities outside of your Kiosk location, no matter how close they may be to your Kiosk location, the customers serviced, the products/services sold or the trademarks used. Except for another Kiosk physically located in your Premises Host's store, we can locate and operate anywhere, and authorize others to locate and operate anywhere, a FujiSan Kiosk and/or any other kind of business, using any channel of distribution, including the Internet, catalogues, mobile services and temporary facilities, and offering any type of product or

service to customers located anywhere under any brand or trademark, including the Marks. We and FFP (and the applicable Premises Host) may offer and sell “Fuji” and “FujiSan” brand sushi and other food products in any facility so long as a franchised Kiosk is not operated on the facility premises.

We also can acquire, be acquired by, merge, affiliate or co-brand with, or engage in any transaction with other businesses with outlets located anywhere, whether or not competitive or franchised. Any of these business activities can result in changes to the Marks and System, including possibly the need to convert to another brand.

You can solicit customers who are located anywhere, but you can only offer product to them and sell to them from the physical location of your Traditional or Reduced Operating Hours Kiosk and any Satellite Kiosk location at a Premises Host store. You cannot use any other channels of distribution, including without limitation the Internet, direct marketing, catalogues or any channel other than your Kiosk operation. You cannot establish any website, Internet directory listing or any other presence on the Internet relating to the Kiosk or your franchised business or publish any information using the Marks, including on social networks and other media, without our written permission. You have to follow any policies we have for using the Marks in any media, including the Internet. (Franchise Agreement, Section 6.H).


There is no minimum sales quota or other sales minimum that we set, but a Premises Host may do so and the amount of sales you make can always influence whether or not the Premises Host will allow you and/or the Kiosk to keep operating. Your operation requires the ongoing consent of the Premises Host and you can be required to stop operating a Kiosk at their facility at any time. You cannot continue to operate a Kiosk if the Premises Host decides you have to stop operating the Kiosk or closes the retail facility in which your Kiosk is located. We and our affiliates are not required to maintain any agreement that we/they have with the Premises Host and are not responsible for any costs or damages you have because you have to close and possibly relocate a Kiosk business.




If you have to stop operating a Kiosk, the Location Addendum is automatically cancelled and considered to be a mutual termination of the Addendum. If you are not at fault for the cancellation and are complying with the Franchise Agreement, we will use commercially reasonable efforts to find an alternative Kiosk location to which you can relocate. We do not promise that an alternative site will be found or that it will be as successful as the Kiosk you had to vacate, and we and our affiliates are not responsible when you have to close a Kiosk location. If you are not operating another Kiosk under a Location Addendum within 60 days of the day you had to vacate your Kiosk, the Franchise Agreement is mutually terminated unless you and we agree to extend it in writing. You will not receive any refunds from us unless the mutual termination happens in the first 12 months after the date of the Franchise Agreement. In any case, you may not relocate any Kiosk without having a signed Location Addendum with us for that Kiosk.

Neither we nor any affiliate of ours has established, or presently intends to establish, other franchised or company-owned Kiosks which sell our Products or Services under a different trade name or trademark in the United States (but we reserve the right to do so in the future, without first obtaining your consent).

### ITEM 13. TRADEMARKS

We own and grant you a license to use certain “FujiSan” Marks, logos and commercial symbols in connection with your Kiosk and the Franchised Business. All of the primary marks are registered or pending registration on the Principal Register of the United States Patent and Trademark Office (USPTO).

Registered Trademarks	Registration No.	Registration Date	International Class of Goods/Services
FUJISAN (wordmark)	3793926	5/25/2010; renewed	Class 029: Asian-style prepared meals consisting primarily of meat, fish, poultry or vegetables; instant or pre-cooked soup; prepared vegetables; Asian-style prepared appetizers consisting primarily of meat, fish, poultry or vegetables. Class 030: Asian condiments, namely, prepared wasabi, prepared ginger, Asian sauces; sushi.
A TREND TO HEALTHY EATING	4154644	6/5/2012; renewed	Class 029: Asian-style prepared meals consisting primarily of meat, fish, poultry or vegetables; instant or pre-cooked soup; prepared vegetables; Asian-style prepared appetizers consisting primarily of meat, fish, poultry or vegetables. Class 030: Asian condiments, namely, prepared wasabi, prepared ginger, Asian sauces; sushi.
Chef Design 	7296871	2/6/2024	Class 029: Asian-style prepared meals consisting primarily of meat, fish, poultry or vegetables; instant or pre-cooked soup; prepared vegetables; Asian-style prepared appetizers consisting primarily of meat, fish, poultry or vegetables.

Registered Trademarks	Registration No.	Registration Date	International Class of Goods/Services
Fujisan & Chef Design 	7296872	2/6/2024	Class 029: Prepared meals consisting primarily of meat, fish, poultry or vegetables; instant or pre-cooked soup; prepared vegetables; prepared appetizers consisting primarily of meat, fish, poultry or vegetables.
Chef Design 	7411243	6/11/24	Class 030: Condiments, namely, prepared wasabi, prepared ginger, sauces; sushi.
Fujisan & Chef Design 	7411244	6/11/24	Class 030: Condiments, namely, prepared wasabi, prepared ginger, sauces; sushi.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. As of the date of this disclosure document, we are in negotiations with a sit-down sushi restaurant in Bellingham, Washington related to a cease and desist demand from us alleging unauthorized use of our mark resulting in infringement of our trademark and related rights. No final agreement has yet been reached but we intend to vigorously enforce our rights. All required affidavits have been filed for the registered trademarks listed above.

No decision of any court or government agency limits our right to use or license the use of the Fujisan trademarks. There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board or any other government agency or court concerning our marks. There is no pending infringement, opposition or cancellation proceeding. There are no currently effective agreements that significantly limit our rights to use or license the Marks. We are not aware of any infringement in the U.S. that could materially affect the franchise in the U.S.

You must not claim any ownership of the Marks or devalue the Marks. You must not use any of the Marks in connection with any good or service that is not an approved Product or Service or in any way we do not expressly authorize in writing. You will use the Marks only for the operation of your Kiosk and the promotion of your franchised business. You must not use the Marks in your legal Business Entity name.

You must notify us immediately when you learn about an infringement of or challenge to your use of any of our Marks. We will take any action we think appropriate and may control the defense of any proceeding arising from your use of our Marks. You cannot commence any investigation, complaint or legal action without first getting our written consent. We will indemnify you for your costs if you are held liable in an infringement action, as long as you are in compliance with your

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franchise agreement and the infringement action is not between you and us. We do not have a duty to indemnify you for any separate legal fees or costs you incur in seeking independent counsel.

You must modify or discontinue the use of any of our trademarks if we modify or request you cease to use any of them and must adopt any additional or substitute marks we require. If any of these things occur, we do not have to reimburse you for any related expenses.

A Premises Host may prohibit the use of the Marks or may impose limitations on use at a Kiosk, just as a shopping center or other commercial leased site may limit or eliminate any business's ability to display its tradename. You must comply with the applicable Host's rules.

You may not display in or on the Kiosk, or in any advertising, sales or promotion materials or information, stationery or other items or publish in any medium any other trademark, logo or symbol nor use any such other marks relating to the Kiosk or the Franchised Business, without our prior written consent or as required by a Premises Host.

#### **ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents or registered copyrights that are material to the franchise, but we own or license common law copyrights in our Operations Manuals, recipes, and other works that are protected by copyright law. You give us the right to use and license, without charge, any enhancement, adaptation, derivative work, modification or new process you develop or acquire for the operation, advertisement or promotion of your Kiosk. This does not mean we authorize you to make any modification to the operation of your Kiosk or to operate other than according to our Operations Manual. You will also learn information that belongs to us as trade secrets. This includes methods and techniques for food preparation and service, food labeling and ingredient information, vendor data and information, proprietary sauces and product formulas, nutritional analysis, customer information and data, and other methods, formulas, specifications and procedures for developing and operating sushi kiosks and franchises, as well as the contents of our Operations Manual. Your franchise agreement requires you to keep all of this confidential.

You must keep our secrets confidential while you are a franchisee and afterward. You cannot use our secrets in any activity other than operating your franchise. You must use reasonable procedures that we request to help protect our secrets.

There are no current determinations of the U.S. Patent and Trademark Office, U.S. Copyright Office or court regarding our claimed patents and copyrights. We are not aware of any infringement in the U.S. that could materially affect the franchise in the U.S.

You must notify us when you learn of an unauthorized use of our confidential information or any copyrighted work. We do not have to take any action against an unauthorized user, and we can respond as we think appropriate. We do not have a duty to indemnify you for losses brought by a third party concerning your use of this information. You must cooperate with us when requested. You assign all telephone numbers appearing under our trademarks to us and we keep them when you no longer are our franchisee. (Franchise Agreement Section 19).

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

You are responsible for managing your Kiosk and must maintain competent and conscientious personnel to staff your Kiosk and maintain its condition and appearance, while following our mandatory standards and specifications and required procedures and meeting your Premises Host's rules. These are all established to protect the value of the brand, the quality of the products/services offered under the brand and the good will the brand has earned. We can require that you or your staff undergo background checks or specific physical tests (like drug testing) and as requested by the Premises Host, all at your expense. This information can be shared with the Premises Host. You must use your best efforts to maximize and promote sales of your Kiosk's Products and Services. You must operate your Kiosks each day that the Premises Host is open and according to the business hours and shift (day or night) requirements set by the Premises Host and as outlined by the Manuals and the Location Addendum for the applicable Kiosk. A few Premises Hosts require night-shift hours with which you will be required to comply if applicable. We can require that you meet certain eligibility requirements to participate in a particular program or product offering, like meeting any necessary professional or certification requirements or conditions on the ability to offer a certain menu item. You must conduct the Franchised Business in compliance with Premises Host requirements in order to preserve the good will associated with the FujiSan brand.

You are solely responsible for the following: a) having a minimum of 1 employee but always maintaining sufficient personnel to staff your Kiosk business during operating hours and as required by the Premises Host, b) for determining the terms of your staff's employment, compensation, scheduling and to ensure their compliance with System standards and c) for providing ongoing staff development to meet mandatory FujiSan System standards. System standards do not include any employment policies or requirements. The people you select to work in your Franchised Business are exclusively your agents and employees. They are not our or FFP's agents or employees and neither we nor FFP nor any of our other affiliates are joint employers of theirs. You also are solely responsible for state, federal and/or local taxes, fees and withholdings of every kind, including business and/or personal self-employment taxes and income taxes; payroll and payroll taxes for Franchised Business employees; and social security and other amounts required to be paid or withheld, as well as for worker's compensation insurance as required by law. Neither we nor FFP nor any of our other affiliates are responsible for any item or expense associated with your Franchised Business payroll or for any other compensation or benefits related to your Franchised Business employees or independent contractors.

Occasionally, we permit individuals to sign the Franchise Agreement as individuals on the understanding that they will assign the franchise to a wholly owned business entity as soon as it is formed and cannot participate in the certification program until they do so. In these cases, a sample of the assignment and consent agreement used for this purpose is attached to this Disclosure Document as Exhibit F and is subject to change by us in the future.

A Designated Owner is the person named in Schedule A of the Franchise Agreement and we deal with this individual on all matters about the Franchise Agreement. A Designated Owner has to have at least a 51% interest in the franchisee, unless we permit otherwise with a written exception. If no single individual has a 51% or better ownership interest, then we can require that 1 of every 2 owners meet certification requirements. Any proposed change in the Designated Owner requires our prior written consent and the proposed individual's compliance with applicable certifications and other owner requirements. In the absence of the Designated Owner, we may

communicate with the manager of any Kiosk about routine operations and reporting requirements. You must keep us informed at all times of the identities of each Designated Owner and each Kiosk Manager. Changes are to be reported to us within 24 hours.

We recommend on-premises supervision by your Designated Owner. Your Designated Owner must successfully complete our initial certification program. If the Designated Owner is not the chef, your selected chef also must complete the program. If you have additional Kiosk locations, you may choose to hire a Kiosk Manager for on-premises supervision, but the Designated Owner must still supervise the operations of the Kiosk and is responsible for training the Kiosk Manager about the FujiSan System and mandatory standards for quality purposes. We can require that your Designated Owner and/or your Kiosk Manager participate in additional/remedial informational programs if we decide it is necessary to correct, improve, update and/or enhance the products and service at your Kiosk(s) to preserve quality/consistency standards and the positive FujiSan image.

We can require all Owners of a Business Entity franchisee, and their respective spouses or domestic partners, to sign a personal guarantee of the franchisee's performance. Our current form of personal guarantee is attached to the Franchise Agreement as Schedule B, but the form can change. The Franchisee and all Owners commit to personal covenants to protect our Trade Secrets, Copyrighted Works and confidential information which restrict their ability to own or provide services to a competitive business both during and after the Franchise Agreement term (Section 17 of the Franchise Agreement). Our current form is attached as Schedule F-1 (Non-CA franchises) and F-2 (CA franchises only) to the Franchise Agreement. We can require that you have similar agreements made with your Kiosk Manager and other personnel with access to our intellectual property.

#### **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell only goods and services we and the Premises Host approve (the "Products and Services") for sale at your Kiosk, subject to any applicable Premises Host rules and/or requirements. A Premises Host may require that specific grocery items be obtained from them so they can trace the product source for quality and liability reasons. In that case, we will notify of you these requirements before you sign the applicable Kiosk location Addendum. All food menu items must be prepared and made according to the FujiSan Kiosk System recipes, techniques and processes. If you want to offer other items, you must first get our written consent, which we may withhold.

We can require that you offer the full range of Products and Services. Additionally, a Premises Host occasionally may require a Kiosk to offer and sell a product outside of our standard menu items. In that case, we will sell you the product and equipment you need to produce the item and give you the recipe for its preparation. You can ask us for approval to carry a smaller line of approved Product menu items with input from your Premises Host for that Location. You must not offer for sale or sell any unapproved Products or Services or use the Kiosk for any purpose other than the operation of the FujiSan Kiosk unless you have our written permission. If you want to stop offering any Product or Service, you must first get our approval in writing. As it is important for the System to be flexible, we can add, delete or modify approved suppliers, as well as the Services and Products you must offer from your Kiosk, and the Manuals and all other components of the FujiSan System to respond to commercial opportunities and challenges. However, you cannot make changes without our written consent. When you sign a Franchise Agreement you commit to the mandatory elements of the System and all related requirements and changes to the

System and understand that changes can require additional investment from you. There are no restrictions on our rights to change the System, Products, Services, Manuals or approved suppliers.

You must follow any sampling policies we establish and your Kiosk staff must wear branded uniforms from approved suppliers. All Products you prepare at the Kiosk must be sold only from the Kiosk and through the Premises Host, except for Products you make for sale at a Satellite Kiosk under a specific location Addendum. If we introduce new Products you must meet any related inventory requirements for testing/launching the Products. You will not conduct any business or engage in any activity at the Kiosk or offer or sell any goods or services other than the Products and Services according to requirements of the System and the Manuals.

You may not make material alterations to or replacements of equipment, fixtures, signs, layout or décor of any Kiosk, or any material change in the facility or its operations without our prior written consent.

## ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, and transfer and dispute resolution. You should read these provisions in the agreements attached to this disclosure document.

### THE FRANCHISE RELATIONSHIP

Provision	Sections In Franchise or Other Agreement	Summary
a. Term of the franchise	Section 3.A	Term of your agreement with us is 3 years. It could end earlier if we terminate your franchise earlier as per sections (e) and (f) below. If you are a transferee of an existing franchise, then your term will be either 3 years, or the remainder of the transferor's term, whichever we decide.
b. Renewal or extension of the term	Section 3.B	If you meet all conditions, you can renew for the lesser of one additional 3 year term or the term remaining in the agreement with your Premises Host.



Provision	Sections In Franchise or Other Agreement	Summary
c. Requirements for you to renew or extend	Section 3.B	To renew you must: not be in default of any agreement or Addendum with us; have your Kiosk in compliance with our then current specifications and standards; be able to keep your location(s); comply with our qualifications and certification; provide at least 60 days' (but not more than 150 days') written notice of renewal, accompanied by a renewal fee of \$3,750; be current on all financial obligations to us; sign then current franchise agreement and addenda; and sign and return to us at least 20 days before the expiration date a General Release (see Schedule D of Franchise Agreement for a copy of our standard General Release). You may be asked to sign a contract with materially different terms and conditions from your original contract, including possibly a different revenue sharing arrangement.
d. Termination by you	Section 18.A	If you terminate your franchise agreement early, you pay us on demand a Cancellation Fee of \$3,750 to offset costs we expect to incur. Post termination obligations survive. Subject to applicable state law.

Provision	Sections In Franchise or Other Agreement	Summary
e. Termination by us without cause	<p>Section 4.C</p> <p>Section 12.B</p> <p>Section 3.E</p>	<p>We can terminate if you lose the right to operate at your location and do not relocate within 60 days. We may refund a portion of the initial franchise fee paid by you under limited circumstances.</p> <p>A particular Location Addendum can be mutually cancelled if the Premises Host requires an adjustment in Gross Revenues or Wholesale Gross Revenues shares and you decline to accept the adjustment.</p> <p>We have the right to discontinue franchising in the state, region or standard metropolitan statistical area within which your Kiosk is located if we determine the location is not appropriate for reasons relating to our economic or other interests. We can continue to support existing franchisees under outstanding agreements. If we make a general market area withdrawal, we will have no liability to you and will not be required to repurchase any of your assets, offer you any renewal Franchise or similar rights. In that case, and if you are not in default of the Franchise Agreement, you will not be required to comply with your non-competition obligations after the expiration of the term of the Franchise Agreement.</p>
f. Termination by us with cause	<p>Section 18.B and C</p> <p>Section F of the Traditional, Reduced Operating Hours and Satellite Kiosk Addenda</p>	<p>We may terminate if you default on any of your obligations.</p> <p>When we have the right to terminate a Kiosk Addendum and/or the Franchise Agreement, we have the option of terminating an Addendum by itself or with other Addenda, or terminating the Franchise Agreement including the Addendum.</p>

Provision	Sections In Franchise or Other Agreement	Summary
g. "Cause" defined – defaults which can be cured	Section 18.C	You have 5 days to cure monetary defaults, Products/Services defaults or approved supplier defaults, and 30 days to cure any other curable defaults except where law requires longer. If you fail to cure within these timeframes, we may terminate your franchise. Defaults not listed below in box "h" are generally curable.
h. "Cause" defined – defaults which cannot be cured	Sections 18.B and E	Non-curable defaults include: interference with any contract of ours; failure to open and equip Kiosk or complete any required program or obtain an applicable certification; misrepresentation in franchise application; felony or other offense likely to have an adverse impact on the franchise; unauthorized use or disclosure of the Manual, Trade Secret or other confidential information; abandonment; unauthorized surrender or transfer; failure to assign in the event of death or incapacity; receipt of written notice of Products/Services or approved suppliers default more than once during term of franchise; failure to submit reports, pay fees or other amounts due us or other default on 2 or more occasions in a consecutive 12 month period, whether or not cured; bankruptcy or insolvency; assignment of assets for benefit of creditors; appointment of receiver; levy against assets; unsatisfied court judgment; foreclosure; misuse of Marks; submit false reports on 2 or more occasions during term of franchise; violation of health and safety laws or other laws, ordinances or regulations; failure to resolve any complaint or objection from Premises Host or Premises Host objects to your continued operations at the facility and your relationship with the Premises Host is damaging to the goodwill associated with the Marks; or failure to pass criminal background check, drug, tuberculosis and/or other physical testing; default under other agreements with us or others.

Provision	Sections In Franchise or Other Agreement	Summary
i. Your obligations on termination/ non-renewal	<p>Section 19</p> <p>Section 2 of Owner Non-Compete, Non-Disclosure and Confidentiality Agreement</p>	<p>De-identify and stop operating the Kiosk; assign us the right to occupy the Kiosk space; stop using our System, Marks and recipes or other products or services of ours; cancel or assign any assumed name containing “Fuji”, “FujiSan” or any derivative of the Marks; pay all amounts due to your business creditors and to us including any damages, costs and expenses we incur because of your default; return/destroy/discontinue all use (as we request) of all manuals, customer lists and data, records, promotional materials, branded items, form agreements/templates, equipment, inventory and any property of ours; cooperate on transfer of phone and fax numbers to us or our designee and on updating of Internet and telephone directory listings; provide us the option to buy assets of your Kiosk; not damage, destroy, hide or take any equipment or inventory from the Kiosk without our consent and provide all records and information relating to the operation of the Kiosk; and comply with the non-compete and other covenants.</p> <p>If the Agreement or any applicable Addendum is terminated or expires, we have the right to occupy the Kiosk space and you must assign all interest and facilitate our occupancy of the space and operation of the Kiosk on our request.</p>
j. Assignment of contract by us	<p>Section 20.A</p> <p>Section 11.1 of the Asset Purchase Agreement</p>	There is no restriction on our right to assign.
k. “Transfer” by you – definition	Section 20.B	Includes transfer, assignment, sale or sublicense of your franchise agreement or all or any of your rights in the agreement, the Franchised Business or a substantial portion of the assets.

<b>Provision</b>	<b>Sections In Franchise or Other Agreement</b>	<b>Summary</b>
l. Our approval of your transfer	Sections 20.B	You must receive our approval first. We have the right to withhold approval to any proposed sale or transfer of fewer than all of your Kiosk locations.
m. Conditions for our approval of transfer	Sections 20.C, 20.D and 22	Except for a transfer to a business entity wholly owned by you and subject to additional conditions we may opt to make (see Section 20.C of the Franchise Agreement), we have a right of first refusal on a proposed transfer; the proposed transferee must be of good moral character, credit history and business qualifications, complete our Initial Certification Program, and sign our then current franchise and other agreements and a personal guarantee; you must be current on all money obligations, pay \$1,500 transfer fee (per Kiosk), obtain our written consent before taking or maintaining security interest in the franchise, sign general release and comply with non-compete provisions; and the Premises Host must consent to the transfer, if consent is required by our agreement with the Premises Host. We do not charge a transfer fee for a one-time transfer to a business entity controlled by you and formed to hold the franchise.
n. Our right of first refusal to buy your business	Section 22  Section 11.2 of the Asset Purchase Agreement	We can accept the terms of any proposed sale, transfer or assignment of your business.
o. Our option to buy your business	Section 19(viii)	On written notice to you, on termination or expiration of the agreement, we can elect to purchase for cash, the assets of your Kiosk, at cost or fair market value, whichever is less. We can offset any amounts you owe us against the purchase amount.
p. Death or disability	Section 21	If owner with a controlling interest dies or is disabled, their interest must be transferred to an approved 3 <sup>rd</sup> party within 180 days.

<b>Provision</b>	<b>Sections In Franchise or Other Agreement</b>	<b>Summary</b>
q. Non-competition covenants during term of franchise	Sections 17.B and, 17.D  Section 1 of Owner Non-Compete, Non-Disclosure and Confidentiality Agreement	You and/or your owners must not be involved in any way with a competing business, as explained in the Franchise Agreement. You and Owners must not divert any customers, or have involvement or family involvement in any competing business. Subject to applicable state law.
r. Non-competition covenants after franchise is terminated or expires	Section 17.E  Section 2 of Owner Non-Compete, Non-Disclosure and Confidentiality Agreement	For 2 years after termination or non-renewal, you, your affiliates, shareholders, managers, members, partners, directors, trustees, owners and family members cannot operate a competing business, except as restricted by law within a 5 mile radius of your Kiosk or any other FujiSan Kiosk location, if it is in a “major city”, or within a 10 mile radius if it is in a “metropolitan area”, or within a 15 mile radius if it is in a “rural area”. The defining criteria for each of these terms are in the Franchise Agreement. Subject to applicable state law.
s. Modification of the agreement	Section 31	No modification except in writing signed by you and us, but we can change the Manuals as we wish.
t. Integration/merger clause	Section 31  Section K of the Kiosk Addenda  Section 12.9 of the Asset Purchase Agreement	Only the terms of the Franchise Agreement and other related written applicable agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 34  Section 12.7 of the Asset Purchase Agreement	Except for claims for injunction and other provisional relief or for collection of undisputed overdue debts owed, any claim arising out of or relating to the Agreement, or its breach must be resolved by arbitration in Los Angeles County, California. Includes waiver of class action to extent permitted under applicable law. (Subject to state law. See State Addenda, Ex. H).

Provision	Sections In Franchise or Other Agreement	Summary
v. Choice of forum	Section 34	All disputes to be arbitrated in Los Angeles County, California. The forum for litigation will be an appropriate state or federal court with jurisdiction in Los Angeles County, California (Subject to state law. See State Addenda, Ex. H).
w. Choice of law	Section 33	California law applies, except for breaches of personal covenants under Section 17 of the Agreement (law of the place where breach occurs controls then) and no California franchise law applies unless jurisdictional, definitional and application requirements of the law are met independently of this term. (Subject to state law. See State Addenda, Ex. H).
	Section 11 of Owner Non-Compete, Non-Disclosure and Confidentiality Agreement	Law of the State where claimed breach occurs

## ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote the franchise.

## 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Michael Kim, Franchise Administration Manager at Fujisan Franchising Corp., 14420 Bloomfield Ave., Santa Fe Springs,

California, 90670, (562) 404-2590, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**Systemwide Outlet Summary**  
**FujiSan Kiosks**  
**For years 2022, 2023, 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	538	584	+46
	2023	584	688*	+104*
	2024	688	742	+54
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
<b>Total Outlets</b>	2022	538	584	+46
	2023	584	688*	+104*
	2024	688	742	+54

\*Adjustments to certain 2023 numbers are corrections of inadvertent tabulation errors.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**FujiSan Kiosks**  
**For years 2022, 2023, 2024**

State	Year	Number of Transfers
Alabama	2022	2
	2023	2
	2024	4
Arizona	2022	3
	2023	3
	2024	1
Arkansas	2022	3
	2023	1
	2024	6

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State	Year	Number of Transfers
California	2022	58
	2023	68
	2024	61
Colorado	2022	11
	2023	8
	2024	6
Florida	2022	0
	2023	5
	2024	16
Georgia	2022	3
	2023	5
	2024	6
Idaho	2022	0
	2023	1
	2024	0
Illinois	2022	4
	2023	9
	2024	2
Indiana	2022	4
	2023	1
	2024	3
Iowa	2022	1
	2023	3
	2024	4
Kansas	2022	1
	2023	1
	2024	0
Kentucky	2022	0
	2023	1
	2024	2
Louisiana	2022	0
	2023	4
	2024	3

State	Year	Number of Transfers
Maryland	2022	2
	2023	3
	2024	2
Michigan	2022	8
	2023	3
	2024	7
Minnesota	2022	3
	2023	4
	2024	2
Missouri	2022	1
	2023	6
	2024	3
Montana	2022	1
	2023	1
	2024	0
Nebraska	2022	0
	2023	0
	2024	2
Nevada	2022	3
	2023	1
	2024	2
New Hampshire	2022	0
	2023	0
	2024	2
New Jersey	2022	0
	2023	0
	2024	2
New Mexico	2022	0
	2023	3
	2024	1
New York	2022	1
	2023	3
	2024	3

State	Year	Number of Transfers
North Carolina	2022	11
	2023	17
	2024	5
North Dakota	2022	0
	2023	1
	2024	1
Ohio	2022	0
	2023	5
	2024	6
Oklahoma	2022	1
	2023	3
	2024	0
Oregon	2022	2
	2023	2
	2024	0
Pennsylvania	2022	8
	2023	2
	2024	4
Puerto Rico	2022	0
	2023	0
	2024	1
South Carolina	2022	4
	2023	3
	2024	3
South Dakota	2022	0
	2023	0
	2024	1
Tennessee	2022	3
	2023	3
	2024	5
Texas	2022	8
	2023	18*
	2024	32

State	Year	Number of Transfers
Utah	2022	0
	2023	1
	2024	3
Virginia	2022	4
	2023	5
	2024	5
Washington	2022	2
	2023	0
	2024	0
West Virginia	2022	1
	2023	0
	2024	1
Wisconsin	2022	4
	2023	3
	2024	2
Wyoming	2022	1
	2023	0
	2024	0
Total	2022	158
	2023	199*
	2024	209

\*Adjustments to certain 2023 numbers are corrections of inadvertent tabulation errors.

**Table No. 3**  
**Status of Franchised Outlets**  
**FujiSan Kiosks**  
**For years 2022, 2023, 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2022	3	2	0	0	0	1	4
	2023	4	4	0	0	0	2	6
	2024	6	4	0	0	0	1	9

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Arizona	2022	12	0	0	0	0	0	12
	2023	12	0	0	0	0	0	12
	2024	12	0	0	0	0	0	12
Arkansas	2022	8	1	0	0	0	0	9
	2023	9	1	0	0	0	0	10
	2024	10	0	0	0	0	0	10
California	2022	152	20	5	0	0	0	167
	2023	167	24*	7*	5*	0	5	174
	2024	174	50	2	0	0	5	217
Colorado	2022	15	0	0	0	0	1	14
	2023	14	2	0	0	0	2	14
	2024	14	2	1	0	0	1	14
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Delaware	2022	1	1	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	4	1	0	0	0	1	4
	2023	4	39	0	0	0	2	41
	2024	41	3	0	0	0	2	42
Georgia	2022	18	3	0	0	0	0	21
	2023	21	4	0	0	0	0	25
	2024	25	1	1	0	0	0	25
Idaho	2022	2	1	0	0	0	1	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	1	2
Illinois	2022	15	3	0	1	0	0	17
	2023	17	1	0	0	0	0	18
	2024	18	0	0	0	0	0	18
Indiana	2022	7	0	0	0	0	0	7
	2023	7	3	0	0	0	0	10
	2024	10	0	0	0	0	0	10

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Iowa	2022	5	1	0	0	0	1	5
	2023	5	3	0	0	0	0	8
	2024	8	0	0	0	0	0	8
Kansas	2022	7	1	1	0	0	1	6
	2023	6	3	0	0	0	1	8
	2024	8	1	0	0	0	0	9
Kentucky	2022	6	3	0	0	0	1	8
	2023	8	1	0	0	0	0	9
	2024	9	1	0	0	0	1	9
Louisiana	2022	9	1	0	0	0	0	10
	2023	10	4	0	0	0	1	13
	2024	13	1	1	0	0	0	13
Maryland	2022	17	2	0	0	0	2	17
	2023	17	2	8	0	0	0	11
	2024	11	0	0	0	0	0	11
Michigan	2022	8	2	0	0	0	0	10
	2023	10	2	0	0	0	0	12
	2024	12	3	0	1	0	2	12
Minnesota	2022	8	3	0	0	0	1	10
	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
Mississippi	2022	3	2	0	0	0	2	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Missouri	2022	17	0	0	0	0	0	17
	2023	17	3	0	0	0	1	19
	2024	19	0	0	0	0	0	19
Montana	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Nebraska	2022	4	0	0	0	0	1	3
	2023	3	1	0*	0	0	0	4
	2024	4	0	0	0	0	0	4

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Nevada	2022	6	0	0	0	0	0	6
	2023	6	2	0	0	0	1	7
	2024	7	2	0	0	0	1	8
New Hampshire	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	4	0	0	0	0	0	4
	2023	4	5	0	0	0	2	7
	2024	7	0	0	0	0	0	7
New Mexico	2022	6	0	0	0	0	1	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
New York	2022	4	4	0	0	0	1	7
	2023	7	5	0	0	0	0	12
	2024	12	0	0	0	0	0	12
North Carolina	2022	46	4	0	0	0	7	43
	2023	43	17	31	0	0	5	24
	2024	24	2	0	0	0	1	25
North Dakota	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	2	4	0	0	0	2	4
	2023	4	16	0	0	0	0	20
	2024	20	3	1	0	0	0	22
Oklahoma	2022	13	0	1	0	0	0	12
	2023	12	1	0	0	0	0	13
	2024	13	0	0	0	0	0	13
Oregon	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Pennsylvania	2022	18	2	0	0	0	0	20
	2023	20	4	0	0	0	0	24
	2024	24	0	0	0	0	0	24

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Puerto Rico	2022	0	4	0	0	0	1	3
	2023	3	4	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Rhode Island	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	15	3	1	1	0	0	16
	2023	16	4	5	0	0	2	13
	2024	13	0	0	0	0	0	13
South Dakota	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Tennessee	2022	7	1	0	0	0	1	7
	2023	7	7	0	0	0	0	14
	2024	14	1	0	0	0	0	15
Texas	2022	34	13	0	0	0	1	46
	2023	46	34*	0	1*	0	1*	78*
	2024	78	1	0	0	0	1	78
Utah	2022	2	4	0	0	0	1	5
	2023	5	7	0	0	0	7	5
	2024	5	1	2	0	0	1	3
Virginia	2022	32	1	2	0	0	2	29
	2023	29	8	20	0	0	0	17
	2024	17	1	0	0	0	0	18
Washington	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
West Virginia	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	1	3
	2024	3	0	0	0	0	0	3
Wisconsin	2022	9	3	0	0	0	2	10
	2023	10	3	1	0	0	3	9
	2024	9	1	0	0	0	0	10

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Wyoming	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	1	0	0	0	0	1
<b>Total</b>	2022	538	92	10	2	0	34	584
	2023	584	222*	72	9*	0	37	688*
	2024	688	80	8	1	0	17	742

\*Adjustments to certain 2023 numbers are corrections of inadvertent tabulation errors.

**Table No. 4**  
**Status of Company - Owned Outlets**  
**FujiSan Kiosks**  
**For years 2022, 2023, 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	0
	2024	0	1	0	0	1	0
<b>Total</b>	2022	0	0	0	0	0	0
	2023	0	2	0	0	2	0
	2024	0	1	0	0	1	0

**Table No. 5**  
**FujiSan Kiosks**  
**Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	3	26	0
Colorado	0	1	0
Ohio	1	1	0
Texas	0	2	0

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State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
<b>Total</b>	4	31	0

Attached as Exhibits C-1 and C-3 is a list of names, city and state and current business telephone numbers of all of our franchisees, and a list by city and state of our company-owned Kiosks in the United States as of 12/31/24. Attached as Exhibit C-4 is a list of our franchisees who were not yet operating as of 12/31/24.

The franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or had not communicated with us within 10 weeks of the issuance date of this Disclosure Document are listed in Exhibit C-2.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with FujiSan Franchise System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last 3 fiscal years, no franchisees signed confidentiality agreements.

There are no trademark-specific organizations formed by us or any franchisees that are associated with the FujiSan Kiosk System.

## ITEM 21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are our audited financial statements as of December 31, 2022, 2023 and 2024.

## ITEM 22. CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

### Exhibit      Agreement

- B. Franchise Agreement with Schedules
  - A. Fee Schedule, Notice Addresses, Franchisee Owners and Officers
  - B. Guarantee and Assumption of Obligations
  - C. Franchisee Disclosure Acknowledgment Statement
  - D. Current Form of Releasing Language
  - E. -1 Location Addendum: Traditional Kiosk Addendum
  - E. -2 Location Addendum: Satellite Kiosk Addendum
  - E. -3 Location Addendum: Reduced Operating Hours
  - F.-1 Owner Non-Compete, Non-Disclosure and Confidentiality Agreement (Non-CA Franchises)

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F.-2      Owner Non-Compete, Non-Disclosure and Confidentiality  
Agreement (CA Franchises)

- F.      Transfer of Franchise to Corporation or Limited Liability Company
- I.      Promissory Note with Personal Guaranty and Deferred Payment Agreement
- J.      Asset Purchase Agreement

#### **ITEM 23. RECEIPTS**

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document as Exhibit K. Please return one signed copy to us and retain the other for your records.

**EXHIBIT A TO THE DISCLOSURE DOCUMENT**  
**FINANCIAL STATEMENTS**

# **Fujisan Franchising Corp.**

Consolidated Financial Statements

December 31, 2024, 2023 and 2022

# **Fujisan Franchising Corp.**

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## **Independent Auditors' Report**

To the Board of Directors of  
Fujisan Franchising Corp.

### **Opinion**

We have audited the consolidated financial statements of Fujisan Franchising Corp. (the Company), which comprise the consolidated balance sheets as of December 31, 2024, 2023 and 2022, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Baker Tilly US, LLP*

Los Angeles, California  
March 5, 2025



**Fujisan Franchising Corp.**

## Consolidated Balance Sheets

December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ -	\$ -	\$ -
Accounts receivable, net	3,922,154	4,874,389	3,945,290
Due from related party, net	32,136,856	34,683,030	21,995,173
Prepaid expenses	<u>214,808</u>	<u>54,935</u>	<u>29,484</u>
Total current assets	36,273,818	39,612,354	25,969,947
<b>Deposits</b>	<u>33,470</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 36,307,288</u></u>	<u><u>\$ 39,612,354</u></u>	<u><u>\$ 25,969,947</u></u>
<b>Liabilities and Stockholders' Equity</b>			
<b>Current Liabilities</b>			
Bank overdraft	\$ 525,227	\$ 606,154	\$ 792,413
Accounts payable	8,501,190	8,281,107	6,040,539
Accrued expenses	639,749	623,616	597,006
Deferred revenue, current portion	<u>682,048</u>	<u>582,274</u>	<u>402,840</u>
Total current liabilities	10,348,214	10,093,151	7,832,798
<b>Deferred Revenue, Net of Current Portion</b>	<u>638,962</u>	<u>963,173</u>	<u>896,097</u>
Total liabilities	<u>10,987,176</u>	<u>11,056,324</u>	<u>8,728,895</u>
<b>Stockholders' Equity</b>			
Voting common stock, no par value per share; 10,000,000 shares authorized; 200,000 shares issued and outstanding as of December 31, 2024, 2023 and 2022	-	-	-
Additional paid-in-capital	4,200,000	200,000	200,000
Retained earnings	<u>21,120,112</u>	<u>28,356,030</u>	<u>17,041,052</u>
Total stockholders' equity	<u>25,320,112</u>	<u>28,556,030</u>	<u>17,241,052</u>
Total liabilities and stockholders' equity	<u><u>\$ 36,307,288</u></u>	<u><u>\$ 39,612,354</u></u>	<u><u>\$ 25,969,947</u></u>

See notes to consolidated financial statements

**Fujisan Franchising Corp.**

## Consolidated Statements of Income

Years Ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Sales</b>	\$ 252,471,074	\$ 216,911,972	\$ 180,326,423
<b>Cost of Sales</b>	<u>226,166,156</u>	<u>193,259,160</u>	<u>161,164,536</u>
Gross profit	26,304,918	23,652,812	19,161,887
<b>General and Administrative Expenses</b>	<u>13,179,259</u>	<u>12,118,808</u>	<u>11,398,615</u>
Operating income	13,125,659	11,534,004	7,763,272
<b>Other Income</b>	841	4,135	4,770
<b>Provision for Income Taxes</b>	<u>(305,221)</u>	<u>(223,161)</u>	<u>(222,292)</u>
Net income	<u>\$ 12,821,279</u>	<u>\$ 11,314,978</u>	<u>\$ 7,545,750</u>

*See notes to consolidated financial statements*

**Fujisan Franchising Corp.**

Consolidated Statements of Changes in Shareholders' Equity  
Years Ended December 31, 2024, 2023 and 2022

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
<b>Balance, January 1, 2022</b>	200,000	\$ -	\$ 200,000	\$ 9,495,302	\$ 9,695,302
Net income	-	-	-	7,545,750	7,545,750
<b>Balance, December 31, 2022</b>	200,000	-	200,000	17,041,052	17,241,052
Net income	-	-	-	11,314,978	11,314,978
<b>Balance, December 31, 2023</b>	200,000	-	200,000	28,356,030	28,556,030
Contributions from shareholder	-	-	4,000,000	-	4,000,000
Distributions to shareholder	-	-	-	(20,057,197)	(20,057,197)
Net income	-	-	-	12,821,279	12,821,279
<b>Balance, December 31, 2024</b>	<u>200,000</u>	<u>\$ -</u>	<u>\$ 4,200,000</u>	<u>\$ 21,120,112</u>	<u>\$ 25,320,112</u>

See notes to consolidated financial statements

**Fujisan Franchising Corp.**

Consolidated Statements of Cash Flows  
Years Ended December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>			
Net income	\$ 12,821,279	\$ 11,314,978	\$ 7,545,750
Adjustments to reconcile net income to net cash provided by operating activities:			
Bad debt expense	120,000	-	-
Changes in operating assets and liabilities:			
Accounts receivable, net	832,235	(929,099)	(443,290)
Prepaid expenses	(159,873)	(25,451)	17,699
Deposits	(33,470)	-	-
Accounts payable	233,818	2,240,568	(107,027)
Accrued expenses	2,398	26,610	(18,243)
Deferred revenue	(224,437)	246,510	499,137
Net cash provided by operating activities	<u>13,591,950</u>	<u>12,874,116</u>	<u>7,494,026</u>
<b>Cash Flows From Investing Activities</b>			
Due from related party, net	<u>2,546,174</u>	<u>(12,687,857)</u>	<u>(7,145,135)</u>
Net cash provided by (used in) investing activities	<u>2,546,174</u>	<u>(12,687,857)</u>	<u>(7,145,135)</u>
<b>Cash Flows From Financing Activities</b>			
Contributions from shareholder	4,000,000	-	-
Distributions to shareholder	(20,057,197)	-	-
Bank overdraft	<u>(80,927)</u>	<u>(186,259)</u>	<u>(348,891)</u>
Net cash used in financing activities	<u>(16,138,124)</u>	<u>(186,259)</u>	<u>(348,891)</u>
Net change in cash	-	-	-
<b>Cash, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Supplemental Disclosure for Cash Flow Information</b>			
Cash paid for income taxes	<u>\$ 305,221</u>	<u>\$ 223,161</u>	<u>\$ 222,292</u>

See notes to consolidated financial statements

# **Fujisan Franchising Corp.**

Notes to Consolidated Financial Statements  
December 31, 2024, 2023 and 2022

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## **1. Organization, Business**

### **Description of Business**

Fujisan Franchising Corp. ("Fujisan") and its wholly owned subsidiary, Fujisan Franchising Mexico S. DE. R.L. DE C.V. (Fujisan Mexico), (collectively, the Company), manage franchises for the operation of sushi outlets within supermarkets and other locations within the United States, Puerto Rico, and Mexico, respectively.

Fujisan was incorporated on June 14, 2016, under the laws of California as a privately held corporation and commenced operations August 1, 2016.

Currently, Fujisan operates throughout the United States of America and Puerto Rico. As of December 31, 2024, 2023 and 2022, 742, 688 and 584 franchise outlets were in operation, respectively (Note 5). Fujisan is required to comply with the requirements of the Hazard Analysis and Critical Control Points (HACCP), the U.S. Food and Drug Administration (FDA) and the U.S. Department of Health and Human Services (HHS).

Fujisan Mexico was incorporated on August 14, 2024. Fujisan Mexico did not begin operations as of December 31, 2024. The entity was formed with the intention of performing international franchising transactions.

## **2. Summary of Significant Accounting Principles**

### **Basis of Preparation**

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The consolidated financial statements presented include the accounts of Fujisan Franchising Corp., and Fujisan Franchising Mexico S. DE R.L. DE C.V. All significant intercompany accounts and transactions have been eliminated in the consolidation.

### **Uses of Estimates in Preparation of Consolidated Financial Statements**

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could materially differ from management's estimates. Significant estimates include the allowance for doubtful accounts.

### **Cash**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash.

### **Accounts Receivable, Net**

The Company estimates the allowance for doubtful accounts based on prior years' bad debt write-off history and analysis of specific franchisee and customer accounts, taking into consideration the age of past due accounts and an assessment of the franchisee and customers' ability to pay. The Company had an allowance for doubtful accounts of \$316,964, \$178,205 and \$55,803 as of December 31, 2024, 2023 and 2022, respectively. The Company generally does not charge interest on past due accounts.

**Revenue Recognition**

The Company's revenue is derived from three primary revenue sources: (a) revenue-sharing arrangements with participating grocery store customers that sell made-to-order sushi products on site, (b) initial and continuing franchise fees and (c) sales of raw materials to franchisees. Revenue from revenue-sharing arrangements is derived from fees on the sale of products to the consumer. The initial and continuing franchise fees collected from franchisees for franchise rights are amortized over the term of each respective franchise agreement. Revenue from sales of raw materials to franchisees is recognized upon delivery to and acceptance by the franchisee customers.

**Income Taxes**

The Company has elected to be taxed as an S corporation for Federal and state purposes. Under these provisions, the Company does not pay Federal corporate taxes on its income. Instead, the stockholders are liable for income taxes on their respective share of the Company's taxable income and other distributable items. The California tax treatment is substantially the same as for Federal, except for a 1.5% surtax imposed on the Company's taxable income.

The tax years subject to examination by major tax jurisdictions include the years 2021 and forward for Federal and years 2020 and forward for certain states. The Company follows the guidance related to uncertain tax positions. This guidance clarifies the accounting for uncertainty in income taxes, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and requires expanded tax disclosures. The Company accounts for uncertainty in tax positions by determining whether a tax position of the Company is more likely than not to be sustained upon examination, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. The Company has determined it does not have a liability for uncertain tax positions or unrecognized benefits. Accordingly, no provision for taxes is made in the accompanying consolidated financial statements. The Company does not expect that the total amount of unrecognized tax benefits will materially change over the next 12 months.

**Recently Adopted Accounting Standards**

On January 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade account receivables. The Company adopted ASC 326 using the modified retrospective method for its trade account receivables. Accordingly, this adoption did not have a material impact to the consolidated financial statements.

**3. Commitments and Contingencies****Litigation**

The Company is not currently subject to any material corporate lawsuits, actions or other legal proceedings or pending claims. From time to time, the Company has been and may be in the future, subject to other legal proceedings, claims and investigations (collectively Litigation) in the ordinary course of business. It has received and may receive claims from third parties in the future. There are no currently pending legal proceedings that the Company believes will have a material adverse impact to the business or consolidated financial statements.

## Fujisan Franchising Corp.

### Notes to Consolidated Financial Statements

December 31, 2024, 2023 and 2022

#### 4. Related Parties

The Company enters into certain transactions with Fuji Food Products, Inc. (Fuji), a related party under common ownership. During the years ended December 31, 2024, 2023 and 2022, the Company purchased from Fuji raw materials for sale to franchisees totaling \$61,037,264, \$51,221,349 and \$43,331,820, respectively, which are included in cost of sales on the accompanying consolidated statements of income. During the years ended December 31, 2024, 2023 and 2022, Fuji performed certain management and administrative services for the Company and billed \$960,000, \$960,000 and \$960,000, respectively, to the Company for such services which are included in general and administrative expenses on the accompanying consolidated statements of income. The Company had receivable balances that were due from Fuji of \$32,136,856, \$34,683,030 and \$21,995,173 as of December 31, 2024, 2023 and 2022, respectively.

During the years ended December 31, 2024, 2023 and 2022, Fuji incurred shipping costs on behalf of the Company totaling \$912,600, \$735,300 and \$720,600, respectively, and provided warehouse labor services to the Company totaling \$127,414, \$204,347 and \$286,987, respectively, which are included in general and administrative expenses on the accompanying consolidated statements of income.

#### 5. Summary of Franchise Outlets

As of December 31, 2024, 2023 and 2022, franchise outlets consisted of the following:

	2024	2023	2022
Company and Fuji owned locations:			
In operation, beginning of period	-	-	-
Opened during the year	1	2	-
Sold to franchisee	(1)	(2)	-
Reacquired from franchisee	-	-	-
Closed during the year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Franchise locations:			
In operation, beginning of period	688	584	538
Opened during the year	79	209	87
Sold to franchisee	1	2	-
Reacquired from franchisee	-	-	-
Closed during the year	(26)	(107)	(41)
	<u>742</u>	<u>688</u>	<u>584</u>

#### 6. Subsequent Events

The Company has evaluated subsequent events through March 5, 2025, the date that the consolidated financial statements were available to be issued.

**EXHIBIT B TO THE DISCLOSURE DOCUMENT  
FRANCHISE AGREEMENT WITH SCHEDULES**



**FUJISAN FRANCHISING CORP.**  
**FRANCHISE AGREEMENT**

**Franchisee:**\_\_\_\_\_

**Date of Agreement:**\_\_\_\_\_

**Expiration Date:**\_\_\_\_\_

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#### **SCHEDULES:**

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F.-1	Owner Non-Compete, Non-Disclosure and Confidentiality Agreement (Non-CA Franchises)
F.-2	Owner Non-Compete, Non-Disclosure and Confidentiality Agreement (CA Franchises)

## FUJISAN FRANCHISING CORP.

### FRANCHISE AGREEMENT

This Franchise Agreement (“this Agreement”) is made and entered into on \_\_\_\_\_, 20\_\_ (the “Effective Date”) by and between Fujisan Franchising Corp., a California corporation with its principal address at 14420 Bloomfield Avenue, Santa Fe Springs, California, (“Franchisor”), and \_\_\_\_\_, a \_\_\_\_\_ (insert state \_\_\_\_\_) (corporation or limited liability company) with a principal address at \_\_\_\_\_ (“Franchisee”).

### RECITALS

Franchisor grants franchises (a “Fujisan Franchise” or “Franchise”) for a distinctive system of producing, merchandising and selling sushi, appetizers, salads, entrees, soups, drinks, other Asian-style food and related items (the “Fujisan System” or “System”) at retail locations owned, leased, operated and/or managed by a third party and arranged by Franchisor directly, or by virtue of a contract that Franchisor or a Franchise Associate has entered into with a party that has a business relationship with the owner, lessor, manager, operator or host of the retail location (“Third-Party Contract”). The System includes sushi bar kiosk design and layout, operational procedures, recipes and product preparation techniques, certification programs, ingredient information and sources, trade secrets and copyrighted works, and confidential operations information and instructions (“Operations Manual” or “Manuals”), all of which can continue to develop and change over time. The System also includes the licensed use of trademarks (the “Marks”), currently including “Fujisan” and the Fujisan design mark and slogan. Franchisee wants to obtain a Franchise to operate a sushi bar kiosk providing only products and services approved by Franchisor and using the System and Marks (a “Kiosk”) and must comply with this Agreement and the Operations Manual in order to use the Marks and System. Franchisor is willing to grant Franchisee a Franchise on the terms contained in this Agreement.

Certain capitalized terms used in this Agreement are defined in Section 43, below. Capitalized terms that are not defined in Section 43 are defined in the Section where they first appear. Accordingly, the parties now agree as follows:

### AGREEMENT

#### 1. Grant of Franchise

##### A. Grant

Franchisor grants to Franchisee, and Franchisee accepts, the non-exclusive right to use the System and Marks according to the terms of this Agreement to operate a Kiosk providing sushi and other Franchisor-approved Products and Services to the general public at a location identified in an addendum attached to this Agreement (the “Addendum”). Franchisee cannot offer, sell or distribute the Products and Services from or at any location other than a Kiosk location stated on an Addendum without Franchisor’s express written consent, which Franchisor has an unrestricted right to grant, condition or deny. Franchisee cannot use any other channels of distribution, including without limitation the Internet, direct marketing, catalogues or any channel other than a Franchisee Kiosk operation. Franchisee cannot engage in any resale

and/or sublicensing or franchising of the Marks, System, Manuals, certification program and materials, Trade Secrets or any other elements of the Franchise. Franchisor is not required to grant Franchisee any additional Kiosk location Addendum. Franchisor and Franchisee will enter into an Addendum for each Kiosk location awarded under this Agreement. Franchisor can condition the award of another Addendum on Franchisee being in good standing and the execution of a General Release by Franchisee and any Franchisee Affiliate/Owner, excluding only those claims solely related to the grant of the additional Addendum or where such releases are expressly prohibited by applicable law.

***B. Limited Territory Rights***

Franchisee is not given any protected territory except each Franchisee Kiosk location identified in an Addendum and subject to the terms of this Agreement. Franchisor and its Affiliates can locate and operate anywhere, and can authorize others to locate and operate anywhere, a Fujisan Kiosk at any location other than the location of a Franchisee Kiosk, as specified on an Addendum. Franchisee acknowledges that Franchisee has no marketing or customer exclusivity or other area rights under this Agreement and no right to object to or make any claims about any Fujisan Kiosk or any other operations or activities outside of Franchisee's Kiosk location, no matter how close they may be to Franchisee's Kiosk location, the customers serviced, the products/services sold or the trademarks used. Except as provided above, Franchisor and its Affiliates reserve all other rights, including expressly the rights to locate and/or operate anywhere, and to authorize others to locate and/or operate anywhere, any kind of business using any channel of distribution, including the Internet, and offering/selling any type of product or service, competitive or otherwise, from sites and to customers located anywhere under any brand or trademark, including the Marks. For avoidance of doubt, i) a Premises Host may sell Asian style, non-sushi products supplied by Franchisor or a Franchisor Affiliate under the "Okami" brand or another brand at the same facility in which a Fujisan Kiosk may be located, and ii) "Fuji" and "Fujisan" brand sushi and other food products can be sold by Franchisor and its Affiliates (and the applicable Premises Host) in any facility so long as a franchised Kiosk is not operated on such facility premises.

***C. Changes***

Franchisor can acquire, be acquired by, merge, affiliate or co-brand with, or engage in any transaction with other businesses with outlets located anywhere, whether or not competitive or franchised. Franchisee agrees to participate at Franchisee's expense in any brand/chain conversion, as Franchisor directs.

***D. Best Efforts***

Franchisee must use best efforts to promote and increase sales and service of Kiosk Products and Services in a manner consistent with this Agreement and the Addendum.

***E. Franchisor Associate Operations***

Franchisee understands that a Franchisor Associate, Fuji Food Products, Inc., operates a business that manufactures, distributes and sells under the Marks sushi and other products like those Franchisee will sell and is involved in establishing sushi bars like Franchisee's Kiosk in many locations. Franchisee acknowledges that Franchisor is solely responsible for performance of its obligations under this Agreement and that Franchisor Associates have no liability to Franchisee under this Agreement. A "Franchisor Associate" is a defined term under Section 43 and includes Franchisor's Affiliates, such as Fuji Food Products, Inc., among others. Franchisor has no authority to bind any Franchisor Associate to any obligation.



## **2. Franchise Fee**

Franchisee shall pay Franchisor an initial franchise fee per Kiosk applicable to the type of Kiosk Franchisee shall operate, a Traditional Kiosk, a Satellite Kiosk and/or a Reduced Operating Hours Kiosk, as those terms are defined in Section 43 of this Agreement. The amount of the applicable fee is identified on Schedule A of this Agreement. This fee is fully earned and payable when this Agreement is signed (and when any Location Addendum thereafter is signed, as applicable) and is non-refundable, except as stated in Section 4.C.

## **3. Term and Renewal**

### ***A. Term***

i) If this Agreement is awarded for a new Franchise, the term starts on the Effective Date and expires on the third (3rd) anniversary of the Effective Date (the “initial term”), unless terminated sooner as provided in Section 18. Unless earlier terminated as provided under this Agreement or pursuant to the terms of an applicable Addendum, the term of each Addendum expires or is terminated concurrently with the expiration or termination of this Agreement or any renewal agreement granted pursuant to this Section 3.

ii) If Franchisee is entering the Franchised Business as a transferee of an existing Franchise or is converting from a contract manager relationship to a Franchise business, then the term will, at Franchisor’s option, either be three (3) years or will end on the expiration date of Franchisee’s transferor’s franchise agreement or the contract manager agreement, as applicable.

iii) The term of any successor (“renewal”) Franchise Agreement is established under the preceding expired franchise agreement.

iv) The applicable Expiration Date appears on the first page of this Agreement. Regardless of the stated Expiration Date, this Agreement can be terminated sooner as provided in Section 18 or by Franchisee by giving Franchisor not less than ninety (90) days advance written notice of an early termination date and paying Franchisor any applicable cancellation fee as provided in Section 18.A.

### ***B. Renewal***

Franchisee has the right to renew this Franchise at the expiration of an initial term of the Franchise for the lesser of; a) one additional three (3) year term or b) the term remaining in Franchisor’s or Franchisor Affiliate’s applicable agreement with one or more of Franchisee’s Premises Hosts, if Franchisee satisfies the following conditions before renewal and subject to Section 3.E, below:

i) Franchisee is in full compliance with this Agreement and all other agreements and each Addendum with Franchisor;

ii) Franchisee has by the Expiration Date of this Agreement brought the Kiosk into full compliance with the specifications and standards then applicable for a new or renewing Kiosk;

iii) Continuing occupancy of the Kiosk location under each then-current Addendum is permitted by the Premises Host;

iv) Franchisee meets Franchisor’s then-current qualification and certification requirements;

v) Franchisee gives written notice of Franchisee's request to renew at least sixty (60) days, but not more than one hundred fifty (150) days, before the Expiration Date, and any notice is accompanied by payment of a renewal fee in the amount stated in Schedule A.

vi) Franchisee has paid all amounts due to Franchisor and any Franchisor Associate;

vii) Franchisee and all Franchisee Owners sign a General Release in favor of Franchisor and Franchisor Associates in a form specified by Franchisor; and

viii) On renewal, Franchisee signs Franchisor's then-current form of franchise agreement, renewal addenda and related documents then customarily used by Franchisor for a renewal Franchise, the terms of which may differ from the terms of this Agreement in material ways (including possibly different payment amounts or arrangements and new fee requirements). The new franchise agreement shall be modified to the extent Franchisor considers appropriate to reflect the grant of the renewal term.

ix) Franchisee has not received written notice of default of this Agreement on more than one (1) occasion during the initial term.

### ***C. Notice of Deficiencies***

Within a reasonable time after receipt of a written renewal notice, Franchisor shall provide Franchisee with written notice of (i) any reasons that could cause Franchisor to deny a request for renewal; and (ii) Franchisor's then-current image, upgrading, operating and related requirements for a Kiosk business. Renewal of the Franchise is conditioned on Franchisee's compliance with these requirements and all terms of this Agreement.

### ***D. Renewal Documents; Legal Compliance***

If Franchisor determines that Franchisee is eligible for renewal, Franchisor will give to Franchisee applicable renewal documents. Franchisee shall execute the applicable agreement(s) and return it or them to Franchisor at least twenty (20) days before the Expiration Date. Franchisee must be in full compliance with the Franchise Agreement both at the time Franchisor notifies Franchisee of its intention to grant Franchisee a renewal Franchise and at the time of signing. If an extension of the term of this Agreement is required to allow Franchisor to provide a lawful notice of non-renewal or to enable Franchisor to otherwise comply with legal requirements for the renewal Franchise, the terms of this Agreement shall be deemed to be in effect for any related extension period.

### ***E. Market Withdrawal and No Renewal***

If Franchisor publishes an announcement that it has determined that continued franchising in the state, region or standard metropolitan statistical area (as established by the United States Office of Management and Budget) within which Franchisee's Kiosk is located is not appropriate for reasons that relate to Franchisor's economic or other interests and that it is withdrawing from franchise activity in such state/region/area (provided that Franchisor can continue to support existing franchisees under outstanding agreements), then Franchisor will be considered to have made a general market area withdrawal, will have no liability to Franchisee therefore and will not be required to repurchase any of Franchisee's assets, offer Franchisee any renewal Franchise or similar rights (a "Market Withdrawal") as provided in Section 3. In that case, and if Franchisee is not in default of this Agreement, Franchisee will not be required to comply with its non-competition obligations under Section 17.E after the expiration of the term of this Agreement. Franchisee agrees that if any applicable statute or court decision requires "good cause" (or any similar standard) for non-renewal, Franchisor's compliance with the provisions of this clause will be deemed to be

good cause. Franchisee agrees that this Section is commercially reasonable because commercial and other developments may make further participation in franchising by Franchisor or Franchisee inappropriate. Therefore, just as Franchisee has the option to not accept a renewal franchise, Franchisor has the option to discontinue awarding franchises in the circumstances noted herein.

#### **4. Location**

##### ***A. Location Addendum***

Each Kiosk Addendum to this Agreement identifies a Kiosk location mutually accepted by Franchisee and Franchisor and the basis on which the Kiosk is to be operated, which can be under a Traditional Kiosk Addendum, a Satellite Kiosk Addendum and/or a Reduced Operating Hours Kiosk Addendum (each, an “Addendum”). Franchisor can choose, but is not required, to offer Franchisee an Addendum for more than one location. Franchisor can condition the grant of any additional Kiosk location Addendum on Franchisee’s payment of the then current fee for a credit and background check and any drug/health testing required by a Premises Host. Each Kiosk location will be subject to a separate Addendum.

##### ***B. Location Arrangements; No Set Term***

Franchisee understands and acknowledges that Franchisee’s ability to operate at any particular Kiosk location can be dependent upon the terms of one or more agreements or arrangements, that Franchisor or a Franchisor Associate has directly with the owner, lessor, food service provider, manager, and/or operator of the premises upon which the Kiosk is located, and/or a party to a Third-Party Contract (the “**Premises Host**”). Franchisee is not assured in any manner that the Premises Host will permit Franchisee’s Kiosk operation for any length of term or will not object to Franchisee and/or Franchisee’s Kiosk business operation. Franchisee’s Kiosk operation is expressly subject to the ongoing consent of the Premises Host, and Franchisee can be required to discontinue Kiosk operations under any Addendum at any time. Franchisor and Franchisor Associates are not obligated to continue and/or maintain in effect any arrangement or agreement with any Premises Host. Franchisee agrees that Franchisor and Franchisor Associates are not liable in any manner for any costs, lost profits, relocation expenses, or any other damages or amounts incurred by Franchisee if Franchisee is required to discontinue Kiosk operations at any particular location.

##### ***C. Possible Relocation***

If Franchisee is in good standing and loses the right without Franchisee fault or cause to operate at a location identified on an Addendum to this Agreement, Franchisor will use reasonable commercial efforts to propose an alternative location acceptable to Franchisee and Franchisor. Any relocation will be at Franchisee’s sole expense. Franchisor does not warrant or represent that an alternate site can or will be identified, or will be identified within any particular period of time, or will be comparable to Franchisee’s initial location in terms of revenues, geographical area, size, customer traffic, or otherwise. The Addendum for the vacated Kiosk location is deemed cancelled effective as of the date Franchisee’s Franchised Business at the location is discontinued (the “Cancellation Date”). If an Addendum is cancelled as provided in this Section, and Franchisee is not operating a Kiosk under any Addendum sixty (60) days after the Cancellation Date, this Agreement shall be deemed to be mutually terminated unless extended by the parties in writing. Franchisee is not entitled to payment or refunds of any kind in connection with the cancelled Addendum, terminated Agreement or the lost location, unless this Agreement is terminated under this Section within twelve (12) months of the Effective Date of this Agreement; in which case Franchisor will refund to Franchisee a portion of the initial franchise fee paid by Franchisee under Section 2, above, if Franchisee gives Franchisor and its affiliates a release of claims in a form that Franchisor accepts. The amount of the

refund will be calculated by dividing the amount of the initial franchise fee by twelve (12) and then multiplying the quotient by the number of full or partial calendar months remaining before the end of the first contract year. Franchisor shall have no further obligation to Franchisee. By way of example only, if Franchisee paid an initial franchise fee of \$3,750 under a franchise agreement effective on January 1, 2016 and the franchise agreement is terminated under this Section on July 1, 2016, then Franchisor would pay Franchisee a refund of \$1,875 ( $\$312.50 \times 6$ ).

***D. Use of Kiosk Location and Facility Changes***

Franchisee must use each Kiosk location for the sole purpose of conducting the sushi Kiosk business and providing only Products and Services as approved by Franchisor under the Marks and System (the “Franchised Business”) and not for any other purpose or activity. Franchisee shall not make material alterations to or replacements of equipment, fixtures, signs, layout or décor of any Kiosk, or any material change in the facility or its operations without Franchisor’s prior written consent.

**5. Certification**

***A. Certification Programs***

Franchisee must pay to Franchisor at the time of the signing of this Agreement a certification program fee in the amount stated on Schedule A of this Agreement. Franchisor will provide Franchisee with a certification program for Franchisee’s first Kiosk, which will be held at Franchisor’s training facility, at Franchisee’s Kiosk and/or a location designated by Franchisor. Certification is designed to enable Franchisee to learn the Franchisor’s (and/or a Franchisor Associate’s) sushi preparation and service methods, techniques and processes for other Kiosk menu items, Kiosk guidelines and requirements, and other information valuable to the Franchised Business. The initial certification program currently includes an 8 business day (up to 10 hours/day) curriculum, but is subject to change by Franchisor. Franchisor may reduce the training period and/or the location of training in circumstances that it thinks warrant it, such as when the attendee has prior pertinent experience. Franchisee’s Designated Owner(s) must diligently attend and complete all required certification programs to Franchisor’s satisfaction. If the Designated Owner is not the Kiosk chef, then Franchisee’s selected chef also must complete those portions of the certification program as Franchisor may require.

***B. Failure to Complete Initial Certification***

Franchisor has an unrestricted right to terminate this Agreement if, in Franchisor's sole discretion, Franchisee fails to successfully complete all required certification programs. Franchisee is not entitled to any refund or payment of any kind.

***C. Scope of Certification***

Franchisor has the right solely to determine and modify from time to time the duration, location(s), subjects to be covered, composition and mix of attendees and number of attendees who may participate in any and all certification programs. Additionally, Franchisor has the right to diminish and/or eliminate certification program components to be delivered to Franchisee, if Franchisor is satisfied that an attendee has demonstrated the expertise, knowledge, and experience in the applicable subject area(s) and holds any certifications required.

***D. Certification Program Attendees***

Since “Franchisee” is not an individual, the Designated Owner(s) (as defined below), must attend and participate in all required certification programs and any other certification/instructional sessions required by Franchisor from time to time. A Designated Owner is an individual identified as such on Schedule A and who must satisfy all certification and other franchise operations requirements. A person who holds an equity interest of at least 51% in the Franchised Business shall be the Designated Owner, unless Franchisor permits otherwise. If no single person has a 51% or greater ownership interest in the Franchise, then one of every two Owners acceptable to Franchisor shall be identified as a Designated Owner for purposes of this Agreement and must satisfy certification and other applicable requirements. Any proposed change in a Designated Owner requires Franchisor’s prior written consent and the proposed individual’s compliance with applicable certification standards and other Owner requirements under this Agreement.

***E. Certification Expenses***

In addition to any applicable certification program fee, Franchisee must pay all incidental expenses incurred in connection with Franchisee and Franchisee’s personnel attending the certification program and any other instructional programs or conferences, including costs of transportation, meals, lodging, other living expenses and employee wages, as applicable.

***F. Personnel Certification***

Franchisee agrees to conduct in-house training, meetings and other programs to impart to Franchisee's employees the latest procedures, techniques, standards and other information relating to the System to ensure quality and uniformity and protect the goodwill associated with the Marks.

***G. Designated Owner; Additional Location Managers***

If Franchisee has multiple Kiosk locations, the Designated Owner must identify and supervise a manager (“Kiosk Manager”) for each location. Franchisee agrees to train the Kiosk Manager and any other staff in the skills and subject areas required of their positions and according to applicable System specifications and standards. Franchisee is solely responsible for hiring sufficient personnel to adequately staff each Kiosk. If any Kiosk is not operating according to mandatory System Standards, Franchisor reserves the right to require the Designated Owner and/or any applicable Kiosk Manager to participate in remedial certification program instruction to correct, improve, update and/or enhance the operations of the Kiosk. Franchisee is responsible for payment to Franchisor of the then current fee for any such remedial certification program participation, as published in the Operations Manual or other written publication to Franchisees, as well as any incidental costs that Franchisee’s attendees may incur, such as lodging, transportation, compensation, meals and other related expenses. Franchisee shall require each Kiosk Manager and chef to sign a limited use and non-disclosure agreement in a form acceptable to Franchisor that protects the Copyrighted Works, Trade Secrets and other materials and information proprietary to Franchisor and/or Franchisor Associates and the System.

***H. Additional Instructional Opportunities and Possible On-Site Consultation***

Franchisor can require Franchisee’s Designated Owner and Kiosk Managers to attend additional certification and instructional programs at Franchisor headquarters or another location selected by Franchisor from time to time so that they remain up to date on Products and Services, quality control requirements, preparation techniques and other System elements. Franchisee will be required to pay the then current program fees, which can be published in the Manuals or through other written communication

to Franchisees. Franchisee is responsible for any incidental costs of attendance, such as lodging, food and transportation. Franchisor reserves the right to assess a fee for any unexcused failure to attend a scheduled mandatory session, including any initial, on-site or additional required session (the “Missed Session Fee”). The Missed Session Fee is stated on Schedule A to this Agreement. If Franchisor determines, in its sole discretion, that additional or unscheduled field services or support are needed in connection with Franchisee’s Kiosk, it may provide on-site consultation services; in such event, Franchisee shall pay Franchisor the then current consultation services fee (the “Consultation Services Fee”). The Consultation Services Fee is described on Schedule A to this Agreement and is subject to change by Franchisor. Franchisee also must pay any incidental expenses incurred by Franchisor’s personnel participating in any such additional on-site consultation, including, without limitation, costs of transportation, meals, lodging, and other living expenses.

***I. Amounts Payable***

All amounts payable to Franchisor by Franchisee under this Section 5 are due on demand and payable in the manner specified by Franchisor, which can include deduction from any amount otherwise due Franchisee as Franchisee’s portion of Gross Revenues and/or Wholesale Gross Revenues, as applicable.

**6. Trademarks**

***A. Ownership; Location Limits***

Franchisee shall have no right, title or interest in or to any of the Marks, except the limited, non-exclusive right to use them as provided in this Agreement. Franchisee shall not represent that Franchisee has acquired any ownership rights in any of the Marks. Franchisee shall not, during or after the term of this Agreement, dispute or impugn the validity of or Franchisor's rights in the Marks. Franchisee shall use only those Marks designated by Franchisor from time to time in connection with the Kiosk and the Franchised Business, except that Franchisee acknowledges and accepts that a Premises Host may prohibit the use of the Marks or may impose limitations on use at a Kiosk, just as a shopping center or other commercial leased site may limit or eliminate any business’s ability to display its tradename. Franchisee agrees to comply with the applicable Host’s rules.

***B. Registration***

Franchisee shall not apply for, attempt to obtain or accept any registration in any of the Marks.

***C. Goodwill***

As between Franchisee and Franchisor, all Franchisee's uses of and all goodwill associated with the Marks shall benefit and be the property of Franchisor (or a Franchisor Associate, as applicable). Franchisee’s Franchised Business shall not attribute any monetary value to goodwill associated with the Marks. Franchisee shall not assert any claim of ownership of any goodwill or other interest in the Marks.

***D. Acts in Derogation***

Franchisee shall not do or permit any act or thing to be done in derogation of any of Franchisor's/Franchisors Associate’s rights in the Marks during or after termination or expiration of this Agreement.

***E. Use***

Franchisee shall use and display the Marks and applicable trademark notices on signs, advertising, sales and promotional materials, point of purchase items, stationery, and other items and publications in any medium, including the Internet, only as specified by Franchisor. Franchisee shall not use any Mark in connection with selling any good or service that is not an approved Product or Service or in any manner not expressly authorized in writing by Franchisor. Franchisee shall use the Marks only for the operation of the Kiosk and for the promotion of the Franchised Business as authorized by Franchisor.

***F. Other Marks***

Franchisee shall not display in or on the Kiosk, or in connection with any advertising, sales or promotion materials or information, stationery or other objects or publish in any medium any other trademark, logo or symbol nor use any such other marks in connection with or relating to the Kiosk or the Franchised Business, without Franchisor's prior written consent or as required by a Premises Host.

***G. Trade Name***

Franchisee shall not use the words "Fuji", "Fujisan" or any derivative or variation thereof or any of the Marks Franchisor authorizes Franchisee to use from time to time, or any words or symbols confusingly similar to any of them, in any corporate, limited liability company, partnership or other entity name.

***H. Internet Advertising and Other Use of the Marks***

Franchisor shall have the sole right to advertise, market and promote the System on the Internet. Franchisee shall not establish any website, Internet directory listing or any other presence on the Internet relating to the Kiosk or the Franchised Business or publish any information or statements using the Marks in any manner, including, but not limited to, social networks and related media, without Franchisor's prior written consent. If requested by Franchisor, Franchisee shall within five (5) days discontinue any website, Internet directory listing or advertising or any other posting or presence on the Internet that incorporates or uses the Marks or other System component, or modify it as Franchisor requires. To assist Franchisor in managing and preserving the Marks and System, Franchisee will follow Franchisor's policies and requirements regarding domain names, e-mail addresses, Internet key word purchases, social network pages, videos and any other publication on the Internet, including, but not limited to, Facebook, MySpace, Twitter, YouTube, or other similar social media.

***I. Defense of Claims***

Franchisee shall immediately notify Franchisor in writing on learning or receiving notice of any claim, suit or demand alleging trademark infringement by Franchisee and involving Franchisee's use of the Marks. Franchisor shall take such action as Franchisor deems appropriate, if any. Franchisor agrees to indemnify and hold Franchisee harmless from and against all costs, expenses and damages (including reasonable Attorneys' Fees and costs) incurred by Franchisee in connection with any trademark infringement proceeding or action in which Franchisee is held liable arising out of Franchisee's proper use of the Marks, so long as Franchisee has timely notified Franchisor of the claim and otherwise complied with this Agreement. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark. This indemnification shall not apply to litigation between Franchisor and Franchisee in which Franchisee's use of the Marks is disputed or challenged by Franchisor or to any separate legal fees or costs incurred by Franchisee in seeking independent counsel.

***J. Defense Alternatives***

Franchisor and Franchisor Associates shall have the right to defend and settle any claim or suit relating to the Marks using counsel selected by Franchisor. Franchisee shall cooperate fully in the defense of such actions. Franchisee irrevocably appoints Franchisor as its attorney in fact to defend or settle all such claims or suits. Franchisee shall not attempt to settle or compromise any such claim or suit without Franchisor's prior written consent.

***K. Franchisee Participation***

Franchisee shall have the right to participate at Franchisee's own expense in the defense or settlement of any claim or suit alleging infringement by Franchisee, provided that Franchisor shall have the right to control the defense and any settlement.

***L. Third Party Infringers***

Franchisee shall notify Franchisor in writing immediately on learning that any third party is or may be using any mark that is the same as or confusingly similar to the Marks, and who Franchisee believes is not authorized to use the Marks. Franchisor shall have the sole right to determine which, if any, action to take regarding that alleged use. Franchisee shall have no right to make any demand or prosecute any claim against any third party with respect to such use of the Marks or any infringement.

***M. Stopping or Changing Use of Marks***

If it becomes desirable at any time, in Franchisor's sole judgment, to modify or cease the use of any Mark or to adopt or use one or more additional or substitute Marks, then Franchisee shall comply with Franchisor's direction and adopt any such change at Franchisee's expense. Franchisor and Franchisor Associates shall have no obligation for expenses, losses or damages sustained by Franchisee as a result of any change in, addition to or elimination of any Marks.

***N. Notices***

Franchisee shall accompany all use of the Marks with trademark symbols and notices, as specified by Franchisor, including a notice that the Kiosk is independently owned and operated by Franchisee and that the Marks are used under a license from Franchisor.

***O. No Incurring Obligation***

Franchisee must not use the Marks in any manner that may result in any obligation or debt on behalf of Franchisor. Franchisee shall comply with Franchisor's instructions for filing and maintaining fictitious business name registrations. Franchisee shall sign any documents that Franchisor deems necessary to protect the Marks.

**7. Ownership and Use of Copyrights**

***A. Ownership***

Franchisee acknowledges and agrees that Franchisor owns or is the licensee of operating manuals, recipes, and other works that are protected by copyright law and that Franchisor may create, acquire or obtain licenses for additional works subject to copyright law that will be used in operating the Kiosk (the "Copyrighted Works").



***B. Notice of Unauthorized Use***

Franchisee shall notify Franchisor immediately on learning of unauthorized use of any of the Copyrighted Works. Franchisor shall have the right, but not the obligation, to take any action that Franchisor deems appropriate with regard to the possible unauthorized use. Franchisee shall cooperate with Franchisor to protect Franchisor's interests in the Copyrighted Works.

***C. Improvements and Inventions***

Franchisee hereby grants to Franchisor the unrestricted, perpetual right without charge to use and license the use of any enhancement, adaptation, derivative work, modification or new process developed or acquired by Franchisee concerning any aspect of the Kiosk or its operation, advertisement or promotion (the "Improvements"). This grant extends to any Improvement in the operations, materials and all other aspects of food preparation and processes, as well as operating, advertising and promoting Kiosks. Nothing in this Section 7.C authorizes Franchisee to make any modification to the System and the Operations Manual and the mandatory requirements it contains. Upon Franchisor's request, Franchisee will take such steps as Franchisor considers are necessary to enable Franchisor to establish a right to use and license the Improvements, including executing and delivering further documents to that effect so as to allow Franchisor to secure and maintain its interest in those rights.

**8. Trade Secret Protection**

***A. Ownership***

Franchisor possesses confidential information consisting of methods and techniques for food preparation and service, food labeling and ingredient information, vendor data and information, proprietary sauces and product formulas, nutritional analysis, customer information and data, and other methods, formulas, specifications and procedures for developing and operating Kiosks and franchises. All of the foregoing information, as well as the contents of the Operations Manual, are referred to in this Agreement as the "Trade Secrets."

***B. Source***

Franchisor will disclose certain Trade Secrets to Franchisee in lending Franchisee the Operations Manual and in performing other obligations and exercising rights under this Agreement. Franchisee acknowledges that Franchisee's knowledge of all material aspects of a Fujisan Franchise and the operation of a Fujisan Kiosk business come from the Trade Secrets that Franchisor discloses to Franchisee.

***C. Acknowledgments***

Franchisee acknowledges that the Trade Secrets are proprietary, confidential information of Franchisor (or an applicable Franchisor Associate), having economic value to their owner, in part because they are not known to the public, competitors or others. Franchisee shall acquire no interest in the Trade Secrets, other than the right to use them in developing and operating the Kiosk during the term of this Agreement.

***D. Protection***

Franchisee shall maintain absolute confidentiality of the Trade Secrets during and after the term of this Agreement. Franchisee shall not use any Trade Secrets, Marks or Copyrighted Works in any other

business or venture and shall not use the Trade Secrets in any manner not authorized or approved in writing by Franchisor.

***E. No Copying***

Franchisee shall not make any unauthorized copy of any Trade Secrets or Copyrighted Works.

***F. Procedures to Protect Secrets***

Franchisee shall implement reasonable procedures and all procedures prescribed from time to time by Franchisor to prevent unauthorized use and disclosure of the Trade Secrets, Marks or Copyrighted Works, including, without limitation, restrictions on disclosure to Franchisee's personnel and use of non-disclosure and/or noncompetition agreements as prescribed by Franchisor with Franchisee's shareholders, directors, members, officers, partners, Kiosk Managers, employees and other personnel. Franchisee shall divulge the Trade Secrets and Copyrighted Works only to personnel who must know them to do their jobs, and shall divulge only those portions that the personnel need to know.

***G. Public Information***

The restrictions in this Section 8 on Franchisee's disclosure of Trade Secrets shall not apply to information that is or becomes generally known and used by other similar businesses, other than through disclosure (whether deliberate or not) by Franchisee.

**9. Confidential Operations Manual**

***A. Loan***

To protect Franchisor's reputation, to maintain uniform standards for Products and Services among Kiosk franchisees, and to promote the goodwill of the Marks, Franchisor shall lend to Franchisee one (1) copy of the Operations Manual for each Traditional or Reduced Operating Hours Kiosk operated by Franchisee. Franchisor can also elect to provide Franchisee with electronic, on-line access to the Operations Manual instead of lending a tangible copy. The Operations Manual may consist of one (1) or more separate manuals, forms template books and other materials as designated by Franchisor, which may be in tangible or electronic form. As a condition to the loan of each Operations Manual, Franchisee must pay to Franchisor a lending deposit (the "Manual Loan Deposit") in the amount stated on Schedule A of this Agreement, which amount is refundable only upon return of the Operations Manual at the transfer, expiration or termination of this Agreement or the applicable Addendum, whichever happens first. Franchisor can offset any refund amount due Franchisee against any amount Franchisee owes Franchisor when an Operations Manual is returned or electronic access discontinued. Franchisor will not acquire any right, title, or interest of any kind in the Operations Manual as a result of Franchisee's failure to return it to the Franchisor, and Franchisor's retention of the deposit shall not be deemed consideration for the Operations Manual.

***B. Contents***

The Operations Manual may include, but need not be limited to, some or all of the standards, procedures, policies and specifications pertaining to a Fujisan Kiosk and its operation, including food preparation methods, recipes and ingredient information, supplier information, processes and systems, equipment, forms and supply specifications and standards, rules for usage of the Marks, and other matters that Franchisor deems appropriate. Some of the terms contained in the Operations Manual will describe mandatory requirements, which are established by Franchisor to ensure the consistency and quality associated with the Fujisan Marks and System. If all or a part of the Operations Manual and/or other

specifications, standards or operating procedures are posted on a Fujisan or other website, Franchisee agrees that it is Franchisee's responsibility to monitor the applicable website for any changes, additions or deletions in the information provided.

### ***C. Supplements***

Franchisor reserves the right to issue written additions to, deletions from or revisions of the Operations Manual (the "Manual Supplements") in hard copy or electronic form. References in this Agreement to the Operations Manual refer to the Operations Manual as amended from time to time by Manual Supplements. Franchisee shall adopt and comply at Franchisee's expense with Manual Supplements immediately on delivery/publication of the Manual Supplement containing the amendment or as otherwise directed by Franchisor.

### ***D. Updating***

Franchisee shall at all times assure that the loaned copy of the Operations Manual is kept up-to-date by immediately inserting all Manual Supplements into the Operations Manual. In any dispute about the contents of Franchisee's loaned copy of the Operations Manual, the contents of the master copy maintained by Franchisor shall control.

### ***E. Operation of Kiosk***

Franchisee agrees at all times to operate the Kiosk and maintain the Franchised Business in compliance with the mandatory procedures, policies, methods and requirements in the Operations Manual and any Manual Supplements and with all legal requirements and Premises Host rules, to the extent lawful. Franchisee agrees to sign and comply with any code of conduct or other such form provided by the Premises Host.

### ***F. Ownership***

The copy of the Operations Manual loaned to Franchisee shall at all times remain the property of Franchisor, as applicable. On the expiration, transfer or termination, for any reason, of this Agreement and/or any applicable Kiosk location Addendum, Franchisee shall return the Operations Manual to Franchisor and, if the Operations Manual or any part thereof is in electronic form, permanently delete the same from all electronic equipment. Franchisor will not acquire any right, title, or interest of any kind in the Operations Manual as a result of Franchisee's failure to comply with the foregoing obligations.

### ***G. Confidentiality***

Franchisee shall take all steps and implement all procedures necessary to maintain the confidentiality of the Operations Manual and its contents. Franchisee shall not copy, duplicate, record or otherwise reproduce any or all of the Operations Manual, except as may be authorized by Franchisor in writing, and shall not make any of the Operations Manual available to any unauthorized person. Franchisee shall assure that Franchisee's employees, agents, independent contractors and any other personnel do not copy, duplicate, record or otherwise reproduce any or all of the Operations Manual.

## **10. System Changes**

### ***A. Changes***

Franchisee understands that it is important for the System to be flexible to respond to commercial opportunities and challenges. Franchisee anticipates and agrees that Franchisor will change the Manuals and the System from time to time to promote the System standards and their efficient operation, to protect or maintain the goodwill associated with the Marks, to meet competition and/or otherwise as Franchisor considers appropriate. Franchisee agrees to comply with mandatory provisions of the Manuals, the System and System standards as they are changed and understands that such changes can require additional investments and/or changes by Franchisee in operations and other areas of the Franchised Business. Franchisor has the unrestricted right to change or modify any elements of the System in response to or anticipation of changing market conditions, in an effort to improve the operation of the Kiosk or for other reasons and purposes. Franchisor also may adopt and use new or modified Marks, computer programs, operational techniques, menu items and ingredients, or change any other aspects of the System. Franchisee shall, at Franchisee's expense implement all changes and modifications as and when requested by Franchisor, as if they were a part of this Agreement when it was signed. Franchisee acknowledges that without Franchisee's commitment to the System and to fulfill each of the obligations detailed in this Agreement, Franchisor would not form this franchise relationship with Franchisee. Additionally, and to the extent that Franchisor's or its Affiliate's agreement with the Premises Host contains requirements, such as, but not necessarily limited to, requirements regarding insurance, permits, standards, or conduct, which are different from, more restrictive than or in addition to the requirements contained in this Franchise Agreement or the Manuals, then Franchisee agrees to comply with such Premises Host requirements.

### ***B. No Franchisee Changes***

Franchisee agrees to operate the Kiosk according to the System, and Franchisee shall neither deviate from any mandatory element of the System nor purport to change or modify any aspect of the System without Franchisor's prior written consent.

## **11. Advertising**

### ***A. Marketing and Kiosk Pricing***

From time to time, Franchisor may provide or sell to Franchisee, point of sale promotional material, advertising templates for advertising the Kiosk and other marketing items and Franchisee shall use and display any such items as required and instructed by Franchisor. Franchisor may choose to charge a reasonable fee for any such item. Such charges shall not be considered as or deemed to be Marketing Fund contributions or fees and are separate and distinct from Franchisee's marketing fee obligations as provided in Section 11 C., below, but such charges shall count towards Franchisee's fulfillment of any Local Marketing Co-op requirements under Section 11 G., below. If Franchisee desires to use any advertising or promotional items/materials bearing the Marks but not provided or previously approved by Franchisor, Franchisee shall first submit to Franchisor for prior approval all such advertising/materials that Franchisee proposes to use. Such proposed advertising may include, without limitation, proposed print, broadcast and Internet advertising, flyers, containers, novelty items, brochures and all other forms of advertising or promotion. Franchisee advertising and promotional materials shall include trademark and copyright ownership notices (for example: ®, <sup>TM</sup>, <sup>SM</sup>, ©) and notices of independent business operation, as specified by Franchisor. All advertising and promotion for Franchisee's Kiosk must be conducted in a dignified and professional manner and accurately describe the type, quality and other features of the Kiosk Products and Services. Franchisee shall not conduct any advertising/promotions objectionable to the Premises Host and, at Franchisor's request, Franchisee shall immediately cease using any advertising that Franchisor deems

outdated, incorrect, misleading, unlawful, inconsistent with the then-current image that Franchisor desires to present, or potentially harmful to the System or Marks, even if Franchisee disagrees with Franchisor's assessment. Franchisor reserves the right to use for Franchisor's own purposes and to authorize other franchisees to use, any and all advertising materials, procedures and concepts use, developed by or submitted by Franchisee, without charge or cost to Franchisor or any other franchisee. Franchisee agrees not to use any materials, publications, promotions or programs disapproved by Franchisor. Franchisor has the right to require that Franchisee maintain listings in major local telephone directories, including Yellow and White Pages, and in Internet directories designated from time to time by Franchisor. At Franchisor's expense, Franchisor has the right to require that Franchisee display in a conspicuous location at Franchisee's Kiosk(s) informational materials, including, without limitation, a brochure rack, relating to Fujisan® franchise opportunities. Franchisee agrees to participate, at Franchisee's expense, in any advertising/marketing campaigns implemented by Franchisor and/or Premises Host from time to time, including any such campaigns involving discount coupons, menu promotions or other customer incentives. Such expenses shall not be considered as or deemed to be Marketing Fund contributions or fees and are separate and distinct from Franchisee's marketing fee obligations as provided in Section 11 C., below, but such charges shall count towards Franchisee's fulfillment of any Local Marketing Co-op requirements under Section 11 G., below.

***B. Gift Card, Certificates and Customer Loyalty Programs, Mobile or Other Payment Capability/App/Programs***

Franchisee agrees not to implement any gift card, gift certificate, customer loyalty or similar rewards program or any mobile or other payment capability/app/program for its Kiosk without Franchisor's prior written approval or as may be authorized in the Manuals or through other written communication to Franchisees. Franchisor can condition any such consent upon Franchisee's compliance with or inclusion of particular program terms or practices designed to protect the good will associated with Marks. Franchisee agrees to accept credit cards, debit cards, and such other means of payment; to sell and accept Franchisor approved gift cards, gift certificates, and other comparable items, as provided or designated by Franchisor or which are prepared using any standard form Franchisor prescribes; and to abide by the terms of any gift card or gift certificate or loyalty program Franchisor specifies, all as provided in the Manuals or through other written communication to Franchisees and at Franchisee's expense, including without limitation all policies and procedures relating to sales, issuance and redemption and payment of related fees and costs. Franchisee agrees to honor gift cards in the form Franchisor provides or approves, if any, regardless of whether issued directly or indirectly by Franchisee, Franchisor or another Fujisan Kiosk, and to timely make any payments due to Franchisor or a designee for gift cards sold by Franchisee and to comply with processes for requests for reimbursement for Products and Services sold in exchange for gift cards. Franchisee further agrees to implement and accept in its Franchised Business any mobile or any other payment capability/app/program Franchisor designates from time to time and to abide by the terms of any related mobile or any other payment program policies and procedures, all as provided in the Manuals or through other written communication to Franchisees and at Franchisee's expense. Franchisee agrees to purchase or lease, install and use all equipment components and software that meet any standards and specifications Franchisor establishes and which allow Franchisee to accept and process any such gift/loyalty cards, certificates or programs and mobile or any other payment programs, as Franchisor and/or the Premises Host may require. Franchisee shall give Franchisor independent access to related system information. Expenses incurred by Franchisee in connection with any gift card, certificate or customer loyalty program or any mobile or other payment capability/app/program shall not be considered or deemed to be Marketing Fund contributions or to satisfy any Local Marketing Co-op requirement and are separate and distinct from Franchisee's marketing fee obligations, as provided in Section 11 C. and Franchisee's Local Marketing Co-Op requirements under Section 11 G. below.

### ***C. Marketing Fund and Marketing Fund Fees***

With respect to any marketing fund implemented by Franchisor:

i) Franchisor may, but is not obligated to, establish a fund (the "Marketing Fund" or "Fund") for the purpose of promoting and enhancing the Kiosks, the System and the Marks. If Franchisor establishes a Marketing Fund, Franchisee shall participate in all Marketing Fund programs and pay to Franchisor or its designee the then-current Marketing Fund Fee (the "Marketing Fund Fee"). The Marketing Fund Fee amount and timing, as of the Effective Date, is as stated on Schedule A to this Agreement. Any Fujisan Kiosk owned by Franchisor or a Franchisor Associate may, but is not obligated to, make contributions to any Marketing Fund.

ii) If Franchisor establishes a Marketing Fund, the Marketing Fund will have the characteristics and be operated according to the terms contained in this Section 11 C. Franchisor will have sole discretion over all matters relating to its operations and be solely responsible for its financial management. The Marketing Fund will be accounted for separately and contributions may be used to pay for taxes related to the Fund and all administrative, accounting, audit, legal and other costs related to Fund activities and purposes and/or as authorized by the relevant franchise agreements. Franchisor will prepare and provide to Franchisee an annual summary of revenues and expenditures for the Marketing Fund upon written request from Franchisee. The Marketing Fund may be used as Franchisor considers appropriate, including for, but not limited to, product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the Internet; in-house agency services and expenses; all outside costs of administering the Fund, including related legal, insurance, accounting, auditing, and collection fees/costs; brand/image campaigns; media; national, regional, local and other marketing programs; agency and consulting services; research; web site development, maintenance and web-based campaigns; 800 numbers and advertising fulfillment costs; any expenses approved by Franchisor and associated with franchisee advisory groups; and research costs. A brief statement regarding the availability of franchises may be included in advertising and other items produced or disseminated using the Marketing Fund, but Marketing Fund contributions will not be used for the direct solicitation of franchise sales. Franchisor can compensate itself and/or any Franchisor Associate for internal costs of administering the fund, including, but not limited to, applicable salary expenses; administrative costs; accounting and record keeping costs; internal production, research and creative expenses; goods and services delivered by Franchisor to the Marketing Fund; and related overhead costs and other internal expenses incurred by Franchisor.

iii) If/when Franchisor implements a Fund, Franchisor has the right to spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year, and the Marketing Fund may borrow from Franchisor or other lenders to cover Marketing Fund deficits. Franchisor can accumulate funds over time until such time as Franchisor determines in its sole discretion that sufficient funds are available to adequately conduct Fund activity(ies) as contemplated herein. Franchisor can cause the Marketing Fund to invest any surplus. Franchisor can at its discretion defer, waive and/or compromise claims for contributions to, and/or claims against or with respect to, the Marketing Fund and take legal or other action against any franchisee in default of its obligations and/or deny it access to programs, materials and/or other benefits funded by the Marketing Fund. Franchisee acknowledges and agrees that Franchisor has no obligation to ensure that expenditures by the Marketing Fund are or will be proportionate or equivalent to contributions to the Marketing Fund by Kiosk franchisees operating in any geographic area, or that any Kiosk franchisee will benefit directly, indirectly or in proportion to its contribution to the Marketing Fund. No profit or gain will accrue directly to Franchisor from the Marketing Fund. Any interest earned on Marketing Fund contributions will be remitted to the Marketing Fund. Franchisor Associates and Franchisor will not be liable for any act or omission in connection with the Marketing Fund that is consistent with this Agreement. Franchisee acknowledges that any Marketing Fund is not a "trust," and does not create and is not in the nature of a "fiduciary" or similar special arrangement.

iv) Although Franchisor intends any Marketing Fund it may establish to be ongoing, Franchisor has the right to terminate any Marketing Fund. The Marketing Fund shall not be terminated, however, until all Marketing Fund contributions have been expended for purposes consistent with this Section 11 C. or returned to then current franchisees in good standing on a pro rata basis based on total Marketing Fund contributions made in the immediately preceding calendar year by each such franchisee.

#### ***D. The Fujisan Website(s) and Related Policies***

Franchisor has the right, but is not obligated to, license, create and/or maintain a FujiSan or other branded website(s) (individually and collectively, the “Kiosk Website”). If requested by Franchisor, Franchisee will participate in any Kiosk Website and use related e-mail addresses, subject to usage policies and procedures provided by Franchisor in the Manuals or otherwise. Franchisee agrees to give Franchisor such data and information as Franchisor may require to enable Franchisor to develop and maintain the Kiosk Website content. Franchisee agrees to comply with Franchisor’s then-current use, privacy and other system policies and requirements. Franchisee is responsible for ensuring the compliance of employees, agents and others involved in Franchisee’s Franchised Business. Franchisee agrees to comply with the terms of use established by any third-party system host or website provider in connection with any Kiosk systems, Websites or programs and to arrange for any related maintenance, support or other services required for ongoing operation and participation in any of them. Neither Franchisor nor any Franchisor Associate will have any liability and/or obligation to Franchisee for failures, errors or other occurrences relating to any system, program, or Website, or to any computer hardware or software, even if recommended, maintained, created and/or specified by Franchisor. Franchisee shall not establish any website, Internet directory listing or any other presence on the Internet relating to the Kiosk or the Franchised Business or publish any information or statements using the Marks in any manner, including but not limited to social networks and related media, without the prior written consent of Franchisor. Franchisee shall not operate or be involved with any on line Kiosk offering or selling products or services the same as or competitive with the Products and Services available through the Franchised Business. Franchisee acknowledges that the domain names [fujisansushi.com](http://fujisansushi.com), [fujisanfranchisingcorp.com](http://fujisanfranchisingcorp.com) and [fujifood.com](http://fujifood.com) are Franchisor’s sole property, and Franchisee shall not register or use any domain name or URL that contains, uses or displays the words “Fuji”, “Fujisan,” or any Marks or other words or symbols related or confusingly similar to any of the foregoing without the express written authorization of Franchisor. Franchisee must seek Franchisor’s advance written approval when selecting and using any domain name(s) for the Franchise contemplated under this Agreement. On termination or expiration of this Agreement any previous consent or approval given by Franchisor to use a domain name as provided herein, if any, shall automatically terminate, and Franchisee shall take all actions that Franchisor requires to disassociate Franchisee from the Fujisan Website and domain name and transfer such domain name to Franchisor immediately upon termination or expiration of this Agreement. This provision shall survive the termination or expiration of this Agreement.

#### ***E. Marketing Policies***

Franchisor’s policy as of the Effective Date of this Agreement is to allow Franchisee to market to customers located anywhere, but Franchisor reserves the right to change this policy and to implement other marketing policies and requirements from time to time. Franchisee agrees to comply with any such mandatory policies and requirements as they may be implemented or modified.

#### ***F. Grand Opening Promotion***

Franchisee will purchase Grand Opening or Initial Marketing Materials, including any signs, banners, or point of sale décor, before the Kiosk opens as directed by Franchisor and/or the Premises Host. Franchisee must keep the appearance of the Kiosk consistent with quality and trademark standards, any Manual and

the Premises Host rules. Franchisor will notify Franchisee if the Kiosk's appearance, signs or decor does not meet Franchisor's standards, and can require that Franchisee correct any deficiency. Such expenditures are in addition to Franchisee's required Marketing Fund contributions, as provided in Section 11. C, above, and to any Local Marketing Co-op payment requirements under Section 11 G., below.

#### ***G. Local Marketing Co-op***

Franchisor reserves the right to require Franchisee to join a local marketing group (a "Co-op") if one is prescribed by Franchisor for an area in which Franchisee's Kiosk is located. Any Co-op will include one or more Fujisan Kiosks. All Fujisan Franchisees in the prescribed area will be obligated to participate in the Co-op, with each Fujisan Kiosk having a single vote, including any Kiosks owned by Franchisor or a Franchisor Associate. If established, Franchisee must contribute up to two percent (2%) of Gross Revenue and/or Wholesale Gross Revenue to the Co-op program monthly or as otherwise specified by at least one half of the Kiosks in the Co-op. Franchisee's Co-op contribution cannot exceed two percent (2%) of Gross Revenues and/or Wholesale Gross Revenue, unless a greater amount is approved by more than two thirds of the Kiosks in the Co-op, whether franchised or owned by Franchisor or Franchisor Associates. Franchisee's payments to any such Co-op shall not be considered as or deemed to be Marketing Fund contributions or fees and are separate and distinct from Franchisee's marketing fee obligations as provided in Section 11 C., above, or any program participation costs, as described in Section 11 B., above.

### **12. Other Fees and Revenue Sharing**

#### ***A. Revenue Models***

Franchisee understands that Franchisor's business model as of the date of this Agreement is based on a revenue sharing arrangement among the Premises Host, Franchisor and Franchisee. Franchisee will not have or use a cash register or Point of Sales ("POS") system at the Kiosk, except with express written authorization from Franchisor. Without such an authorization, Franchisee's customers' payments for Products and Services will be accepted by the Premises Hosts. Under this compensation model and by agreement with Franchisor or a Franchisor Associate, the Premises Host is to keep a negotiated amount of Gross Revenues and/or Wholesale Gross Revenues, as applicable, generated by Franchisee's Kiosk (the "Host Share"), with the remaining balance of Gross Revenues and/or Wholesale Gross Revenues, as applicable, to be received by Franchisor. Franchisor deducts its portion of the Gross Revenues and/or Wholesale Gross Revenues, as applicable, actually received by Franchisor (the "Franchisor Share") and pays Franchisee's portion of such Gross Revenues and/or Wholesale Gross Revenues, as applicable, (the "Franchisee Share"), less offsets and deductions for fees, advances, product/service purchases and other amounts payable to Franchisor and/or a Franchisor Associate, as described in this Agreement (the "Reconciliation"). As of the Effective Date of this Agreement, Franchisor performs the Reconciliation and makes any payment due Franchisee on a calendar month basis, regardless of when payments are received by Franchisor from the Premises Host. By way of illustration only, Franchisee's Gross Revenues and/or Wholesale Gross Revenues, as applicable, generated in June would be employed in a Reconciliation and the related Franchisee Share payment made by Franchisor in July, as provided in Section 12.B, below. For purposes of this Agreement, "**Gross Revenues**" are the amounts received from Franchisee sales of Products and Services, whether approved or otherwise, or made under the Marks, excluding customer refunds, credits and sales taxes paid by Franchisee and "**Wholesale Gross Revenues**" are amounts received from Products and Services prepared and provided by Franchisee, whether approved or otherwise, at established Wholesale Prices, to the Premises Host and sold at retail. Wholesale Prices for the Location are negotiated and established pursuant to the applicable Third-Party Contract, subject to change from time to time. Franchisor can, but is not required, to deviate from this payment model on a case by case basis according to arrangements with the applicable Premises Host. Franchisee agrees that Franchisor also has the right to implement an alternative compensation process/model during the term of this Agreement through Manual



Supplements or other written direction, including the right to require that Franchisee collect customer payments and pay Franchisor a percentage royalty on related Gross Revenues and/or Wholesale Gross Revenues, which, as to then operating Franchisee Kiosk locations, will result in a Franchisee Share of Gross Revenues and/or Wholesale Gross Revenues, as applicable, that is approximately equivalent to the portion originally contemplated in the applicable Addendum. Franchisor's exercise of any such rights granted under this Agreement is not an amendment to or modification of this Agreement.

***B. Franchisee Share***

(i) Franchisee's Share of Gross Revenues and/or Wholesale Gross Revenues, before any offset or deductions by Franchisor as provided in Section 26, below, is stated on the applicable Kiosk location Addendum and can vary by location, as can payment frequency. Franchisee acknowledges and agrees that Franchisee is entitled under this Agreement only to a portion of Gross Revenues and/or Wholesale Gross Revenues, as applicable, payments actually received by Franchisor through the Premises Host. Franchisee further acknowledges that the Premises Host may from time to time require an increase in the Premises Host share of Gross Revenues and/or Wholesale Gross Revenues, which requires a corresponding adjustment to Franchisee's and/or Franchisor's Share of Gross Revenues and/or Wholesale Gross Revenues. Franchisor shall inform Franchisee of any such Premises Host adjustment requirement and offer Franchisee a revised Share of Gross Revenues and/or Wholesale Gross Revenues, as applicable, in writing. Franchisee shall have thirty (30) days to accept or reject the revised Share offer in writing. If Franchisee accepts, the applicable Kiosk location Addendum shall be modified accordingly and signed by both parties. If the offer is not acceptable to Franchisee, Franchisee may elect to cancel this Agreement or the applicable Kiosk location Addendum in writing within such thirty (30) day period. Franchisee also may request possible relocation in the manner described in and subject to the terms of Section 4.C, above, provided that for purposes of this provision the Addendum for the applicable Kiosk location is deemed cancelled effective as of the expiration of the thirty (30) day period noted above, unless otherwise agreed by Franchisor and Franchisee in writing (the "Cancellation Date").

(ii) Franchisor does not guarantee any funds or payments. However, at its option, Franchisor may advance monies uncollected from the Premises Host for up to thirty (30) days. Franchisor will use reasonable commercial efforts to collect Gross Revenues and/or Wholesale Gross Revenues, as applicable, owed by the Premises Host, but shall not be obligated to engage attorneys or any other third party or to file suit to collect any account. Franchisor can choose to discontinue any further collection activity after expending reasonable efforts and any advanced funds given to Franchisee applicable to such Host (an "Uncollected Account") will be deducted by Franchisor from other amounts payable, or to be paid, to Franchisee under this Agreement. Franchisor is not liable for Franchisee's Share of Gross Revenue and/or Wholesale Gross Revenues if the Premises Host or Premises owner declares bankruptcy or is involved in a similar proceeding and fails to pay Franchisor Gross Revenue and/or Wholesale Gross Revenues received in connection with Franchisee's Kiosk operations.

***C. Franchisee Payment Obligations***

Franchisee is exclusively responsible for paying in full and on time all costs and expenses of Franchisee's Kiosk(s) locations and the Franchised Business, including food product and other inventory items, employee compensation, related utilities, taxes (such as self-employment taxes, income taxes, sales taxes and payroll taxes to the extent applicable), packaging and labeling materials and related hardware and assumes full responsibility for social security and any other taxes required to be withheld and for worker's compensation insurance, all as required by law.

***D. Technology Fees***

Franchisor has the right to collect a technology fee for data and communication systems and/or other business purposes as determined by Franchisor (the “Technology Fee.”) As of the Effective Date, the Technology Fee is Fifty-one Dollars (\$51) per calendar month, but Franchisor can change the fee on thirty (30) days written notice. The Technology Fee is payable in the amount stated on Schedule A of this Agreement on the first day of each calendar month throughout the balance of the term of this Agreement.

***E. Payments; Electronic Transfer***

Franchisee agrees to pay any amount owed to Franchisor in the manner Franchisor instructs, including possibly by credit card or pre-authorized electronic debit to Franchisor’s bank or other financial institution. Franchisee agrees to complete and execute any bank authorization or other form required by Franchisor for the purpose of authorizing Franchisor’s selected payment method. Franchisee agrees to maintain an account at a bank or other financial institution that has the capacity to perform electronic debits to its account and to maintain account balances sufficient to meet any electronic payments that Franchisor requires.

***F. Interest and Administrative Fees; No Payment Withholding***

Amounts payable to, but not received by, Franchisor from Franchisee on the date due, bear interest, as provided in Section 25, below. Franchisor can require payment by cashier’s check if Franchisor experiences late payments from Franchisee. Franchisee does not have the right to offset or withhold payments of any kind owed or to be owed to Franchisor or any Franchisor Associate as a result of any dispute with Franchisor or otherwise, except as authorized by an arbitration award or in a judicial proceeding.

***G. Inflation Adjustments***

Franchisor can adjust any amount in this Agreement or the Operations Manual which is described as subject to inflation adjustment on an annual basis and in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor index) as compared to the previous year. Franchisor will give to Franchisee at least thirty (30) days advance notice of any such adjustment.

***H. Initial Inventory***

Before Franchisee begins to operate any Kiosk Franchisor can choose to outfit and stock the Kiosk with equipment and an initial inventory of Products, uniforms and supplies Franchisor considers necessary to begin operations. Franchisor shall invoice Franchisee for the dollar amount of goods supplied, which amount is payable to Franchisor on demand and according to the invoice.

***I. Food Protection Manager Exam and Certificate***

Franchisee shall meet food protection manager testing and certification requirements before operating the Franchised Business and as required for each Kiosk location. If Franchisor or a Franchisor Affiliate elects to offer a food protection manager certification program, Franchisee shall pay Franchisor on demand the then current Food Protection Manager Exam and Certification Fee, as published in the Manuals, for each person who obtains a food protection manager certification from Franchisor or its Affiliate. Franchisor does not offer franchisees such a program as of the Effective Date of this Agreement.

***J. Standards Administration Charge***

Franchisee shall pay Franchisor a fee to assist Franchisor in recouping internal costs incurred in connection with the administration of complaints and/or defaults involving Franchisee's Kiosk or Franchised Business and/or Franchisee's failure to maintain quality and consistency in Kiosk operations (the "Standards Administration Fee"). The Standards Administration Fee is in the amount stated on Schedule A to this Agreement and is payable on demand. Such payment shall not be considered a measure of any actual damages incurred by Franchisor or act to waive any rights or remedies available to Franchisor for a default by Franchisee under this Agreement and otherwise as may be available under law or equity. In any event, Franchisee is primarily responsible for resolving such complaints to the complainant's satisfaction.

***K. Testing Costs***

If Franchisor determines in its sole discretion that testing of items from a Franchisee Kiosk is advisable as a result of complaints, audits or other business reasons, Franchisee shall pay Franchisor or its designee upon receipt of invoice the then current lab testing fee (the "Lab Testing Fee"). The Lab Testing Fee as of the Effective Date is as stated on Schedule A to this Agreement and is payable on demand.

***L. Freight Charge***

The then-current freight charge for outstanding shipment invoices as of the prior calendar month, or other timeframe set by Franchisor from time to time, shall be due and payable by Franchisee to Franchisor or its designee (the "Freight Charge"). The Freight Charge as of the Effective Date is as stated on Schedule A to this Agreement and will be deducted by Franchisor at the time of Reconciliation or as otherwise designated by Franchisor from time to time.

**13. Records, Systems and Computers**

***A. Maintenance of Records***

Franchisee shall maintain and preserve for the time period stated in the Operations Manual, complete and accurate books, records and accounts according to good accounting practices and any standard accounting system that Franchisor chooses to specify. Franchisee must retain all invoices, payroll records, cash receipts journals, sales tax records, disbursement journals, general ledgers and all other books and records of the finances of the Franchised Business on a per Kiosk basis for the longer of five (5) full calendar years or the length of time required by law. If and to the extent that a Premises Host specifies more rigorous record keeping or related business practices than are prescribed in the Operations Manual, Franchisee shall meet such requirements for each applicable Kiosk. Franchisee acknowledges that Franchisor shall have the right to use and/or disclose any information collected, produced or maintained under any program implemented by Franchisor, including prior sales data for comparative purposes related to franchisee incentive programs.

***B. Reporting and Discrepancies with Premises Host Data***

At such time and using such forms and in the manner as Franchisor requests, Franchisee shall provide to Franchisor information about or relating to the Franchised Business, including without limitation, inventory information, customer profiles and counts, profit and loss statements, balance sheets, tax returns and other business information, and Franchisee shall certify the accuracy of the information provided. Premises Host data/reports will control if there is any inconsistency between Franchisee's information and the Premises Host revenue or other data. Franchisee has thirty (30) days from receipt of a Reconciliation

Statement regarding a Kiosk to notify Franchisor in writing of any alleged discrepancy. Franchisor may establish policies and procedures in the Operations Manuals for addressing an alleged discrepancy and Franchisee shall follow them as they are established. Franchisee waives any right to seek an adjustment on an alleged discrepancy for which written notice is not delivered to Franchisor within thirty (30) days of Franchisee's receipt of a Reconciliation Statement, except as provided in Section 13.F. For purposes of this provision, a Reconciliation Statement is a report of sales revenues generated by Franchisee on a per Kiosk basis within a specified time period and the portion of such revenues attributed to Franchisee, as provided under Section 12.B, above, and in the applicable Kiosk Addendum.

***C. Computer System and Software; Equipment; Websites***

Franchisor shall have the right to require Franchisee at Franchisee's expense to obtain, use, upgrade, repair and maintain computer and point of sales systems, software, operating systems and databases, Internet technology, communications devices, and other systems/items/equipment meeting Franchisor's specifications and compatibility requirements and/or that Franchisor specifies by brand or title (all together, "equipment"). If Franchisor requires such equipment Franchisor shall have full access to all of Franchisee's data, computer system and related information via direct access either in person or electronically by telephone, Internet or other system.

***D. Inspection and Audit***

Franchisee must make available to Franchisor for inspection at a time and in the manner that Franchisor requests from time to time, all original books and records that Franchisor specifies. Franchisor or its designee shall have the right, at all reasonable times, to examine, copy, inspect and audit Franchisee's books and records.

***E. Results of Inspection and Audit***

If an inspection or audit reveals any underpayment or understatement to Franchisor, then Franchisee shall immediately pay the amount of the underpayment, plus interest from the date the amount was due until paid, at the rate stated in Section 25. If an inspection or audit discloses an underpayment or understatement of two percent (2%) or more, then Franchisee shall also reimburse Franchisor's costs and expenses of the inspection or audit. The provisions of this Section 13.E are not intended to waive or excuse any breach made by the underpayment or understatement, and are additional to all of Franchisor's other rights and remedies, including Section 18.B(iii).

***F. Franchisee's Request for Reasonable Substantiation***

Franchisee may from time to time request Franchisor in writing to provide reasonable written substantiation in support of a calculation of Franchisee's Share of Gross Revenues and/or Wholesale Gross Revenues, as applicable, for a particular Kiosk. Franchisor shall make commercially reasonable efforts to comply with Franchisee's request within fifteen (15) days of receipt of such a request; provided that Franchisee's requests are reasonable in number and frequency. If and to the extent that the substantiation proves a shortfall in revenues actually paid Franchisee after deduction for amounts payable by Franchisee under this Agreement, Franchisor shall pay Franchisee any proven shortfall amount within thirty (30) days of receipt of Franchisee's request. Franchisee waives any right to seek an adjustment on an alleged discrepancy for which written notice is not delivered to Franchisor within thirty (30) days of Franchisee's receipt of the substantiation from Franchisor.

## **14. Standards**

### ***A. Quality and Performance***

Franchisee shall adhere to high standards of honesty, fair dealing, and ethical conduct in all dealings with customers, suppliers, the public, government agencies, Franchisor, Premises Hosts, and all other persons and entities for the protection of the Marks and associated goodwill. Franchisee shall always provide prompt, courteous and efficient service to customers.

### ***B. Commencing Operations***

Unless otherwise permitted or arranged by Franchisor, Franchisee shall participate in the initial certification program and begin operation of an initial Kiosk location within thirty (30) days after signing this Agreement, provided that the Premises Host then allows Franchisee to occupy and operate the Kiosk. Before operating any Kiosk, Franchisee shall at its expense ensure that the Designated Owner, chef(s) and other applicable Franchisee staff obtain food protection manager or food handler certifications, as well as licenses, permits and approvals needed to conduct business lawfully at the Kiosk. Franchisor reserves the right to require proof that such certifications, licenses and other such documents have been obtained and are maintained as required under applicable law. Franchisee is solely responsible for hiring any necessary personnel and obtaining and installing all necessary equipment and furnishings needed to start and operate the business at the Kiosk in compliance with all insurance requirements, as specified in this Agreement, Franchisor standards and specifications, the Premises Host requirements and applicable law. Franchisee hereby grants Franchisor and its Affiliates authority to apply on Franchisee's behalf for any required permits or licenses for a location and shall reimburse Franchisor or an applicable Affiliate for any costs incurred in obtaining the applicable permits/licenses for the Kiosk for Franchisee's benefit. Franchisor is not obligated to obtain any such license or permit for Franchisee's Kiosk.

### ***C. Condition of the Kiosk***

Franchisee shall maintain the condition and appearance of the Kiosk consistent with Franchisor's standards and the Manuals and subject to all requirements and rules established by a Premises Host, as well as health, safety, sanitation and other legal requirements. Franchisor shall have the right to notify Franchisee that in Franchisor's judgment, the Kiosk's repair, cleanliness, operations, appearance, equipment, signs or decor does not meet Franchisor's standards or the standards of the Premises Host, and to state what action Franchisee must take to correct the deficiency(s). Franchisee shall take all steps needed to correct each deficiency within the timeframe(s) then required by Franchisor.

### ***D. All Products and Services***

Franchisee shall offer for sale and use at the Kiosk on a retail basis only all Franchisor-required Services and Products, subject to any applicable Premises Host rules and/or requirements. Franchisee shall not offer for sale or sell any services or items at any location that are not approved by Franchisor or the Premises Host in connection with the Franchised Business and the applicable Kiosk. A Premises Host may require that specific grocery items be obtained from it to facilitate tracing the product source for quality and liability reasons or for other business purposes. Franchisee will be notified of any such requirements prior to signing the applicable Kiosk Location Addendum. Franchisor may introduce new Products and menu items from time to time and Franchisee agrees to comply with related inventory requirements for testing/launching such Products. Franchisee shall not conduct any business or engage in any activity at the Kiosk or offer or sell any goods or services other than the Products and Services according to the System and the Manuals. All Products prepared at or for the Kiosk must be offered and sold only at the Kiosk, except for Products Franchisee prepares for sale at a Satellite Kiosk location under an applicable

Addendum. Franchisor can condition Franchisee's offer or use of any Product or Service, or Franchisee's participation in any program or promotion, on Franchisee's ability to meet any prescribed certification, professional, operational or experience qualifications, or other requirement.

***E. Approved Suppliers***

Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality services and products under the Marks. Franchisee shall provide or offer for sale or use in the Franchised Business only those products, equipment and services that Franchisor from time to time approves (and which are not later disapproved) and that comply with Franchisor's specifications and quality standards (collectively, "Products and Services"). If required by Franchisor, Products and Services must be purchased only from vendors that Franchisor designates or approves ("Approved Suppliers"). Franchisor or an Affiliate can be Approved Suppliers, and may be exclusive Approved Suppliers of Products and Services. Franchisee must not offer for sale, sell, use or provide any goods or services in the Franchised Business that Franchisor has not approved and must offer and sell all Products and Services required by Franchisor. Franchisor has no liability of any kind for an Approved Supplier's performance or any of their prices, Products and/or Services. Unless Franchisor or a Franchisor Associate gives to Franchisee a specific written warranty for a particular item or service, as to Franchisor and any Franchisor Associate, such items/services are offered, provided and/or "approved" without any warranties, express or implied, from Franchisor or any Franchisor Associate, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED.

***F. Other Supplies and Suppliers***

If Franchisee wants to deviate from any required Product, Service or Approved Supplier or other specifications established by Franchisor, Franchisee must submit to Franchisor samples and other information that Franchisor requests to permit evaluation of the proposed product, service or supplier. Franchisee must pay Franchisor a fee for internal processing and also pay Franchisor's costs incurred in conducting the evaluation, which amounts will be invoiced by Franchisor and payable on demand, regardless of whether or not approval is received (the "New Product/Supplier Evaluation Fee"). The New Product/Supplier Evaluation Fee as of the Effective Date is stated on Schedule A to this Agreement and is subject to change by Franchisor. Franchisor shall either approve or disapprove in writing the proposed supplies and/or suppliers within sixty (60) days of Franchisor's receipt of the evaluation request and related fee, or within a reasonable time afterwards. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, product or service, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems to be confidential and/or proprietary.

***G. Revocation of Approval***

Franchisor has the right to re-evaluate any products, services or suppliers previously approved and to revoke or condition the prior approval.

***H. Quality Standards***

All items used in operating the Kiosk that are not specifically required to be purchased according to a list of approved suppliers, products or services, shall conform to any related specifications and quality standards that Franchisor establishes from time to time. Only fresh ingredients and items of the highest quality will be used in preparing Products. All food menu items shall be prepared only by personnel meeting Franchisor's certification standards and according to Fujisan System recipes, techniques, and processes.

***I. Supervision and Relationship Clarity***

The Kiosk shall at all times be under the direct supervision of the Designated Owner or Kiosk Manager, as applicable. Franchisee shall maintain competent personnel to staff each Kiosk and shall ensure that each of them fully understands that Franchisee and Franchisor, as well as Franchisor's Affiliates, are separate and distinct business entities and that Franchisee's employees are employed exclusively by Franchisee, which is the sole decision-maker related to issues or questions involving their employment. Franchisee shall ensure that each employee signs an acknowledgment of such understanding in a form acceptable to Franchisor and shall provide Franchisor copies of the same upon request. If Franchisee employs a Kiosk Manager, Franchisee and the Designated Owner shall remain obligated to supervise the operations of the Kiosk. Franchisee shall keep Franchisor informed at all times of the identity of each Kiosk Manager, notifying Franchisor within twenty four (24) hours of any departures or hiring of Kiosk Managers, and shall provide Franchisor upon request with a copy of the applicable limited use and non-disclosure agreement, as provided in Section 5.G.

***J. Legal Compliance; Anti-Terrorism Laws***

Franchisee shall obtain and maintain all required licenses, permits and certificates to permit lawful operation of the Kiosk, including any lawful requirements imposed by the Premises Host. Franchisee agrees to operate the Kiosk in full compliance with all applicable laws, ordinances and regulations and Premises Host rules and requirements, including without limitation those pertaining to wages, hours, working conditions, employment verification, and all other labor laws; social security and income tax laws and regulations; health, safety, sanitation and restaurant operation laws and regulations, including health department inspections and orders; food labeling and nutrition requirements, and the Hazard Analysis and Critical Control Point ("HACCP") food safety program adopted by the U.S. Food and Drug Administration and rules on handling, preparing and serving foods by people with communicable or infectious diseases. Franchisee and its owners certify, represent, and warrant that none are or will be in violation of the Fair Labor Standards Act, the Occupational Safety and Health Act, any state wage and hour or workers compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment-related or employee benefit law or regulation or any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, the USA Freedom Act of 2015 and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war.

***K. Forms***

Franchisor may from time to time provide Franchisee with template or sample forms/agreements and other materials and/or require through the Manuals or other written instruction that forms used by Franchisee in the Franchised Business contain certain terms and/or protections for Franchisor. Franchisor does not warrant the legal sufficiency or quality of any such documents that Franchisor may approve or provide, and Franchisee is responsible to have all such items reviewed and modified for compliance with local law by an attorney licensed to practice in the state(s) where Franchisee's Franchised Business will be located.

***L. Customer Complaints and Legal Actions***

Franchisee must notify Franchisor in writing immediately but in no event more than twenty-four (24) hours after learning of i) any action, suit or proceeding, or of the issuance of any order, notice of violation, writ, injunction, award or decree of any court or government agency that may adversely affect

the operation or financial condition of the Kiosk, the Marks or the System, or ii) any complaints or objections by the Premises Host or a Kiosk customer.

***M. Physical Testing, Credit and Background Checks***

Franchisee (and any specified personnel, as applicable) shall undergo drug, tuberculosis and other physical testing and/or credit/background investigations as required by Franchisor and/or a Premises Host and to the extent lawful, and authorizes the results to be shared with Franchisor and the Premises Host. Franchisee shall complete all required forms and consents and take such action as is necessary to comply with the applicable requirements and shall pay on demand all associated costs and expenses. If any such testing/check is conducted by or through Franchisor, Franchisee shall pay Franchisor the then current fee (the “Testing/Investigation Fee”) as stated on Schedule A attached to this Agreement. The Testing/Investigation Fee is payable to Franchisor on demand, regardless of outcome, and is subject to change by Franchisor. If Franchisee fails any such test or check Franchisor has the right to terminate this Agreement and any Addendum without liability or refund of any kind.

***N. Franchisor and Affiliates as Suppliers; Benefits from Suppliers***

Franchisee acknowledges that Franchisor will require Franchisee to offer for sale and purchase Products and Services for which Franchisor and/or its Affiliates are Approved Suppliers and for which Franchisor or an Affiliate may be an exclusive Approved Supplier. Franchisor and/or its Affiliates will make a profit on such sales to franchisees and also have the right to receive monetary and other consideration from suppliers, distributors and manufacturers in connection with sales of Products and Services to Kiosk businesses, or in consideration for services provided or rights licensed to such persons. Franchisee agrees that Franchisor and its Affiliates have the right to keep all such profit and consideration, including any volume rebates, markups and other benefits. Additionally, Franchisor has developed and may continue to develop proprietary products using Trade Secrets and which Franchisee must obtain only from Franchisor or another designated Approved Supplier. In order to maintain consistent quality associated with the Fujisan brand and image, Franchisee must purchase from Franchisor or an Approved Supplier as of the Effective Date of this Agreement a significant percentage of required Products and Services, including, without limitation, rice, vinegar, pre-packaged food products and condiments, seafood products, Franchisor-branded items, labels, sauces and sushi trays. This list and Products and Services are subject to change by Franchisor. Franchisee will have an opportunity to review a current price list for Products/Services sold by Franchisor and/or Franchisor Associates before signing the Franchise Agreement, but prices are subject to change at the discretion of Franchisor and/or Franchisor Associates, as the case may be. Franchisor can require that Franchisee sign a non-disclosure agreement before sharing this information. If Franchisee identifies a possible alternative supplier for any of such Products and Services, Franchisee can request Franchisor’s approval of the same as provided in Section 14.F, above. Franchisor and any Franchisor Associate has the right to allocate its Products or Services in its sole discretion, and particularly if Franchisor or a Franchisor Associate experiences shortages of material or products or interruptions or delays in services which are related to the Franchised Business. Franchisee excuses Franchisor and its Franchisor Associates from any and all liability resulting from shortages or allocation choices. Franchisee agrees to comply with Franchisor’s policies and procedures regarding product shipments from Franchisor or a Franchisor Associate, as provided in the Operations Manual or other written instruction to Franchisee.

***O. Conduct Towards Premises Host***

Franchisee shall not interfere or disrupt Franchisor’s relationship with the Premises Host or disparage either to the other in any manner and shall always claim to be an independent contractor and not



Franchisor's agent or employee. Franchisee's communications with the Premises Hosts shall be limited to those required for the day to day operation of the Kiosk.

***P. Sampling and Inventory***

Franchisee shall have and maintain food, product and supplies inventories and staffing sufficiently adequate to operate the Kiosk at a high level of capacity and to satisfy the needs of customers at the applicable locations and in compliance with the Addendum. Franchisee also shall comply at Franchisee's expense with any sampling policies or requirements Franchisor establishes in the Manuals or through other written communication or as requested by Premises Host from time to time.

***Q. Uniforms and Operating Hours***

Franchisee shall provide its staff with Franchisor's branded uniforms according to Franchisor specifications and which must be worn at the Kiosk at all times. Franchisee shall staff and operate each Kiosk every day that the Premises Host facility is open for business, subject to the applicable Addendum requirements.

***R. Pricing***

Franchisee shall have the right to establish its retail prices for Products and Services it delivers at the Kiosk, subject to any requirements established by the Premises Host. Franchisor also may recommend prices and pricing practices and may provide conforming labels consistent with such recommendations. If Franchisee chooses to charge a different price for the Products and Services, Franchisee shall pay and/or reimburse Franchisor for costs incurred in preparation of labels modified to conform to Franchisee's pricing decisions. In any event, Franchisor reserves the right to establish minimum and maximum prices to the extent permitted under applicable law.

**15. Franchisor's Assistance**

***A. Kiosk Layout***

Franchisee acknowledges that the layout of a Kiosk is principally determined by the Premises Host and that Franchisee will have to adapt the Kiosk operations to the physical facility as developed by the Premises Host.

***B. Opening Assistance***

Franchisor shall provide Franchisee set up and opening assistance for its initial Kiosk location in connection with the on-site curriculum provided during the initial certification program. Franchisor shall not be obligated to provide the initial certification program or any such assistance until such time as Franchisee has satisfied Franchisor's then current pre-opening requirements. Franchisee will be notified in writing as to when the initial certification program services will be available on-site and the Kiosk can be opened for business. Franchisee shall not offer or sell any products or services or prepare any product at the Kiosk until the initial certification program is completed and consent to open obtained from Franchisor in writing.

***C. Additional Assistance***

Franchisor shall provide, from time to time, additional guidance, advice and consultation concerning operation of the Kiosk to the extent and at such times and in such a manner as Franchisor

determines, including by telephone or electronic media. Franchisee shall cooperate in receiving and participating in any of these services that Franchisor elects to provide.

***D. Kiosk Inspections***

Franchisor has the right to conduct inspections of the Kiosk at times that Franchisor deems appropriate, either with or without prior notice to Franchisee. Franchisee shall cooperate in permitting Franchisor to inspect any and all aspects of the Kiosk operation and to interview, question and otherwise communicate directly with customers, employees, vendors and others who may have contact with the Kiosk. Franchisee shall take such action as and when Franchisor requests to correct deficiencies identified by any such inspections and shall cooperate in and be responsible for costs associated with any lab testing that Franchisor determines is warranted in its sole discretion as a result of the inspections, complaints received or other quality considerations, as provided in Section 12.K, above.

**16. Risk Management Provisions**

***A. Required Insurance***

Franchisee shall obtain and maintain the following minimum insurance coverage through carriers satisfactory to Franchisor. Franchisee shall meet any additional or varied requirements for a particular Kiosk as established by the Premises Host:

- i) Commercial General Liability coverage covering the premises and Franchisee's operations for bodily injury, including death, and property damage liability including contractual liability, personal injury, advertising liability and product liability coverage in amounts not less than \$2,000,000 per occurrence and \$4,000,000 aggregate;
- ii) Worker's Compensation Insurance in statutory amounts as required in the states(s) where Franchisee's operations are conducted, including a Voluntary Worker's Compensation endorsement extending coverage to all employees exempted from coverage due to numerical employment requirements of the state;
- iii) Employer's Liability Insurance with limits of \$1,000,000 per occurrence;
- iv) Unemployment Insurance covering Franchisee's employees (as required by law);
- v) Property Insurance with "special causes of loss" perils covering the Kiosk(s) in an amount adequate to replace contents in the event of an insured loss;
- vi) Business Income Insurance with "special causes of loss" perils, including flood and earthquake with limits adequate to insure profits and continuing business expenses for one year;
- vii) State disability insurance for Franchisee's employees (as required by law);
- viii) Automobile liability insurance including coverage for autos owned, leased, hired or borrowed by Franchisee or Franchisee's Owners, with limits of at least one million dollars (\$1,000,000) per occurrence of bodily injury and property damage combined, and any other or increased amounts of insurance that Franchisor may require from time to time for each vehicle used by Franchisee (whether principally or occasionally) in connection with the franchised business (for example, to drive to the franchised location(s), to deliver products to self service locations, or otherwise); and

ix) Employment Practices Liability Insurance (for Franchisees with multiple Kiosk locations).

Policies shall i) name Franchisor, Franchisor Affiliates and each of their respective shareholders, directors, members, managers, officers, partners, employees, representatives, agents, and other personnel (i.e. “Indemnified Parties”) and the applicable Premises Host as additional insureds and entitled to receive at least thirty (30) days’ prior written notice of any intention to reduce coverage or policy limits or to cancel or otherwise amend the policy; ii) contain waivers of subrogation in favor of Franchisor and Franchisor Affiliates (which shall be operative only so long as available in the state having jurisdiction over an affected claim and provided further that no policy of insurance is invalidated thereby); and iii) be written as primary policies which provide that any insurance carried by Franchisor and/or Franchisor Affiliates is strictly excess, secondary and non-contributing with any insurance Franchisee carries. Franchisor shall have the right from time to time to revise coverage types and policy amounts that Franchisee must obtain and maintain.

***B. Proof of Insurance***

Franchisee shall provide Franchisor with certificates of insurance evidencing the coverage described in Section 16.A before the Kiosk can begin operation. Franchisee shall deliver to Franchisor a complete copy of each insurance policy within twenty-one (21) days after delivery of the certificates of insurance and of each new or renewal policy on receipt of the policy. Franchisor shall have the right at any time to require Franchisee to provide to Franchisor full copies of Franchisee's insurance policies and certificates of insurance.

***C. Franchisor’s Right to Secure Insurance***

If Franchisee fails to purchase, maintain or provide proof of insurance and copies of policies, then Franchisor shall have the right, but not the obligation, to obtain that insurance, or other insurance that Franchisor is able to obtain for the intended purpose, and Franchisee grants Franchisor a power of attorney to obtain the insurance on Franchisee’s behalf. Franchisee shall pay all premiums for the insurance and shall reimburse any premium payments made by Franchisor. Franchisor may charge Franchisee an administrative fee if Franchisor obtains insurance on Franchisee’s behalf, which shall be payable on demand. Franchisor has the right to offset the cost of any unpaid premiums and administrative charges against any amount payable to Franchisee.

***D. Disclaimer***

Franchisor shall have no obligation to obtain or maintain any insurance for or on behalf of Franchisee. Nothing in this Agreement is an undertaking or representation that any insurance Franchisee is required to obtain and maintain will be a sufficient amount or scope of insurance for any purpose.

***E. Claims***

Franchisee shall notify Franchisor in writing of any and all claims or demands against Franchisee, the Kiosk or Franchisor immediately, but in no event more than twenty-four (24) hours after Franchisee receives actual notice of the claim or demand. Franchisee shall respond to all claims within the time required by law. Franchisee shall cooperate with Franchisor or Franchisor's designee in defending Franchisor and Franchisee against any and all claims.

***F. Indemnification***

Franchisee shall defend, at its own cost, and indemnify and hold harmless Indemnified Parties, as defined in Section 16.A, above, from and against any and all losses, costs, expenses (including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses), damages and liabilities, however caused, resulting directly or indirectly from, or pertaining to actual or alleged acts or omissions of Franchisee, Franchisee's personnel or others, or the use, condition or construction, equipment, decoration, maintenance or operation of, the Kiosk and/or the Franchised Business, including the sale or distribution of any product or service from the Kiosk, or from or pertaining to any breach of this Agreement by Franchisee. Franchisee acknowledges that this obligation to defend, indemnify and reimburse Indemnified Parties as described above, applies to any action or proceeding or legal matter of any kind in which one or more Indemnified Parties is/are named or involved and which also involves this Agreement and/or Franchisee's Franchised Business, including any administrative actions or investigations and appellate, post judgment or bankruptcy proceedings, and also applies to claims from persons employed by or providing services to Franchisee involving allegations of a violation of the Fair Labor Standards Act, the Occupational Safety and Health Act, any state workers' compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment or employee benefit law or regulation, and regardless of the basis of the alleged liability, whether joint employer, ostensible agency, vicarious liability or otherwise. All such indemnification obligations survive termination, transfer or expiration of this Agreement.

***G. No Assumption of Liability***

Franchisor shall not by virtue of any approvals, advice, or Products or Services provided to Franchisee assume responsibility or liability to Franchisee or any third parties to which Franchisor would not otherwise be subject.

**17. Covenants**

***A. Personal Effort***

Franchisee is solely responsible for managing the Franchised Business and the Designated Owner must participate in the daily Kiosk operation and directly supervise the Kiosk. Franchisee authorizes Franchisor to deal with any Designated Owner on all matters relating to this Agreement and the Franchised Business and, if Franchisee has multiple Kiosks, with any Kiosk Manager regarding routine operations and reporting requirements. Franchisee is solely responsible for the hiring and management of Franchisee's employees, for the terms of their employment and for ensuring their compliance with any certification or other standards Franchisor establishes. The Designated Owner must keep Franchisor informed as to the identity of each Kiosk Manager for a Kiosk and give to Franchisor in writing an updated manager list within twenty four (24) hours of a manager's departure or hiring. Franchisee and each Designated Owner/Kiosk Manager must always meet then current certification and operational standards, as specified by the Franchisor.

***B. No Diversion or Prejudicial Actions***

To fullest extent permitted under the law, during the term of this Agreement and for 12 months after the transfer, termination or expiration of this Agreement, Franchisee, Franchisee Affiliates and Owners shall not, either directly or indirectly, for itself/themselves, or through, on behalf of or in conjunction with

any person, partnership, corporation, limited liability company or other entity i) divert or attempt to divert any business or customers of any Fujisan Kiosk to any competitor, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

***C. Premises Host Acceptance***

Franchisee acknowledges that, while Franchisee is solely responsible for the employment practices of the Franchised Business and hiring/firing/discipline/scheduling of employees and the terms and conditions of their employment, Franchisee must conduct the Franchised Business in compliance with Premises Host requirements in order to preserve the goodwill associated with the FujiSan brand.

***D. No Engaging in Competing Business During the Term of This Agreement***

During the term of this Agreement Franchisee, each Franchisee Affiliate, each shareholder, member, director, manager, trustee or partner of Franchisee, and each Family Member of each of the foregoing, shall not:

- i) have any direct or indirect interest anywhere in any Similar Business or in any entity granting franchises or licenses or establishing joint ventures for the operation of Similar Businesses; or
- ii) provide any financial support or perform any services anywhere as an employee, agent, representative, consultant or in any capacity of any kind for any Similar Business, or for any entity granting franchises or licenses or establishing joint ventures to operate Similar Businesses.

For purposes of this Agreement, i) a “Similar Business” is any business or enterprise that sells sushi (and such product sales represent 15% or more of such business/enterprise’s sales) and any enterprise granting franchises or licenses to operate a Similar Business; and ii) “Family Members” include an individual and his/her spouse and/or domestic partner, and their respective mother, father, brother, sister, son, daughter and relatives.

***E. Post Term Covenants***

Franchisee agrees that for two (2) years after any transfer, repurchase, termination or expiration of this Agreement, Franchisee, each Franchisee Affiliate, and each Franchisee shareholder, member, director, manager, trustee or partner, and each Family Member of any of the foregoing, shall be subject to all of the restrictions stated in Section 17.D, above, with respect to Similar Businesses located, and/or services to be performed, within the following areas, except as restricted by law or as otherwise agreed to by Franchisor in writing:

- i) 5 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a major city (as defined below);
- ii) 10 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a metropolitan area (as defined below);
- iii) 15 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a rural area (as defined below);

- iv) In this Agreement, a “major city” means any of the top 25 cities in the U.S. measured by population; a “metropolitan city” means any city other than a major city where the population density is greater than 1,000 people per square mile; and a “rural area” means an area with a population density of 1,000 people per square mile or less. Population figures at the time of expiration or termination will be used in the application of this term, and Franchisor will provide Franchisee a list of then current Kiosk locations upon request.

Franchisee agrees that it is Franchisee’s obligation under this Agreement to ensure the compliance of each of the persons/entities named in Sections 17.B, D and E with the limitations described in those Sections. Franchisor shall use reasonable judgment in evaluating whether or not the conduct of a Family Member warrants the exercise of rights under this provision. The restrictions of Section 17.D and E do not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than three percent (3%) of the number of shares of that class issued by a Similar Business and outstanding.

***F. Franchisee Acknowledgment***

Franchisee and Franchisor share a mutual interest in ensuring compliance with the restrictions on competition described in Sections 17.B, D and E. Franchisee acknowledges and agrees that such protections can enhance the value of the Fujisan System to Franchisee as a franchisee, represent a reasonable balancing of Franchisee and Franchisor interests and have been expressly bargained for. Franchisee confirms that Franchisee and Owners possess valuable skills unrelated to the Franchised Business and have the ability to be self-supporting and employed regardless of the restrictions on competition to which Franchisee and Owners have agreed.

***G. Covenants are Severable; Trade Secret Protection Essential***

Each of the above covenants shall be deemed independent of any other covenant or provision of this Agreement. If any of the restrictions of this Section are determined to be unenforceable to an extent because of excessive duration, geographic scope, business coverage or otherwise, they will be reduced to the level that provides the greatest protection to Franchisor and the System, but which is still enforceable. Franchisee and Franchisor agree and intend that covenants undertaken by Franchisee and Owners in Section 17 shall in all instances be enforced if the fulfillment of Franchisee’s duties and responsibilities with respect to any Similar Business (or the duties and responsibilities of another person/entity identified in Sections 17.D and E) would inherently call upon Franchisee or such person/entity to disclose and/or use Copyrighted Works or Trade Secrets.

***H. Similar Covenants from Franchisee’s Personnel***

Franchisor shall have the right to require Franchisee to cause its personnel performing managerial, supervisory and chef services to execute covenants imposing requirements the same as or equivalent to those provided in this Section 17 to the extent permitted by law.

***I. Injunctive Relief***

Franchisee acknowledges that money damages would not be a sufficient remedy for breach of the obligations in this Section 17. Accordingly, Franchisor shall be entitled to seek and obtain equitable remedies, including, without limitation, immediate restraining orders and injunctive relief for the actual or threatened breach of any obligation in this Section 17. Franchisor’s remedies for a breach of Sections 17.D and E will include, but not be limited to, the right to receive all profits generated in connection with the

operation of any Similar Business. All competitive restrictions will be extended for the length of time that any breach of any such post termination obligation is ongoing.

## **18. Default and Termination**

### ***A. Early Cancellation***

If this Agreement and/or any Addendum is terminated and/or if Franchisee ceases to operate any Kiosk before the Expiration Date of this Agreement, Franchisor reserves the right to charge Franchisee an early cancellation fee per discontinued Kiosk location (the “Cancellation Fee”). The amount of the Cancellation Fee is stated on Schedule A to this Agreement and is assessed to assist Franchisor in covering re-marketing expenses and unanticipated costs associated with a cancellation prior to the Expiration Date. The post termination provisions of Section 19 will survive the cancellation of the Agreement, as will all other provisions of this Agreement which by their terms or nature survive. Franchisor’s right to receive a Cancellation Fee is intended to offset costs Franchisor will incur in preserving its goodwill with a Premises Host and otherwise meeting its requirements. The Cancellation Fee is in addition to all other remedies available in law and/or equity and is not, and shall not be construed to be, a liquidated damages provision or a waiver of damages or any other relief available upon a breach or cancellation of this Agreement, other than as provided in Section 4.C, above.

### ***B. Termination by Franchisor With No Opportunity to Cure***

Franchisor shall have the right at Franchisor’s option to terminate this Agreement and/or any Addendum effective upon delivery of notice of termination to Franchisee, without opportunity to cure, if Franchisee or any Owner as applicable:

- i) Interferes, or attempts to interfere, with any contract Franchisor or a Franchisor Affiliate has with any third party, including any Premises Host, supplier or Kiosk franchisee;
- ii) Fails to satisfactorily complete any certification program or other instructional program required by Franchisor or fails to begin operating the Kiosk by the time provided under Section 14.B;
- iii) Has made any material misrepresentation or omission in the application for the Franchise;
- iv) Is convicted of or pleads no contest, where the plea is applicable, to a felony, fraud or other crime or offense that Franchisor believes is apt to affect adversely the reputation of Franchisor, Franchisee, the System or the Kiosk;
- v) Makes any unauthorized use, disclosure or duplication of any portion of the Operations Manual or duplicates or discloses or makes any unauthorized use of any Trade Secret or confidential information or Copyrighted Works provided to Franchisee by Franchisor or commits a breach of Section 17. B, D or E;
- vi) Abandons, fails or refuses to operate actively a Kiosk for three (3) or more consecutive days in which Franchisee is obligated to be open and operating, or for any shorter period of time in which it is reasonable under the circumstances to conclude that Franchisee intends to discontinue operating the Kiosk;
- vii) Surrenders or transfers control of the Kiosk, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee or in the assets of the

Franchised Business, or fails or refuses to assign the Franchise or the interest in Franchisee held by a deceased or incapacitated controlling owner, as required;

viii) Is found by Franchisor as the result of any inspection or audit to have understated any amounts reported or paid to Franchisor by five percent (5%) or submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any false or inaccurate reports or other information required by Franchisor;

ix) Is dissolved or is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency or files any action or petition of insolvency; a receiver (permanent or temporary) is appointed by a court of competent authority over the property; makes a general assignment for the benefit of creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless a supersedeas bond is filed); execution is levied against Franchisee's business or property; or suit to foreclose any lien involving the Kiosk or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed;

x) Makes an unauthorized use of any of the Marks or commits any other act that can reasonably be expected to impair materially the goodwill associated with any of the Marks and fails to correct such action within 48 hours of written notice to correct;

xi) Fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit required reports or other information when due, to pay when due any amounts owed Franchisor or any Franchisor's Affiliate or any supplier or business creditor, or otherwise fails to comply with this Agreement, whether or not the failures to comply are corrected after notice is delivered to Franchisee;

xii) Receives a written notice of default under Section 18.C.ii, below, more than once during the term of this Agreement;

xiii) Violates any safety or health law, ordinance or regulation or operates the Kiosk in a manner that Franchisor believes presents or threatens to present a safety or health hazard to Kiosk customers, Franchisor's staff, Premises Host's staff or the general public;

xiv) Fails to comply with all applicable laws and ordinances relating to the Kiosk and/or the Franchised Business, including Anti-Terrorism Laws, or if Franchisee's or any of its Owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities;

xv) Fails in Franchisor's sole determination to pass any criminal background check and/or drug, tuberculosis or other chemical or required physical testing; or

xvi) Franchisee or Franchisee's Kiosk is the subject of a complaint from a Premises Host that Franchisee fails to resolve or the Premises Host objects to Franchisee's continued operations at the Premises Host facility and the Franchisor finds the Franchisee's relationship with the Premises Host to be damaging to the goodwill associated with the Marks; or

xvii) Franchisee, after timely curing any failure to comply with the terms of this Agreement, if notice and opportunity to cure are required under applicable law, engages in the same noncompliance whether or not corrected after notice.



***C. Termination by Franchisor With Opportunity to Cure***

Except for those defaults identified in Section 18.B, above, this Agreement and/or an Addendum shall terminate, at Franchisor's sole election, without further action by Franchisor or notice to Franchisee, if Franchisee or any Owner, as applicable:

- i) Fails or refuses to make payments of any amounts due Franchisor or any Franchisor Associate, or fails or refuses to maintain a bank account with sufficient funds to permit Franchisor to make electronic debits as provided in this Agreement, or otherwise prevents Franchisor from electronically debiting Franchisee's bank account and does not correct any such failure or refusal within five (5) days after written notice thereof is delivered to Franchisee; or
- ii) Fails or refuses to use and/or offer for sale Products and Services and/or use Approved Suppliers, as required by Franchisor, or offers/sells/uses unauthorized products/services/suppliers without first obtaining Franchisor's advance written consent, and does not correct such default within five (5) days after written notice of the default is delivered to Franchisee; or
- iii) Fails or refuses to comply with any other provision of this Agreement, or any mandatory requirement prescribed in the Operations Manual or otherwise in writing, and does not correct the failure within thirty (30) days after written notice is delivered to Franchisee.

***D. Discontinued Products/Services; Program Participation***

If Franchisor delivers a notice of default to Franchisee, Franchisor and its Affiliates have the right to require that Franchisee pay C.O.D (i.e., cash on delivery) or by certified or cashier's check for goods/services and/or to stop selling and/or providing any goods and/or services until Franchisee has cured all defaults. Franchisor can deny Franchisee the ability to participate in any System benefit or program so long as Franchisee is in default of this Agreement, including website listings, supplier discounts and other System features.

***E. Cross Default***

Franchisee or any Owner's default under this Agreement or any Addendum is a default under any other agreement or Addendum between Franchisee or any Owner and Franchisor or any Franchisor Affiliate. An election not to enforce any such default is not a waiver by Franchisor of any rights or remedies available under law or equity or by contract.

**19. Rights and Duties on Expiration or Termination**

On termination or expiration of this Agreement or any applicable Addendum:

- i) Franchisee or any Owners shall immediately vacate and cease operating the Kiosk and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor in connection with the Kiosk.
- ii) Franchisor shall have the immediate right (but not the obligation) to occupy the Kiosk space, and Franchisee shall immediately in writing assign all such interest in and facilitate Franchisor's occupancy of the space and operation of the Kiosk on Franchisor's request.
- iii) Franchisee shall immediately and permanently cease using i) any proprietary methods, procedures and techniques associated with the System (including, without limitation, the Copyrighted

Works and the Trade Secrets); ii) the Marks and any distinctive forms, slogans, signs, and logos associated with the Marks or System; iii) all advertising materials, stationery, forms, menus, signage and other branded items, and any other article displaying any of the Marks; and iv) any sauces, recipes or other products or services proprietary to the Franchisor and/or Franchisor Associates.

iv) Franchisee shall take such action as may be necessary to cancel or assign to Franchisor or Franchisor's designee, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities that contains the name Fuji, Fujisan or any of the Marks or any derivative of any of them. Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within ten (10) days after termination or expiration of this Agreement.

v) Franchisee shall pay to Franchisor and any applicable Franchisor Associate on demand, all damages, costs and expenses, including reasonable Attorneys' Fees, incurred as a result of Franchisee's breach of any term of this Agreement, including this Section 19.

vi) Franchisee shall immediately discontinue any use of, and shall return or destroy at Franchisor's option, the Operations Manual and all other Kiosk manuals and certification materials; customer lists and data, promotional materials and items bearing the Marks, form agreements/templates and all other Franchisor property.

vii) Franchisee immediately shall cease using and shall assign to Franchisor or its designee at Franchisor's request all of Franchisee's telephone and facsimile numbers relating to the Kiosk and shall notify the telephone company and all internet and other listing agencies of the termination or expiration of Franchisee's right to use the numbers or any classified or other telephone directory listings associated with the Marks. Franchisee shall authorize a transfer of the same to Franchisor or its designee upon request and irrevocably appoints Franchisor as Franchisee's attorney-in-fact to instruct all such companies to make such transfers of service. Franchisee shall execute all documents and authorization forms Franchisor requires to accomplish the assignment of these assets. Further, Franchisee will stop all use of the Marks in all media, including, but not limited to, web-sites, web pages and social media. Franchisee will instruct in writing all online directories, search engines, and other advertising publishers as necessary to take down and remove any directory listings and advertisements for Franchisee containing the Marks and will deliver copies of such instructions to Franchisor within three (3) days of the termination or expiration of this Agreement. Franchisee will give Franchisor on request at any time an instruction letter signed by Franchisee and hereby authorizes Franchisor to deliver the instructions to directory publishers and others when this Agreement is terminated or expires. Franchisee agrees that electronic commerce is a rapidly developing field and additional/modified System policies and requirements can be established concerning use of the Internet and electronic media and Franchisee will follow them.

viii) Franchisor shall have the right (but not the obligation) exercisable within thirty (30) days after termination or expiration and upon written notice to Franchisee to purchase for cash any or all assets at the Kiosk, at Franchisee's cost or fair market value, whichever is less and as determined by Franchisor. Franchisor also shall have the right to purchase such Kiosk food inventory items as Franchisor selects in its discretion at the price paid by Franchisee. Franchisor shall have the right to set off all amounts due from Franchisee to Franchisor against any payment to be made under this Section. Franchisor shall be entitled to receive customary warranties and representations from Franchisee, including clear title to the assets and such other provisions as are stated in Section 22.B, below, and closing shall occur not more than ninety (90) days after the termination or expiration of the Agreement, unless a longer period is required to comply with applicable law.

ix) Franchisee shall not destroy, damage, hide or take any equipment or inventory from any Kiosk without Franchisor's advance written consent and shall cooperate with Franchisor in providing all Kiosk-related records and other pertinent information relating to its operation.

x) Franchisee and Owners shall comply with the covenants contained in Section 17 of this Agreement to the fullest extent permitted by law.

xi) All obligations of Franchisor and Franchisee that expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect after and notwithstanding its expiration or termination until they are satisfied or by their nature expire.

## **20. Transfer Restrictions**

### ***A. Assignment by Franchisor***

This Agreement, and any or all of Franchisor's rights and/or obligations under it, are fully transferable by Franchisor in its sole and absolute discretion, in whole or in part, without Franchisee's consent. Franchisee acknowledges and agrees that Franchisor may be sold and/or sell any or all of Franchisor's rights in or licenses to the Marks, Trade Secrets, Copyrighted Works or the System and/or other assets, and go public, merge, or acquire other entities, whether or not competitive to Franchisee or Franchisor, without Franchisee's consent.

### ***B. Assignment by Franchisee***

The rights and duties created by this Agreement are personal to Franchisee and its Owners. Franchisor has awarded the Franchise relying on the individual integrity, ability, experience and financial resources of Franchisee and such Owners. Therefore, this Agreement, the Franchise, the Franchisee and Franchisee's Franchised Business (or any interest in, or the assets of, any of them) can only be transferred after the expiration of twelve (12) calendar months from the Effective Date and with Franchisor's prior written approval. Any transfer, or attempted transfer, of any interest in, or the assets of, the Franchise, the Franchisee, the Franchised Business, a Kiosk or this Agreement without Franchisor's approval is null and void. A transfer of ownership, possession or control of Franchisee's Franchised Business, or of its assets, can only be made with a transfer of the Franchise, unless Franchisor consents otherwise in writing. Franchisor has the right to withhold approval to any proposed sale or transfer of fewer than all of Franchisee's Kiosk locations and each related Addendum. Section 21 will govern any transfer in the event of death or disability.

### ***C. Conditions to Consent to Transfer to an Entity***

Franchisor shall not unreasonably withhold consent to a transfer by Franchisee to a Business Entity controlled by Franchisee, if requested, or permission for the Franchisee under this Agreement to become a Business Entity; provided, that if Franchisee executes this Agreement as a Business Entity or desires to assign and transfer its rights to a controlled Business Entity, then it shall be deemed to be reasonable for Franchisor to impose any or all of the following as conditions to granting consent and/or entering into this Agreement, as Franchisor deems applicable:

i) The transferee entity/Franchisee shall be newly organized, shall agree that its activities shall be confined exclusively to operating a Kiosk as franchised under this Agreement and shall give to Franchisor all governing articles, operating agreements, bylaws or other such documents upon Franchisor's request and as they are amended from time to time;

ii) The individual(s) approved by Franchisor as the majority Owner(s) of the Franchised Business shall be and shall remain the Owner(s) of the majority interest of the securities or other form of ownership of the transferee entity;

iii) The individual approved by Franchisor as the principal executive and Owner of the Franchised Business (or, if Franchisee is a partnership, one of the partners) shall be the Designated Owner under this Agreement;

iv) The transferee entity shall enter into a written agreement (in a form satisfactory to Franchisor) in which the transferee entity assumes all of Franchisee's obligations hereunder;

v) All transferee entity Owners shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing full payment and performance of the transferee entity's obligations to Franchisor under the Franchise Agreement;

vi) Each certificate representing an ownership interest in the transferee entity and/or the Franchisee shall have conspicuously endorsed on it, and/or the operating agreement shall include, as applicable, a statement that ownership interests are held subject to, and that further assignment or transfer of such interest are subject to, all restrictions imposed on assignments by this Agreement;

vii) No new shares of stock or membership interests or other indicia of ownership in the transferee entity shall be issued to any person or entity without obtaining Franchisor's prior written consent;

viii) All accrued money obligations of Franchisee to Franchisee's suppliers, Franchisor, its Affiliates or assignees shall be satisfied before an assignment or transfer;

ix) Franchisee and all Owners, prior to any transfer, shall execute a General Release, in a form prescribed by Franchisor; and

x) The transfer fee described in Section 20.D.v below shall be waived, one (1) time only, for a transfer by Franchisee, individually, to a controlled Business Entity as described in this Section 20.C.

***D. Additional Conditions for Unaffiliated Third Party***

Franchisor shall have the right to impose any or all of the following conditions to any proposed transfer to an unaffiliated third party, in addition to the conditions provided in Section 20.C, above:

i) The transferee(s) shall be of good character and reputation in Franchisor's subjective opinion, and shall have a good credit rating and competent business qualifications reasonably acceptable to Franchisor; and Franchisee shall provide Franchisor with information as Franchisor may require and facilitate Franchisor's determinations, including by coordinating a personal interview with transferee at Franchisor's request;

ii) The transferee(s) or other individual(s) who shall be the Designated Owner of the Franchised Business shall have paid Franchisor the then-current Certification Program fee and successfully completed and passed Franchisor's Certification Program then in effect for franchisees, or shall have otherwise demonstrated to Franchisor's satisfaction sufficient ability to operate the Kiosk being transferred;

iii) The transferee(s), including all shareholders, officers, directors, members, managers, and partners of the transferee(s), shall jointly and severally execute any or all of the following, at Franchisor's sole discretion and as Franchisor shall direct: (a) Franchisor's franchise agreement and other standard

ancillary agreements with Franchisor on the current standard forms being used by Franchisor and an initial franchise fee shall be charged and pro-rated if the term granted on transfer is for less than a full 3-year term; (b) personal guarantees; (c) a written assignment from Franchisee in a form satisfactory to Franchisor and under which transferee shall assume all of Franchisee's obligations under this Agreement, and/or (d) Franchisor's consent to transfer agreement or an equivalent document in a form satisfactory to Franchisor;

iv) The term of the transferee's Franchise Agreement shall, at Franchisor's option, be for the unexpired term of this Agreement and for any extensions or renewals as provided herein or for the term granted by Franchisor under any new franchise agreement signed in connection with the transfer, as provided in Section 20.D.iii, above; and

v) Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor, any Franchisor Affiliate, the Premises Host and/or business creditors, and, except as provided in Section 20.C.x, the transferee or Franchisee shall have fully paid to Franchisor a transfer fee (the "Transfer Fee") and, as applicable, an initial franchise fee (the "Initial Franchise Fee"), in the amounts stated on Schedule A attached to this Agreement.

vi) The Premises Host shall have given its written consent to the transfer, if so required as a condition to transfer as contained in the Franchisor/Franchisor Associate's agreement with the Premises Host.

vii) Franchisee shall not take or maintain a security interest after a transfer in the Franchise or the Franchise Agreement or any Franchised Business assets without Franchisor's prior written consent, which Franchisor has an unrestricted right to condition or withhold. If permitted, any security interest will be subordinated to the Franchisor's rights to payment under the applicable franchise agreement and any addendum.

viii) The terms and conditions of sale cannot be unduly burdensome on the transferee in Franchisor's sole judgment.

### ***E. No Release***

Franchisor's consent to a transfer of the Franchise shall not constitute or be interpreted as a consent to any future transfer or as a release of any of Franchisee's obligations under the Franchise Agreement. Any release must be expressly stated in writing and signed by the Franchisor.

## **21. Death or Incapacity**

### ***A. Opportunity of Heirs***

If the Franchisee, or if the Owner having a controlling interest in a Business Entity Franchisee, dies or is permanently disabled, then his or her interest in this Agreement, the Franchised Business and/or the Franchisee shall be transferred to a third party, subject to compliance with the provisions of Section 20. A "Permanent Disability" occurs if Franchisee or the controlling Owner is not able to personally, actively participate in the management of the Franchised Business for 180 consecutive days as certified by an independent physician licensed in the state in which the Kiosk is located. A transfer under this Section shall be completed within 180 consecutive days from the date of death or permanent disability. The transfer fee is waived for any transfer under this Section. If no transfer occurs within the prescribed 180-day period, the Franchise will automatically terminate at the end of such period, unless Franchisor grants a written extension in its sole discretion or in compliance with local law.

## **22. Right of First Refusal**

### ***A. Franchisor's Right***

Franchisor shall have a right of first refusal to accept the terms of any proposed sale, transfer or assignment of any interest in this Agreement or in Franchisee or the Franchised Business.

### ***B. Additional Rights***

If Franchisor exercises its right of first refusal, then in addition, i) Franchisor shall have the right to substitute cash for any form of payment proposed in the offer; ii) Franchisor's credit-worthiness shall not be deemed to be less than that of any proposed purchaser; iii) Franchisor shall have at least sixty (60) days after notifying Franchisee of its election to exercise its right of first refusal to prepare for closing; and iv) Franchisor shall be entitled to receive written representations and warranties from Franchisee that Franchisee owns clear title to all assets being sold, transferred or assigned; that all tangible assets being sold, transferred or assigned are in good working condition; that there are no breaches of any contracts affecting the Kiosk; that there are no liabilities of Franchisee that have not been disclosed to Franchisor in writing; that Franchisee and each Owner and Franchisee Affiliate will comply with indemnification, non-disclosure, and non-competition obligations substantially similar to those required in Sections 16.G, 17.B, D and E, and 19 of this Agreement; that all sales, transfer and/or similar taxes are to be paid by the transferor; and that all applicable licenses and permits will be transferred to Franchisor at closing.

### ***C. Notice***

To enable Franchisor to exercise its right of first refusal, Franchisee shall deliver to Franchisor a written notice stating all the terms of any proposed sale, transfer or assignment and shall provide any additional information Franchisor requests about the proposed transaction.

### ***D. Consent***

Within sixty (60) days after Franchisor receives the notice and all requested information, Franchisor shall, in writing, consent or withhold consent to the proposed sale, assignment or transfer, or in accordance with this Section 22, accept for itself or its nominee the sale, assignment or transfer on the terms specified in the notice. Franchisor's failure to notify Franchisee of its decision shall be deemed a withholding of consent.

### ***E. Completion***

If Franchisor elects not to exercise its right of first refusal and consents to the proposed sale, assignment or transfer, then Franchisee shall be authorized to complete the proposed transaction with the proposed transferee on the terms in the original notice to Franchisor and subject to satisfaction of the conditions contained in Sections 20.B, C and D. Any change to any such terms shall constitute a new proposal, which shall again require compliance with the procedures in this Section 22.

### ***F. Other Transactions***

An election by Franchisor not to exercise its right of first refusal for any proposed transaction shall not affect Franchisor's right of first refusal for any other proposed transaction.

## **23. Nature of Relationship**

### ***A. Independent Contractors***

The parties desire, acknowledge and agree that they shall be independent contractors. Nothing in this Agreement or in Franchisee's and Franchisor's course of conduct shall be construed to create an employer-employee, co-employer or joint relationship, partnership, joint venture, agency or any fiduciary or special relationship. At no time will Franchisee's employees be, or be deemed to be, Franchisor's employees or the employees of any Franchisor Affiliate. Franchisee shall have no power to, and shall not purport to, obligate Franchisor for any expense, liability or other obligation. Franchisee shall be responsible for all acts and omissions of Franchisee's employees, Kiosk Managers, independent contractors, Family Members and representatives, regardless of whether or not Franchisee had actual knowledge of such act or omission. Franchisee is and shall remain at all times completely independent and in business for itself, and shall have no right or interest in any of Franchisor's property or business. Franchisor is not engaged in the same business as Franchisee, but rather is in the business of licensing others to use Franchisor's intellectual property. Franchisee is not, and shall not hold itself out as, an agent, representative, employee, officer, director, partner, owner or affiliate of Franchisor. Franchisee is solely responsible for the day to day operations of the Kiosk and free to conduct its business as it deems best in providing the Kiosk Products and Services, independently of the supervision, management and control of Franchisor; provided that mandatory System standards are maintained by Franchisee to preserve the goodwill and quality associated with the Fujisan brand. Franchisee agrees to abide by all Federal, State and Local laws and ordinances of all government agencies or political subdivisions having jurisdiction over the Kiosk premises or the activities conducted by Franchisee. Franchisee acknowledges that as of the Effective Date of this Agreement, Franchisor is not engaged in the operations of any Kiosk, although Franchisor reserves the right to do so. As of the Effective Date, Franchisor is only engaged in the business of franchising the System and of selling certain of the related Products and Services and providing certification and support services to franchisees.

### ***B. Public Notice***

Franchisee agrees to comply with Franchisor's requirements for identifying Franchisee's franchised business and its operations as independently owned and operated and will include notices of independent ownership on forms, business cards, stationery, advertising, signs and other materials as Franchisor requires. Franchisee will hold itself out as an independent business in all dealings and communications with the public and with the Premises Host.

## **24. Non-Waiver**

No delay in enforcing a party's rights after any breach of any term of this Agreement (including Franchisor's rights of termination) shall be construed as a waiver of any such breach or the right to enforce such rights. No waiver will be effective unless in writing and signed by an authorized representative of the signing party. A waiver of any breach of any provision of this Agreement or right of enforcement shall not be deemed to be a waiver of any other breach of such provision or any other provision or right. A party's acceptance of any payment from the other shall not be construed to be a waiver of any breach of this Agreement, unless such waiver is made in writing and signed by the waiving party.

## **25. Late Payment**

All payments, fees, amounts due for purchases by Franchisee from Franchisor and/or any Franchisor Affiliate, and other amounts that Franchisee owes to Franchisor or any Franchisor Affiliate shall bear interest after the due date at the higher of the rate of one and one-half percent (1.5%) per month or the

highest applicable legal rate for open account business credit allowed under applicable law. Franchisee acknowledges that this Section 25 is not an agreement to permit or accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance, Franchisee's operation of the Kiosk. Franchisee acknowledges that failure to pay all amounts when due shall be grounds for termination of this Agreement, as provided in Section 18.C, regardless of this Section 25.

## **26. No Accord or Satisfaction; Application of Funds**

i) If Franchisee pays, or Franchisor otherwise receives, a lesser amount than the full amount due under this Agreement for any payment due, such payment or receipt shall be applied against the longest outstanding amount due Franchisor. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction. Franchisor and any of its Affiliates' acceptance of any payments made by Franchisee shall not be construed to be a waiver of any breach or default of any provision in this Agreement.

ii) Franchisor has the unrestricted right to i) apply any payments received from Franchisee to any Franchisee indebtedness in Franchisor's sole discretion, no matter how payment is directed by Franchisee; ii) deduct from any amount that may be owed by Franchisor to Franchisee, any amount owed by Franchisee to Franchisor or a Franchisor Affiliate; and iii) keep any amounts received for Franchisee's account, whether rebates from suppliers, payments from the Premises Host or otherwise, as a payment against any amounts owed by Franchisee to Franchisor or a Franchisor Affiliate.

## **27. Tax Payments**

Franchisee shall pay to Franchisor an amount equal to all sales taxes, excise taxes, use taxes, withholding taxes, and similar taxes imposed by taxing authorities on the fees or other amounts payable by Franchisee to Franchisor and on goods or services furnished to Franchisee by Franchisor at the same time as Franchisee remits such payments to Franchisor, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Business is located.

## **28. Notices**

Any and all notices required or permitted under this Agreement shall be sent to the applicable parties at the addresses specified on Schedule A attached to this Agreement unless and until a different address has been designated by written notice to the other party, shall be in writing and shall be personally delivered, delivered by messenger or delivery services, mailed by certified mail, return receipt requested, or by facsimile or electronic mail transmission, and shall be effective at the earlier of i) the time of actual receipt; or ii) immediately on transmission by facsimile or email transmission; or iii) one (1) business day after being placed in the hands of a commercial delivery service for overnight delivery; or iv) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed.

## **29. Enforcement Cost**

i) If legal action is necessary to enforce the terms and conditions of this Agreement the prevailing party shall be entitled to recover reasonable compensation for preparation, investigation, court costs, arbitration costs (if applicable), accounting fees and expenses and reasonable Attorneys' Fees, as fixed by a court of competent jurisdiction.



ii) Separate and distinct from the right of a prevailing party, as defined in Section 34.G, to recover expenses, costs and fees in connection with any legal proceeding, the prevailing party shall also be entitled to receive all expenses, costs and reasonable Attorney's Fees incurred in connection with the enforcement of any judgment entered. Furthermore, the right to recover post-judgment expenses, costs and Attorneys' Fees shall be severable, survives any judgment and shall not be merged into such judgment.

### **30. Approvals**

Any requests by Franchisee for approval or consent, and any approval or consent by Franchisor, shall be in writing for any matter requiring such approval or consent under this Agreement.

### **31. Entire Agreement**

This Agreement, and all Addenda and all ancillary agreements signed concurrently with this Agreement, are the parties' entire agreement, and supersede any and all prior or contemporaneous negotiations, understandings, representations, disclosures and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Disclosure Document that was furnished to Franchisee by Franchisor. This Agreement shall not be binding on either party unless executed in writing by both parties. This Agreement shall not be modified, except in writing, when signed by both parties; except that Franchisor reserves the right to make changes to the Operations Manual as provided under this Agreement without Franchisee's consent.

### **32. Severability and Construction**

#### ***A. Law Controls***

In any conflict between this Agreement and any applicable law, the law shall prevail, but the term of this Agreement that is affected shall be curtailed and limited only to the extent needed to be lawful. If any provision of this Agreement is held to be indefinite, overbroad, invalid or otherwise unenforceable, the remainder of this Agreement shall continue in effect.

#### ***B. Third Party Beneficiaries***

Except for indemnification rights of third party indemnitees as expressly provided in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer on any person or legal entity other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement.

#### ***C. Headings***

Captions and headings are intended solely for the convenience of the parties and shall not be deemed to affect the meaning or construction of any provision of this Agreement.

#### ***D. Counterparts***

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

***E. Franchisor Exercise of “Sole Discretion” and Other Choices; Express Agreement***

When this Agreement includes the phrases “Franchisor’s sole and absolute discretion” and/or “sole discretion” and/or “sole judgment” and whenever Franchisor exercises a right, prescribes an action or thing, or otherwise makes a choice or uses discretion, Franchisee and Franchisor agree that Franchisor has the express, unrestricted right to make decisions and/or take (or refrain from taking) actions, as Franchisor deems appropriate. Franchisor shall use its judgment in exercising such discretion based on its assessment of the interests Franchisor considers appropriate and will not be required to consider Franchisee’s individual interests or the interests of any other particular franchisee(s). Franchisor has this right even if a particular decision/action may have negative consequences for Franchisee, a particular franchisee or group of franchisees.

***F. Extension for Compliance***

This Agreement will be deemed automatically modified to comply with governing law, if such law requires a greater time period for notice of termination of, or refusal to renew, this Agreement or otherwise.

**33. Law**

***A. California Law***

Except to the extent of the applicability of the Federal Arbitration Act and related federal preemption requirements, this Agreement and all other matters concerning Franchisor and Franchisee and/or their respective rights and obligations will be governed by, and construed and enforced in accordance with, the laws of the state of California, without giving effect to any conflict of laws; PROVIDED, that i) the provisions of Section 17 shall be construed and enforced in accordance with the laws of the state in which any claimed breaching activity occurs; and ii) the provisions of any California statute, regulation or law regarding franchises (including without limitation the California Franchise Investment Law and the California Franchise Relations Act) and/or covenants not to compete shall not apply unless jurisdictional, definitional and other requirements thereof are met independently of this Section.

***B. Venue for Disputes***

Subject to Section 34 and except to the extent prohibited by law or as otherwise provided in any state addenda applicable to Franchisee’s state of residence or of Franchisee’s Kiosk, the parties agree that the venue for any litigation arising under this Agreement will be an appropriate state or federal court with jurisdiction in Los Angeles County, California. The parties consent to such jurisdiction and waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision.

**34. Dispute Resolution**

***A. General***

Except as provided in Section 34.D and except as precluded by law, any dispute, controversy, action or proceeding of any type, including any claim for equitable relief and/or for which Franchisee is acting as a “private attorney general,” suing pursuant to a statutory claim or otherwise (individually and collectively, a “Claim”) between Franchisor, its Affiliates, shareholders, directors, officers, members, agents and/or employees, on the one hand, and Franchisee and/or its Affiliates, Owners, guarantors, directors, officers, members, agents and/or employees, on the other hand, shall be resolved by binding arbitration as provided in this Section 34. Arbitration shall be conducted before and in accordance with the then-prevailing Commercial Rules of the American Arbitration Association (“AAA”) or its successor, by

one arbitrator who must be a lawyer substantially experienced in franchising. Any award must be in writing and judgment upon any award rendered may be entered in any court having jurisdiction thereof. Upon request by either party, the arbitrator shall provide a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitrator's fees and costs connected therewith. The parties shall hold arbitration proceedings, awards, and related discussions confidential, except for such disclosure as may be required by law. Claims which would constitute a compulsory counter-claim, if brought in court under the state law provided in Section 33.A, must be filed in an arbitration proceeding brought under this Agreement or be barred. The substantive law applied in such arbitration shall be as provided in Section 33.A. The arbitration and the parties' agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against such party despite said failure to appear. The arbitral decision shall be binding and conclusive on the parties.

#### ***B. Arbitrator's Authority***

The arbitrator shall decide any questions relating in any way to the parties' agreement to arbitrate, including but not limited to arbitrability, applicability, subject matter, timeliness, scope, remedies, and any alleged fraud in the inducement, or purportedly void or voidable provisions of the Agreement. The arbitrator can issue summary orders disposing of all or part of a Claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, and other relief by any court having jurisdiction. The subpoena powers of the arbitrator with respect to witnesses to appear at the arbitration proceeding shall not be subject to any geographical limitation. No award in arbitration will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. Arbitrators in any proceeding under this Section 34 will apply all applicable law, and a failure to apply the applicable law in accord with Section 33.A will be deemed an act in excess of authority and reviewable by the courts and the parties expressly agree that any arbitration award can be reviewed and overturned by a court for legal error.

#### ***C. Location***

Any arbitration will be conducted exclusively at a neutral location in Los Angeles County, California. Franchisee and Franchisor agree that the provisions of this Article will control, notwithstanding any language included in Franchisor's franchise disclosure documents due to state requirements suggesting that the provisions of any section might be unenforceable due to a failure to have a meeting of the minds or otherwise. Neither Franchisee nor Franchisor has any expectation that the provisions of this (or any other) section will be unenforceable or that they will not be enforced. Franchisee understands and agrees that one effect of this paragraph may be that arbitration and other related costs may be greater, and it may be more difficult for Franchisee to proceed, than if those proceedings took place in a location near Franchisee's residence or business. If this provision is unenforceable for any reason, arbitration will be conducted at a neutral location reasonably near Franchisee's residence.

#### ***D. Preliminary Relief; Undisputed Debt***

Either party shall be entitled to seek preliminary or interim injunctive or provisional relief by a court or by arbitration or by a court in aid of arbitration (including, but not limited to, a temporary restraining order and preliminary injunction, all without bond) without showing or proving any actual damage, until such time as a final and binding determination is made by the arbitrator. An action for collection of overdue debts owed can be pursued in either a court or arbitration proceeding when the right to payment has not been in dispute prior to the filing of such action. The foregoing equitable remedies shall be in addition to, and not in lieu of, all other remedies or rights which the parties might otherwise have by virtue of any breach of this Agreement by the other party.

***E. Intention to Arbitrate***

Franchisee and Franchisor expressly agree that, notwithstanding any contrary provisions of state or other law, and/or any statements in any disclosure document required by a state or other government as a condition to franchise registration or for some other purpose:

i) all issues relating to arbitration and/or the enforcement of arbitration-related provisions will be decided by the arbitrator and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

ii) all provisions of this Agreement shall be fully enforced, including but not limited to those provisions relating to arbitration, venue, and choice of law; and

iii) Franchisee and Franchisor intend to rely upon federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to their terms.

***F. Survival and Enforcement***

The terms of Section 34 shall survive termination, expiration or cancellation of this Agreement. If any portion of Section 34 is deemed to be unenforceable for any reason, it shall be modified or restricted, or severed, so as to comply with applicable law and shall be otherwise enforced according to its terms.

***G. Costs and Class Action Waiver***

Should any party to this Agreement commence any action or proceeding for the purpose of enforcing, or preventing the breach of, any provision, whether by arbitration or by judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision of this Agreement, or for a declaration of such party's rights or obligations hereunder, each party shall bear its own costs and expenses incurred in connection therewith, including, but not limited to, Attorneys' Fees; provided, i) that either party can advance the other party's portion of the initial case filing fees paid to the American Arbitration Association, or successor organization, for an arbitration matter pursuant to this Agreement, as stated in Section 34, and ii) that the prevailing party in any such arbitration shall be entitled to recover from the non-prevailing party reasonable costs and expenses (including reasonable Attorneys' Fees, arbitrator's fees and expert witness fees, and costs of investigation and other arbitration expenses) incurred in connection with the claims on which it prevailed. For purposes of this Agreement, "prevailing party" includes, without limitation, a party who agrees to dismiss a Claim upon the other party's payment of sums allegedly due or performance of covenants allegedly breached, or who obtains substantially the relief sought. If required by applicable law for any arbitration provision to be enforceable (for example, to preserve constitutionally or statutorily provided rights), the arbitrator or a court can, as soon as possible, appropriately allocate between Franchisee and Franchisor the fees of the arbitrator(s) and/or his/her related organization, or require an advance of a portion of such fees subject to possible reimbursement, or otherwise address such issues so as to allow the arbitration to proceed and may adjust such allocations appropriately during the arbitration process for such purpose. **THE PARTIES AGREE THAT ANY ARBITRATION OR OTHER ACTION OR PROCEEDING BETWEEN FRANCHISOR AND FRANCHISEE SHALL BE OF FRANCHISEE'S INDIVIDUAL CLAIM AND THAT NO CLAIM SHALL BE BROUGHT AS A MEMBER OF A CLASS IN A CLASS ACTION OR IN ANY SIMILAR TYPE ACTION, TO THE FULLEST EXTENT PERMITTED BY LAW.**

### **35. Force Majeure**

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, neither party shall be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, war, acts of terrorism, government regulation or control or other causes beyond the reasonable control of the parties. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. This clause shall not apply or result in an extension of the term of this Agreement.

### **36. “Franchisee” Defined and Guarantee**

#### **A. Franchisee**

As used in this Agreement, the term “Franchisee” shall include the entity defined as “Franchisee” in the introductory paragraph of this Agreement and all persons who succeed to the interest of the original Franchisee by transfer or operation of law. The term “Franchisee” shall also include all partners of the entity that executes this Agreement (if the entity is a partnership); all shareholders, officers and directors of the entity that executes this Agreement (if the entity is a corporation); and all members, managers or governors of the entity that executes this Agreement (if the entity is a limited liability company).

#### **B. Individual Undertakings**

In executing this Agreement, all partners, shareholders, officers, directors, members, managers and governors of the entity that signs this Agreement as Franchisee personally and individually acknowledge and accept the duties and obligations imposed on Franchisee by the terms of this Agreement. As a condition to the granting of the franchise or to the consent to a transfer under this Agreement by Franchisor, Franchisor may require each of Franchisee’s Owners and each of their respective spouses or domestic partners to execute a Guarantee in the form of Schedule B attached hereto.

### **37. Operation in the Event of Absence or Disability**

In order to prevent any interruption of the Kiosk operations which would cause harm to the Kiosk and the goodwill associated with the FujiSan brand, if Franchisee is absent for any reason or is incapacitated by reason of illness and is unable, in the sole and reasonable judgment of Franchisor, to operate the Kiosk, Franchisee authorizes Franchisor, who may, at its option choose, to operate the Kiosk for so long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement. Any monies received by Franchisor from the operation of the Kiosk during such period of operation shall be kept in a separate account, and the expenses of the Kiosk, including reasonable compensation and expenses for Franchisor’s representatives, shall be charged to the account. If Franchisor temporarily operates any Kiosk for Franchisee, Franchisee agrees to indemnify and hold harmless Franchisor and any representative of Franchisor, from any and all acts which Franchisor may perform, or refrain from performing, while operating Franchisee’s Kiosk pursuant to this Section.

**38.** Intentionally deleted.

### **39. Franchisor Practices**

Franchisee understands, acknowledges and agrees that Franchisor may have offered franchises in the past, may currently be offering Franchises and/or may offer Franchises in the future on economic and/or other terms, conditions and provisions which may significantly differ from those stated in this Agreement

and any related documents, and that there may be instances in which Franchisor has varied, or will vary, the terms on which Franchisor offers Franchises, the charges Franchisor receives and other arrangements with a particular franchisee to suit the circumstances of a particular transaction, the particular franchisee's situation or otherwise, in each case in its sole discretion and without liability, to the extent permitted by law.

#### **40. Cumulative Remedies**

Except as provided herein, the rights and remedies specifically granted to either Franchisee or Franchisor by this Agreement will not be deemed to prohibit either of Franchisee or Franchisor from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

#### **41. Discretionary Enforcement**

Franchisor has the right to elect in its discretion to not enforce (or to selectively enforce) any provision of this Agreement or any agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, in a lawful manner without liability.

#### **42. Franchisee Acknowledgments**

##### ***A. Receipt of this Agreement and the Franchise Disclosure Document***

Franchisee represents and acknowledges that Franchisee has received this Agreement and Franchisor's Franchise Disclosure Document. Franchisee represents and acknowledges that Franchisee has received, at least fourteen (14) calendar-days prior to the date on which this Agreement was signed, the Franchisor's Franchise Disclosure Document required by law, as modified by any applicable state addenda attached to it.

##### ***B. Consultation by Franchisee***

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the Franchised Business and the prospects for that business. Franchisee represents that Franchisee has either consulted with such advisors or has purposely declined to do so. Franchisee acknowledges that Fujisan franchisees are separate and distinct from Franchisor and are independently owned and operated and that while Franchisor may encourage Franchisee to speak with Fujisan franchisees in connection with Franchisee's evaluation of this franchise opportunity.

##### ***C. True and Accurate Information***

Franchisee represents that all information in Franchisee's applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

##### ***D. Risk***

Franchisee represents that Franchisee has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in the Franchised Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

### 43. Definitions

**The following definitions apply to terms used in this Agreement:**

**“Affiliate”** - Any Business Entity which controls, is controlled by or is under common control with another Business Entity.

**“Agreement”** - This Franchise Agreement.

**“Anti-Terrorism Laws”** – As defined in Section 14.J.

**“Approved Suppliers”** – As defined in Section 14.E.

**“Attorneys’ Fees”** - Includes, without limitation, legal fees, whether incurred in preparation of the filing of any written demand or claim, or in or during any action, hearing, arbitration, or other proceeding to enforce the obligations of this Agreement, or in connection with any such judgment and the enforcement thereof, plus all costs incurred in connection therewith.

**“Business Entity”** - Includes a corporation, partnership, joint venture, limited liability company, limited partnership, or other form of business recognized in any jurisdiction.

**“Copyrighted Works”** – As defined in Section 7.A.

**“Designated Owner”** – As defined in Section 5.D. and identified on Schedule A, as applicable.

**“Effective Date”** - The date this Franchise Agreement is made, as provided on the first page and in the first paragraph of this Agreement.

**“Expiration Date”** – The date this Franchise Agreement ends, as noted on first page of this Franchise Agreement.

**“Franchise”** - The right to operate a “Fujisan” business, providing sushi and other food products, items and services as are approved by Franchisor and using the System and Marks under the terms of this Agreement and any applicable Addendum.

**“Franchised Business”** – As defined in Section 4.D.

**“Franchisee”** – As defined in the introductory paragraph of this Franchise Agreement and in Section 36.A.

**“Franchisor”** – Fujisan Franchising Corp.

**“Franchisor Associates”** – Fujisan Franchising Corp., Fuji Food Products, Inc., and Franchisor’s other Affiliates, and each of their respective officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and successors and assigns.

**“General Release”** - A general release, in the then-current form prescribed by Franchisor at the time such release is to be delivered, of any and all claims, liabilities and/or obligations, of any nature, including those existing as of, and/or arising before, the date of any such release, however arising, known or unknown, whether against Franchisor and/or any Franchisor Associates, and whether by Franchisee, any Owner and/or any Affiliate of Franchisee’s. A copy of Franchisor’s general releasing language (which is subject to change) is attached as Schedule D and is approved by Franchisee.

**“Indemnified Parties”** – As defined in Section 16.A.

**“Kiosk”** - Each Fujisan food preparation and service location Franchisee is licensed to operate when Franchisee signs this Agreement and an applicable Addendum, as defined in the opening paragraphs of this Agreement.

**“Kiosk Manager”** – The individual responsible for day to day management of the applicable Kiosk operations and who must meet such certification criteria applicable to the position as Franchisor can establish and/or modify in the Operations Manuals from time to time.

**“Manuals” (aka “Operations Manual”)** - Standards, procedures, policies and specifications prescribed by Franchisor from time to time to protect the System reputation, to maintain uniform standards, and to promote the goodwill of the Marks and pertaining to a Kiosk Franchise and its operation, including possibly recordkeeping systems; advertising and public relations requirements; equipment and supply specifications and standards, food preparation and service requirements, rules for usage of the Marks, and other matters that Franchisor deems appropriate. Franchisor and its Manuals neither dictate nor control labor or employment matters for Franchisee and Franchisee’s employees, including, but not limited to, hiring, firing and/or discipline of employees, the manner and means by which they carry out their duties, scheduling and wage/hour matters, or the terms and conditions of their employment.

**“Manual Supplements”** – As defined in Section 9.C.

**“Marks”** - The trademarks, service marks and other commercial symbols now and/or in the future owned by (or licensed to) Franchisor to identify the Services and/or Products offered by Franchisor, its Affiliates and/or Fujisan Kiosks, including (but not limited to) the mark “Fujisan” and other slogans, logos and identifiers designated by Franchisor from time to time.

**“Operations Manual”** – As defined under, “Manuals”, above.

**“Owner”** – Any holder, direct or indirect, of a legal or beneficial interest in Franchisee, any Franchisee Affiliate or Franchisor, as the context requires.

**“Permanent Disability”** – As defined in Section 21.A.

**“Premises Host”** – As defined in Section 4.B.

**“Products” and “Services”** - Goods, equipment and services designated by Franchisor from time to time for use or sale in and/or from the Fujisan Kiosk business in association with the applicable Marks, as described in Section 14.E. Products and Services can be increased and also are subject to change or elimination by Franchisor.

**“Satellite Kiosk”** – A self-serve Kiosk stocked with sushi and other required Products and maintained by Franchisee on a full-time basis each day that the Premises are open for business. Subject to the regular operating hours of that location, the Kiosk shall be sufficiently stocked with Products available to customers for purchase by 11:00 a.m. each day, subject to any closure of the Premises and any revisions to these operating requirements made to accommodate the needs and requests of the Premises Host. Franchisee must operate a Traditional and/or Reduced Operating Hours Kiosk in order to concurrently operate a Satellite Kiosk. A Satellite Kiosk may not be operated as Franchisee’s sole Kiosk.

**“Reduced Operating Hours Kiosk”** – A Kiosk operated on a part-time basis each day during the year or on a full-time basis each day during a portion of the year and part-time each day during the remainder of



that year, in compliance with the scheduling requirements of the Premises Host and/or Franchisor. The Kiosk shall be open a sufficient amount of time to ensure that a sufficient amount of food is prepared and made available to customers for purchase by 11:00 a.m. each operating day or portion thereof, and shall be staffed to accommodate the needs and requests of the Premises Host and Franchisor's policies and procedures relating to product sampling, as provided in the Manuals or other written instruction from Franchisor.

**“System”** –Includes methods for preparing, producing, merchandising and selling sushi, appetizers, salads, entrees, soups, drinks, other Asian-style food and related items; contents of a proprietary Operations Manual; recordkeeping procedures and related elements and the “Copyrighted Works” and “Trade Secrets,” all of which Franchisor may continue to develop and change over time. The System also includes use of distinctive service marks, including the mark “Fujisan”. Required System standards do not, and are not intended to, control the day to day operations of Franchisee's Franchised Business, but are established to protect the goodwill associated with the Marks and the quality and consistency of Kiosk Products and Services. System standards do not mandate personnel policies or procedures for Franchisee to implement in the Kiosk business, including those relating to hiring, firing, discipline, wages, scheduling and other terms and conditions of employment adopted by Franchisee in its Franchised Business.

**“Trade Secrets”** – As defined in Section 8.A.

**“Traditional Kiosk”** – A Kiosk operated on a full-time basis each day that the Premises are open for business. Subject to the regular operating hours of that location, the Kiosk shall be open no later than 9:00 a.m. or such other earlier time as needed to ensure that a sufficient amount of food is prepared and made available to customers for purchase by 11:00 a.m. each day and shall be staffed to accommodate the needs and requests of the Premises Host and Franchisor's policies and procedures relating to product sampling, as provided in the Manuals or other written instruction from Franchisor.

#### **44. State Law Addenda**

**The following terms will apply only in the specific state indicated below. By signing in the signature lines that follow the “Wisconsin” provisions, below, you are accepting the terms of this Section 44 which are specific to the state in which you live or operate a franchise, as well as the terms and conditions contained in all other Sections of this Agreement.**

##### **California.**

1. If Franchisee is a resident of California or if the Franchise is to be operated in California, Section 17.E of the Franchise Agreement is as follows:

##### **17 E. Post Term Covenants**

Franchisee agrees that for two (2) years after any transfer, repurchase, termination or expiration of this Agreement Franchisee, each Franchisee Affiliate, and each Franchisee shareholder, member, director, manager, trustee or partner (if Franchisee is or becomes a Business Entity), and each Family Member of any of the foregoing, shall be subject to all of the restrictions stated in Section 17.D, with respect to Similar Businesses located, and/or services to be performed, within the following areas, if the fulfillment of any of their respective duties and responsibilities relating to the Similar Business would inherently call upon such person/business entity to disclose and/or use any portion of the Operations Manual or Trade Secrets:

- i) 5 miles of any Kiosk operated in a major city (as defined below) by Franchisor or by any franchisee, licensee or Affiliate of Franchisor;

- ii) 10 miles of any Kiosk operated in a metropolitan area (as defined below) by Franchisor or by any franchisee, licensee or Affiliate of Franchisor;
- iii) 15 miles of any Kiosk operated in a rural area (as defined below) by Franchisor or by any franchisee, licensee or Affiliate of Franchisor;
- iv) In this Agreement, a “major city” means any of the top 25 cities in the U.S. measured by population; a “metropolitan city” means any city other than a major city where the population density is greater than 1,000 people per square mile; and a “rural area” means an area with a population density of 1,000 people per square mile or less. Population figures based upon the then most current U.S. Census Bureau statistics at the time of expiration or termination of this Agreement will be used in the application of this term, and Franchisor will provide Franchisee a list of then current Kiosk locations upon request.

Franchisee agrees that it is Franchisee’s obligation under this Agreement to ensure that each of the persons/entities named in Sections 17.B, D and E complies with the limitations described in those Sections. Franchisor shall use reasonable judgment in evaluating whether or not the conduct of a Family Member warrants the exercise of rights under this provision. The restrictions of Section 17.D and E do not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than three percent (3%) of the number of shares of that class issued by a Similar Business and outstanding.

2. To the extent that the provisions of the Franchise Agreement regarding transfer, termination and renewal and any other terms of the Franchise Agreement are inconsistent with the California Franchise Relations Act (CA. Bus. & Prof. Code §20020, et. seq.), the terms of the statute will control and the applicable term shall be modified only to the extent required to comply with such law. The parties agree that in no event shall a reasonable opportunity to cure to the extent required under such statute be greater than seventy five (75) days.

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

### **Hawaii.**

If Franchisee is a resident of Hawaii or if the Franchise is to be operated in Hawaii, the following provisions apply and shall supersede any provision in this Agreement to the contrary:

1. Nothing in the Franchise Agreement will release Franchisor from any liability imposed by Title 26, Chapter 482E of the Hawaii Revised Statutes.

### **Illinois.**

If Franchisee is a resident of Illinois or if the Franchise is to be operated in Illinois, the following provisions apply and shall supersede any provision in this Agreement to the contrary:

1. Illinois law governs the Franchise Agreement and no law of Illinois may be waived.

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

3. The laws of the state of Illinois will govern the Franchise Agreement and its interpretation.

4. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waiver compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

See the last page for your required signature.

### **Indiana.**

1. Wherever in the Franchise Agreement Franchisee is required to prospectively assent to sign a release in Franchisor's favor, that release will not affect any claims Franchisee may have under the Indiana Deceptive Franchise Practices Law.

### **Kansas.**

If Franchisee is a resident of Kansas or if the Franchise is to be operated in Kansas, and to the extent Kansas law is required to apply, the following provisions of Kansas law (K.S.A. Chapter 16, Article 1, Section 16-121) shall supersede any provision in this Agreement to the contrary:

1. Any litigation, arbitration or other dispute resolution proceeding arising from the franchise agreement shall be conducted in Kansas.

2. In the event of a conflict of laws, the provisions of the laws of the state of Kansas shall apply to and govern every franchise agreement to be performed in Kansas (K.S.A. Chapter 16, Article 1, Section 16-121).

3. A provision in a franchise agreement is not enforceable to the extent it requires the promisor to indemnify the promisee for the promisee's negligence or intentional acts or omissions.

4. A provision in a franchise agreement is not enforceable to the extent it requires a party to provide liability coverage to another party, as an additional insured, for such other party's own negligence or intentional acts or omissions.

### **Maryland.**

If Franchisee is a resident of Maryland or if the Franchise is to be operated in Maryland, the following provisions shall apply and shall supersede any provision in this Agreement to the contrary:

1. Any general release required in connection with the renewal, sale, and/or assignment/transfer of a franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. A franchisee may litigate in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Any requirement that a prospective franchisee must assent to a release, estoppel or waiver of liability in order to purchase a franchise, shall not act as a release, estoppel or waiver of liability under the Maryland Franchise Registration and Disclosure Law.

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

5. Section 42 and Schedule C of the Franchise Agreement (Franchisee Disclosure Acknowledgment Statement) are amended to include the following sentence:

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

### **Minnesota.**

If Franchisee is a resident of Minnesota or if the Franchise is to be operated in Minnesota, the following provisions shall apply and supersede any provision in this Agreement to the contrary:

1. Franchisor will comply with Minnesota law which provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4, and 5 require, except in certain specified cases, that the franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

2. The provisions of the Franchise Agreement shall not relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Minnesota.

3. The provisions of Section 33.B of the Franchise Agreement is amended as follows:

“Minn. Statutes §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, jury trial or remedies provided for by the laws of the jurisdiction.”

4. The following language is added to Section 6.I of the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the trade name infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the trade name in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense,

Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

5. 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 with the franchise.

### **North Dakota.**

If Franchisee is a resident of North Dakota or if the Franchise is to be operated in North Dakota, the following provisions shall apply and supersede any provision in this Agreement to the contrary:

1. The requirement in the Franchise Agreement that you sign a general release of all claims against Franchisor as a condition of the renewal of the franchise may not be enforceable under North Dakota Century Code Section 51-19-09.

2. The covenants not to compete set forth in Section 17 of the Franchise Agreement may not be enforceable in North Dakota.

3. To the extent required by a valid enforceable statute, the venue of any arbitration or legal action will be in North Dakota.

4. To the extent required by a valid enforceable statute, the Franchise Agreement will be governed by North Dakota law.

5. To the extent required by a valid enforceable statute, the waivers set forth in Section 34.G of the Franchise Agreement may not be enforceable.

### **Rhode Island.**

If Franchisee is a resident of Rhode Island or if the Franchise is to be operated in Rhode Island, the following provisions shall apply and supersede any provision in this Agreement to the contrary:

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.”

2. Section 19-28.1-14 of the Rhode Island Franchise Investment Act supersedes Section 33.A of the Franchise Agreement or any other agreement.

### **South Dakota.**

1. The South Dakota Securities Regulation Office has required as a condition to our franchise registration that we satisfy a financial assurance condition, which we have done by posting a surety bond on file with the Office.

### **Virginia.**

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

### **Washington.**

If Franchisee is a resident of Washington or if the Franchise is to be operated in Washington, the following provisions shall apply and supersede any provision in this Agreement to the contrary:

1. RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your license. There may also be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.

2. 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 addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

4. A release or waiver of rights executed by the franchisee shall 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. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

6. RCW 19.100.010(7), (12) and Franchise Act Policy Statement 6, may require Franchisees who receive financial incentives to refer franchise prospects to the Franchisor to register as franchise brokers in Washington.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The Washington Department of Financial Institutions has required as a condition to our franchise registration that we satisfy a financial assurance condition, which we have done by posting a surety bond on file with the Department.

The undersigned does hereby acknowledge receipt of this Washington addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

---

FRANCHISOR

FRANCHISEE

**Wisconsin.**

If Franchisee is a resident of Wisconsin or if the Franchise is to be operated in Wisconsin, the following provisions shall apply and supersede any provision in this Agreement to the contrary:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of the Franchise Agreement.

The conditions under which this Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes, 1981.

*(Signatures on following page)*

IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this Agreement to be effective on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS  
AND UNTIL SIGNED BY FRANCHISOR

FRANCHISOR:

Fujisan Franchising Corp.  
a California corporation

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

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

FRANCHISEE (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation Corporation, LLC or Partnership

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

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



## **SCHEDULE A TO THE FRANCHISE AGREEMENT**

### **FEE SCHEDULE, NOTICE ADDRESSES, FRANCHISEE OWNERS AND OFFICERS**

#### **FEE SCHEDULE**

##### **1. Initial Franchise Fee**

The Initial Franchise Fee for each Traditional Kiosk location is Three Thousand Seven Hundred Fifty Dollars (\$3,750), unless prorated, if, at Franchisor's option, a term of less than 3 years is granted (Franchise Agreement, Section 2).

The Initial Franchise Fee for each Satellite Kiosk location is Five Hundred Dollars (\$500), unless prorated, if, at Franchisor's option, a term of less than 3 years is granted (Franchise Agreement, Section 2).

The Initial Franchise Fee for each Reduced Operating Hours Kiosk is One Thousand Dollars (\$1,000), unless prorated, if, at Franchisor's option, a term of less than 3 years is granted (Franchise Agreement, Section 2).

The applicable Initial Franchise Fee is payable as provided in the Franchise Agreement.

##### **2. Certification Program Fee**

Franchisee's Designated Owner must attend and complete Franchisor's Initial Certification Program which includes a 2-Day Online Certification Program, 5-Day Owner Certification Program for up to 2 of your Designated Owners and a 3-Day Kiosk Certification Program for up to 2 participants. Under our Certification Program Franchisee pays a non-refundable Certification Fee of Six Thousand Dollars (\$6,000) upon signing this Agreement, for up to 2 participants attending at the same time and having a single instructor. (Franchise Agreement, Section 5.A). A single instructor will work with up to 2 attendees. If more than 2 attendees participate, one or more additional instructors will be required and an additional fee of Six Thousand Dollars (\$6,000) will be assessed per additional instructor. For example, a total of 3-5 attendees require 2 instructors and a combined payment of Twelve Thousand Dollars (\$12,000). Certification will be conducted online, at our North Carolina training facility, our California training facility, your Kiosk, a location designated by us, and/or at some combination of the foregoing, depending on course and space availability, timing before opening, travel restrictions and other factors. Franchisee is solely responsible for all travel, meals, lodging, compensation or other incidental expenses incurred during any Certification program attended by Franchisee and Franchisee's personnel. Franchisor may reduce the duration of any certification program, as Franchisor deems warranted, such as when the attendee has prior pertinent experience. If the Kiosk Certification program is reduced by Franchisor to less than 3-days in duration, Franchisor may charge a certification fee of \$750 per day for the Kiosk Certification Program plus a \$3,750 certification fee for the Owner Certification Program.

A transferee acquiring this Agreement or Franchisee's Franchised Business from Franchisee will pay Franchisor the then-current Certification Program fee, as provided in Section 20.D of the Franchise Agreement.

**3. Consultation Services Fee**

The on-site Consultation Services Fee is Seven Hundred Fifty Dollars (\$750)/day (8 hours or any portion thereof). (Franchise Agreement, Section 5.H)

**4. Missed Session Fee**

A fee of up to Two Hundred Fifty Dollars (\$250) per person, per session day can be assessed by Franchisor for any unexcused failure to attend a scheduled mandatory session, including any initial, additional, or on-site required session. The Two Hundred Fifty Dollars limit (\$250) amount is subject to inflation adjustment by Franchisor, and is intended to compensate Franchisor for costs incurred in rescheduling staff and other delay-related expenses. (Franchise Agreement, Section 5.H)

**5. Marketing Fund Fee**

As of the Effective Date, once the Marketing Fund is implemented, a Marketing Fund Fee is due and payable twice monthly by Franchisee to Franchisor or its designee, at a rate of one percent (1%) of Franchisee's Gross and/or Wholesale Revenue (as applicable), in the immediately preceding payment period. (Franchise Agreement, Section 11. C.) Franchisor hereby expressly reserves the right to increase the Marketing Fund Fee up to a maximum of three percent (3%) of Franchisee's Gross and/or Wholesale Revenues and/or change to a different payment period (e.g., weekly, etc.), on thirty (30) days' written notice to Franchisee. The Marketing Fund Fee will be deducted by Franchisor on or before the time of Reconciliation.

**6. Manual Loan Deposit**

The Manual Loan Deposit is Three Hundred Dollars (\$300) per Operations Manual and is refundable on return of the loaned Operations Manual, as provided in the Agreement. (Franchise Agreement, Section 9.A)

**7. Technology Fee**

As of the Effective Date, the Technology Fee is Fifty One Dollars (\$51) per calendar month and is payable as provided in the Franchise Agreement (Section 12.D). The fee can be changed on thirty (30) days advance written notice.

**8. Food Protection Manager Exam and Certification Fee**

Franchisor does not offer franchisees a food protection manager certification program as of the Effective Date of this Agreement, but may elect to do so in the future. If such a program is provided by Franchisor or an Affiliate, any Food Protection Manager Exam and Certification Fee is payable as provided in the Franchise Agreement and is subject to change by Franchisor. (Franchise Agreement, Section 12.I)

**9. Standards Administration Fee**

The Standards Administration Fee is Five Hundred Dollars (\$500) per default/complaint administered and is payable as provided in the Franchise Agreement (Section 12.J).

**10. Lab Testing Fee**

The Lab Testing Fee is payable as provided in the Franchise Agreement (Section 12.K), is up to Five Hundred Dollars (\$500) for each item tested as of the Effective Date and is subject to change by Franchisor.

**11. New Product/Supplier Evaluation Fee**

The New Product/Supplier Evaluation Fee is payable as provided in the Franchise Agreement (Section 14.F), is Five Hundred Dollars (\$500) for each evaluation as of the Effective Date and is subject to change by the Franchisor.

**12. Testing/Investigation Fee**

Franchisor does not offer franchisees any drug testing services as of the Effective Date of this Agreement, but may elect to do so in the future. The Testing/Investigation Fee is currently assessed for background investigation purposes only and is payable as provided in the Franchise Agreement (Section 14.M). The Testing/Investigation Fee is up to Three Hundred Dollars (\$300) as of the Effective Date and is subject to change by Franchisor, as published in the Manual or through other written instructions by Franchisor. Franchisor reserves the right to introduce and/or require Franchisee to undergo other checks or physical testing requirements to the extent permitted by law. Franchisee will comply with such any such requirements and is responsible for related fees, costs and expenses.

**13. Freight Charge**

A Freight Charge is due and payable as provided in the Franchise Agreement (Section 12.L) and is in the range of Three Hundred Dollars (\$300) to Seven Hundred Dollars (\$700) per pallet as of the Effective Date. The Freight Charge will be deducted by Franchisor at the time of Reconciliation and the amount and timing is subject to change by the Franchisor based on various economic factors, including, without limitation, distribution constraints and/or market disruption.

**14. Cancellation Fee**

The Cancellation Fee is payable as provided in the Franchise Agreement (Section 18.A) and is Three Thousand Seven Hundred Fifty Dollars (\$3,750) per Kiosk.

**15. Transfer Fee**

The Transfer Fee is payable to Franchisor prior to completion of an applicable Transfer, as provided in the Franchise Agreement (Section 20.D), and is One Thousand Five Hundred Dollars (\$1,500) per Kiosk.

**16. Renewal Fee**

The Renewal Fee is payable to Franchisor as a condition to an additional Franchise term, as provided in the Franchise Agreement (Section 3.B), and is Three Thousand Seven Hundred Fifty Dollars (\$3,750) for a Traditional Kiosk Location, Five Hundred Dollars (\$500) for a Satellite Kiosk Location, and One Thousand Dollars (\$1,000) for a Reduced Operating Hours Kiosk Location unless prorated, if, at Franchisor's option, a renewal term of less than 3 years is granted.

## **ADDRESSES FOR NOTICES**

### **Notices to Franchisor:**

Fujisan Franchising Corp.  
14420 Bloomfield Ave.  
Santa Fe Springs, California 90670

Attn: Chief Executive Officer  
EMAIL: \_\_\_\_\_

### **Notices to Franchisee: (no PO boxes)**

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

EMAIL: \_\_\_\_\_

**FRANCHISEE OWNERS;  
OFFICERS; DIRECTORS; DESIGNATED OWNER**

**Franchisee:** \_\_\_\_\_

**Designated Owner:**

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

Position/Title: \_\_\_\_\_

**All Franchisee Owners (Holders of Legal or Beneficial Interest in Franchisee Company):**

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

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

Position/Title: \_\_\_\_\_

Position/Title: \_\_\_\_\_

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

E-mail address: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Percentage of ownership: \_\_\_\_\_%

Percentage of ownership \_\_\_\_\_%

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

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

Position/Title: \_\_\_\_\_

Position/Title: \_\_\_\_\_

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

E-mail address: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Percentage of ownership: \_\_\_\_\_%

Percentage of ownership \_\_\_\_\_%

**Officers, Directors and Kiosk Managers:**

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

Position/Title: \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

E-mail address: \_\_\_\_\_

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

Position/Title: \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

E-mail address: \_\_\_\_\_

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

Position/Title: \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

E-mail address: \_\_\_\_\_

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

Position/Title: \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**SCHEDULE B TO THE FRANCHISE AGREEMENT  
GUARANTEE AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTEE AND ASSUMPTION OF OBLIGATIONS (the “Guarantee”) is given this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_ (each a “Guarantor”).

In consideration of, and as an inducement to, the execution of the Franchise Agreement or transfer/assignment agreement dated concurrently with this Guarantee by Fujisan Franchising Corp. (the “Franchisor”), each of the undersigned Guarantors hereby personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that: (Franchisee Name) \_\_\_\_\_ (the “Franchisee”) shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement; and (2) shall personally be bound by, and personally liable for the breach of each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the provisions of Section 17. Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he/she/it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he/she/it may be entitled.

Each of the undersigned consents and agrees that: (1) his/her/its direct and immediate liability under this Guarantee shall be joint and several; (2) he/she/it shall render any payment or performance required under the Franchise Agreement on demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned on pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Franchise Agreement and for so long as any performance is or might be owed under the Franchise Agreement by Franchisee/Franchisee’s owners, and for so long as Franchisor has any cause of action against Franchisee or Franchisee’s owner(s). If any provision of this Guarantee is deemed to be unenforceable for any reason, it shall be modified or restricted, or severed, so as to comply with applicable law and shall be otherwise enforced according to its terms.

IN WITNESS WHEREOF, each of the undersigned has here unto affixed his or her signature on the day and year noted above.

GUARANTOR(S)

PERCENTAGE OF OWNERSHIP  
OF ENTITY FRANCHISEE

\_\_\_\_\_  
Signature \_\_\_\_\_ %

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

\_\_\_\_\_  
Signature \_\_\_\_\_ %

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

\_\_\_\_\_  
Signature \_\_\_\_\_ %

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

ENTITY FRANCHISEE (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Entity

a \_\_\_\_\_  
Jurisdiction of Formation Corporation, LLC or Partnership

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

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

\_\_\_\_\_  
Title



Do not sign this Acknowledgment Statement if you are a resident of Maryland or the business is to be operated in Maryland

**SCHEDULE C TO THE FRANCHISE AGREEMENT  
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT**

As you know, Fujisan Franchising Corp. (the “Franchisor”) and you are preparing to enter into a franchise agreement (the “Franchise Agreement”) for the establishment and operation of a Fujisan Kiosk Business (the “Franchised Business”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks.

If you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

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4. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

5. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, what is the date on the receipt? \_\_\_\_\_

6. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

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7. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

7.a. If Yes, please complete the following for each professional advisor:

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

Capacity/role: \_\_\_\_\_

Firm/Company: \_\_\_\_\_

Contact Info: \_\_\_\_\_

7.b. If No, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with a non-professional advisor, like a translator?

Yes \_\_\_\_\_ No \_\_\_\_\_

8.a. If Yes, please complete the following for each such advisor:

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

Capacity/role: \_\_\_\_\_

Firm/Company: \_\_\_\_\_

Contact Info: \_\_\_\_\_

8.b. If No, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes \_\_\_\_\_ No \_\_\_\_\_

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning advertising, marketing, the certification program, support services or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or Franchise Agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today?

Yes \_\_\_\_\_ No \_\_\_\_\_

17. Have you paid any money to the Franchisor concerning the purchase of this franchise before today?

Yes \_\_\_\_\_ No \_\_\_\_\_

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? \_\_\_\_\_

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

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I signed the Franchise Agreement and Addendum (if any) on \_\_\_\_\_, 20\_\_\_\_, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

19. Have you reviewed the current purchase price of all products and services which you currently are required to offer and sell in your Franchised Business and which must be purchased from us or one of our Affiliates (all prices are subject to changes)?

Yes \_\_\_\_\_ No \_\_\_\_\_

20. Do you understand that you should anticipate that your System and business model will continue to change and evolve?

Yes \_\_\_\_\_ No \_\_\_\_\_

21. Have you thoroughly investigated and fully understand the licensing and certification requirements and all other requirements under local or state law that you must meet to engage in the Franchised Business in your state?

Yes \_\_\_\_\_ No \_\_\_\_\_

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the

Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None."

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Acknowledged this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP

\_\_\_\_\_  
Print Name of Legal Entity

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

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

Title \_\_\_\_\_

**SCHEDULE D TO THE FRANCHISE AGREEMENT**  
**CURRENT FORM OF**  
**RELEASING LANGUAGE**

**(SUBJECT TO CHANGE BY FRANCHISOR AND NOT TO BE SIGNED WITH FRANCHISE AGREEMENT)**

Release - General Provisions. The Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor-Related Persons/Entities (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, **known or unknown**, fixed or contingent, past or present, that the Franchisee(s) (or any of them) now has or may hereafter have against any or all of the Franchisor-Related Persons/Entities by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor-Related Persons/Entities are hereby forever canceled and forgiven, (except that if this general release is required as a condition to granting a franchise agreement, the release shall be deemed to exclude Claims arising from representations in the particular franchise disclosure document related to the grant of such franchise agreement and Claims for related violations of any federal or state franchise and disclosure laws, to the extent such a release is precluded by any such applicable law).

THE FRANCHISEE(S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS/HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM/HER MUST HAVE MATERIALLY AFFECTED HIS/HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

THE FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED UNIT, except for those Claims expressly excluded above.

The Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee(s), and it is the Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Franchisee(s), in the Franchisee(s) independent judgment, believe necessary or appropriate. The Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor-Related Persons/Entities or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Franchisee(s) Initials: \_\_\_\_\_N/A\_\_\_\_\_

No Assignment or Transfer of Interest. The Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee(s) may have against any or all of the Franchisor-Related Persons/Entities, all Claims having been fully and finally extinguished, and the Franchisee(s) agree to forever indemnify and hold the Franchisor-Related Persons/Entities harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor-Related Persons/Entities as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons/Entities as a condition precedent to recovery against the Franchisee(s) under this indemnity.

Franchisee(s) Initials: \_\_\_\_\_N/A\_\_\_\_\_

Attorneys' Fees. If the Franchisee(s), or anyone acting for, or on behalf of, the Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor-Related Persons/Entities any of the Claims released hereunder, the Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor-Related Persons/Entities in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Persons/Entities incurring such costs.

"Franchisor-Related Persons/Entities." Fujisan Franchising Corp., Fuji Food Products, Inc., any other Franchisor Affiliates, and each of their respective Affiliates, predecessors, successors and assigns, and the shareholders, officers, directors, members, partners, agents, employees, attorneys, heirs, executors and representatives of each of the foregoing, whether past, current or future.

Franchisee(s) Initials: \_\_\_\_\_N/A\_\_\_\_\_

Date of Releases, Joint and Several Liability. The releases granted hereunder will be deemed effective as of the date hereof. The liabilities and obligations of each of the Franchisee(s) (and any other person/entity providing releases to the Franchisor-Related Persons/Entities) will be joint and several.

Franchisee(s) Initials: \_\_\_\_\_N/A\_\_\_\_\_

If the Franchisee is a legal entity, this document shall also be signed by, and apply to, each Owner of any direct or indirect legal or beneficial interest in the Franchisee, and the terms "Franchisee(s)" shall include each and all of such Owners.

## SCHEDULE E-1 TO THE FRANCHISE AGREEMENT

### TRADITIONAL KIOSK ADDENDUM

**Location Addendum No.** \_\_\_\_\_

This is a Traditional Kiosk Addendum (the “Addendum”) to the Fujisan Franchising Corp. Franchise Agreement between Fujisan Franchising Corp. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) dated \_\_\_\_\_ (the “Franchise Agreement”). The effective date of this Addendum is \_\_\_\_\_ (the “Effective Date”).

#### RECITALS

Franchisor awarded Franchisee under the Franchise Agreement a license to conduct a Fujisan Franchise Business. By signing this Addendum, Franchisee and Franchisor identify a location to be operated by Franchisee as a Fujisan kiosk under the terms of the Franchise Agreement and this Addendum. For good and valuable consideration the receipt and sufficiency of which are acknowledged by the parties, Franchisee and Franchisor agree as follows.

#### AGREEMENT

The Franchise Agreement is hereby amended to include the following additional terms, which are made part of the Franchise Agreement as though originally expressed therein:

A. Grant: Franchisor grants Franchisee the right to establish and operate a Traditional Fujisan Kiosk (the “Kiosk”) in compliance with this Addendum, the Franchise Agreement and the Operations Manuals at the following location:

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

(the “Premises”).

B. Term. The term of the Addendum starts on the Effective Date and shall expire or terminate with the Franchise Agreement, unless it is terminated sooner according to the terms of the Franchise Agreement or this Addendum. Franchisee shall start operating the Kiosk not later than \_\_\_\_\_, 20\_\_\_\_, unless Franchisor consents in writing to extend the date.

C. Payments to Franchisee. (Check Applicable Options C (1) OR C (2)):

\_\_\_\_\_ (1). Payment Terms For Direct Locations Established Without Third-Party Contract: Subject to Sections 12.A and B of the Franchise Agreement, Franchisor shall pay to Franchisee \_\_\_\_\_ % of the Kiosk Gross Revenues (as defined in the Franchise Agreement), as reported by and received from the Premises Host, less any deductions for amounts owed by Franchisee. Franchisor shall pay the amounts due to Franchisee within 30 days after receiving the sales report and payment for the applicable period from the Premises Host; OR



\_\_\_\_ (2). Payment Terms for Locations Established via Third-Party Contract: Subject to Sections 12.A and B of the Franchise Agreement, Franchisor shall pay to Franchisee \_\_\_\_% of the Wholesale Gross Revenues (as defined in the Franchise Agreement and restated in Section E (2) below), as reported by and received from the Premises Host, less any deductions for amounts owed by Franchisee. Franchisor shall pay the amounts due to Franchisee within 30 days after receiving the sales report and payment for the applicable period from the Premises Host.

D. Traditional Kiosk Operating Requirements. Franchisee shall operate the Kiosk on a full-time basis each day that the Premises opens for business. Subject to the regular operating hours of that location, the Kiosk shall be open no later than 7:00 a.m. or such other earlier time as is needed to ensure that a sufficient amount of food is prepared and made available to customers for purchase by 11:00 a.m. each day, or as otherwise required by the Premises Host. Furthermore, Franchisee shall ensure a sufficient amount of food is provided throughout each day by restocking as necessary and as provided in the Operations Manual or as otherwise required by Franchisor and/or the Premises Host. The Kiosk shall be staffed to accommodate the needs and requests of the Premises Host and Franchisor's policies and procedures relating to product sampling, as provided in the Manuals or other written instruction from Franchisor. Franchisee agrees to comply with any revisions to these operating requirements made by Franchisor to accommodate the needs and requests of the Premises Host.

E. Particular Location Requirements. (Check Applicable Option E (1) or E (2))

\_\_\_\_ (1) Direct Locations Established Without Third-Party Contract.: OR

\_\_\_\_ (2) Locations Established via Third-Party Contract. Wholesale Gross Revenues are amounts received from Products and Services prepared and provided by Franchisee, at established Wholesale Prices, to the Premises Host and sold at retail. Wholesale Prices for the Location are negotiated and established pursuant to the applicable Third-Party Contract, subject to change from time to time. Changes to Wholesale Prices and other factors may impact the Wholesale Gross Revenues. Franchisor will make commercially reasonable efforts to provide Franchisee with prior notice of changes that might impact amounts paid to Franchisee.

Note any additional location requirements here:

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F. Initial Inventory. As provided in Section 12.H of the Franchise Agreement, if Franchisor outfits the Kiosk with equipment, opening inventory, and other supplies, Franchisee shall pay the related costs on receipt of invoice.

G. Termination and Franchisee Duties. Whenever Franchisor has the right to terminate this Addendum and/or the Franchise Agreement on the grounds provided in Section 18 of the Franchise Agreement, Franchisor has the option of terminating this Addendum by itself or with one or more other Addenda, or of terminating the Franchise Agreement in its entirety, including this Addendum. The termination of this Addendum does not by itself act to terminate the Franchise Agreement. If this Addendum is terminated, Franchisee must comply with all of Franchisee's duties on termination with respect to the Kiosk, as provided in Section 19 of the Franchise Agreement, and including the possible sale of Kiosk assets and food inventory to Franchisor under Section 19. viii.

H. Guaranty. Each individual undersigned below as “Guarantor” hereby ratifies and affirms the terms of any personal guaranty provided in connection with the Franchise Agreement, acknowledges the same as continuing in full force and effect and unconditionally, and absolutely and irrevocably guaranties and promises to pay and perform any and all indebtedness and obligations of Franchisee to Franchisor under this Addendum and the Franchise Agreement (including all addenda and exhibits). If more than one person signs below as Guarantor, the obligation of the undersigned shall be joint and several.

I. Franchisee Acknowledgments and Representations. Franchisee acknowledges and agrees that Franchisee, the Kiosk and the Kiosk operations must at all times meet the terms, conditions and requirements of, and are subject to all of the terms of, the Franchise Agreement, this Addendum, the mandatory requirements of the Operations Manuals, the requirements of the Premises Host, and applicable laws and regulations. Franchisee represents and warrants that neither Franchisor nor any person or entity representing Franchisor has made any statement or promise to Franchisee about any success, profit, or any level of sales or revenues at the Kiosk or made any projections as to the Kiosk’s performance or what Franchisee might earn which is not expressly set forth in the Franchise Agreement, including this Schedule, or contained in the Franchise Disclosure Document. Nothing in this or any related agreement or schedule is intended to disclaim the representations Franchisor made in any Franchise Disclosure Document furnished Franchisee. Franchisee further represents that Franchisee has independently investigated and evaluated the Premises, had ample opportunity to consult with professional advisors and business consultants about the Kiosk and this Addendum and has voluntarily chosen to enter into this Addendum.

Franchisee warrants and represents that the following individuals own 100% of all interests in Franchisee’s Fujisan Franchise, the Kiosk and the Franchised Business:

_____	Ownership Percentage
_____	_____ %
Print Name:	

_____	Ownership Percentage
_____	_____ %
Print Name:	

_____	Ownership Percentage
_____	_____ %
Print Name:	

J. Meaning of Terms. Defined terms not defined in this Addendum shall have the meaning provided in the Franchise Agreement.

K. Effect of Addendum. Except as expressly amended by this Addendum, the terms of the Franchise Agreement remain in full force and effect. In the event of any conflict with, or inconsistency between, the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

L. Entire Understanding. This Addendum and the Franchise Agreement (and all exhibits and other addenda to the Franchise Agreement) comprise the entire agreement between Franchisee and Franchisor with respect to the Kiosk location and operation. All contemporaneous and prior discussions,

negotiations and representations concerning this Kiosk are superseded by this Addendum and the Franchise Agreement (including all addenda and exhibits).

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

The parties, intending to be legally bound, have executed this Agreement to be effective on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE  
UNLESS AND UNTIL SIGNED BY FRANCHISOR

FRANCHISOR:

Fujisan Franchising Corp.  
a California corporation

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

FRANCHISEE (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation Corporation, LLC or Partnership

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

**GUARANTOR(S):**

(1) \_\_\_\_\_

**Signature**

(1) \_\_\_\_\_

PLEASE PRINT NAME

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(2) \_\_\_\_\_

**Signature**

(2) \_\_\_\_\_

PLEASE PRINT NAME

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(3) \_\_\_\_\_

**Signature**

(3) \_\_\_\_\_

PLEASE PRINT NAME

## SCHEDULE E-2 TO THE FRANCHISE AGREEMENT

### SATELLITE KIOSK ADDENDUM

**Location Addendum No.** \_\_\_\_\_

This is a Satellite Kiosk Addendum (the “Addendum”) to the Fujisan Franchising Corp. Franchise Agreement between Fujisan Franchising Corp. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) dated \_\_\_\_\_ (the “Franchise Agreement”). The effective date of this Addendum is \_\_\_\_\_ (the “Effective Date”).

#### RECITALS

Franchisor awarded Franchisee under the Franchise Agreement a license to conduct a Fujisan Franchise Business. By signing this Addendum, Franchisee and Franchisor identify a location to be operated by Franchisee as a Fujisan kiosk under the terms of the Franchise Agreement and this Addendum. For good and valuable consideration the receipt and sufficiency of which are acknowledged by the parties, Franchisee and Franchisor agree as follows.

#### AGREEMENT

The Franchise Agreement is hereby amended to include the following additional terms, which are made part of the Franchise Agreement as though originally expressed therein:

A. Grant: Franchisor grants Franchisee the right to establish and operate a Satellite Fujisan Kiosk (the “Kiosk”) in compliance with this Addendum, the Franchise Agreement and the Operations Manuals at the following location:

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

(the “Premises”).

Food items to be available for purchase at the Premises shall be prepared by Franchisee only at the following location:

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

(the “Preparation Facility”)

B. Term. The term of the Addendum starts on the Effective Date and shall expire or terminate with the Franchise Agreement, unless it is terminated sooner according to the terms of the Franchise Agreement or this Addendum. Franchisee shall start operating the Kiosk not later than \_\_\_\_\_, 20\_\_\_\_, unless Franchisor consents in writing to extend the date.

C. Payments to Franchisee. (Check Applicable Options C (1) OR C (2):

\_\_\_\_\_ (1). Payment Terms For Direct Locations Established Without Third-Party Contract: Subject to Sections 12.A and B of the Franchise Agreement, Franchisor shall pay to Franchisee \_\_\_\_\_% of the Kiosk Gross Revenues (as defined in the Franchise Agreement), as reported by and received from the Premises Host, less any deductions for amounts owed by Franchisee. Franchisor shall pay the amounts due to Franchisee within 30 days after receiving the sales report and payment for the applicable period from the Premises Host; OR

\_\_\_\_\_ (2). Payment Terms for Locations Established via Third-Party Contract: Subject to Sections 12.A and B of the Franchise Agreement, Franchisor shall pay to Franchisee \_\_\_\_\_% of the Wholesale Gross Revenues (as defined in the Franchise Agreement and restated in Section E (2) below), as reported by and received from the Premises Host, less any deductions for amounts owed by Franchisee. Franchisor shall pay the amounts due to Franchisee within 30 days after receiving the sales report and payment for the applicable period from the Premises Host.

D. Satellite Kiosk Operating Requirements. Franchise shall deliver food items from the Preparation Facility to the Premises and ensure the Kiosk is sufficiently stocked with Products available to customers for purchase by 11:00 a.m., or as otherwise required by Premises Host, each day, subject to the regular operating hours or any closure of the Premises Host. Furthermore, Franchisee shall ensure a sufficient amount of food is provided throughout each day by restocking as necessary and as provided in the Operations Manual or as otherwise required by Franchisor and/or the Premises Host. Franchisee agrees to comply with any revisions to these operating requirements made by Franchisor to accommodate the needs and requests of the Premises Host.

E. Particular Location Requirements. (Check Applicable Option E (1) or E (2)

\_\_\_\_\_ (1) Direct Locations Established Without Third-Party Contract; OR

\_\_\_\_\_ (2) Locations Established via Third-Party Contract. Wholesale Gross Revenues are amounts received from Products and Services prepared and provided by Franchisee, at established Wholesale Prices, to the Premises Host and sold at retail. Wholesale Prices for the Location are negotiated and established pursuant to the applicable Third-Party Contract, subject to change from time to time. Changes to Wholesale Prices and other factors may impact the Wholesale Gross Revenues. Franchisor will make commercially reasonable efforts to provide Franchisee with prior notice of changes that might impact amounts paid to Franchisee.

Note any additional location requirements here:

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F. Initial Inventory. As provided in Section 12.H of the Franchise Agreement, if Franchisor outfits the Kiosk with equipment, opening inventory, and other supplies, Franchisee shall pay the related costs on receipt of invoice.

G. Termination and Franchisee Duties. Whenever Franchisor has the right to terminate this Addendum and/or the Franchise Agreement on the grounds provided in Section 18 of the Franchise Agreement, Franchisor has the option of terminating this Addendum by itself or with one or more other

Addenda, or of terminating the Franchise Agreement in its entirety, including this Addendum. The termination of this Addendum does not by itself act to terminate the Franchise Agreement. If this Addendum is terminated, Franchisee must comply with all of Franchisee's duties on termination with respect to the Kiosk, as provided in Section 19 of the Franchise Agreement, and including the possible sale of Kiosk assets and food inventory to Franchisor under Section 19.viii.

H. Guaranty. Each individual undersigned below as "Guarantor" hereby ratifies and affirms the terms of any personal guaranty provided in connection with the Franchise Agreement, acknowledges the same as continuing in full force and effect and unconditionally, and absolutely and irrevocably guaranties and promises to pay and perform any and all indebtedness and obligations of Franchisee to Franchisor under this Addendum and the Franchise Agreement (including all addenda and exhibits). If more than one person signs below as Guarantor, the obligation of the undersigned shall be joint and several.

I. Franchisee Acknowledgments and Representations. Franchisee acknowledges and agrees that Franchisee, the Kiosk and the Kiosk operations must at all times meet the terms, conditions and requirements of, and are subject to all of the terms of, the Franchise Agreement, this Addendum, the mandatory requirements of the Operations Manuals, the requirements of the Premises Host, and applicable laws and regulations. Franchisee represents and warrants that neither Franchisor nor any person or entity representing Franchisor has made any statement or promise to Franchisee about any success, profit, or any level of sales or revenues at the Kiosk or made any projections as to the Kiosk's performance or what Franchisee might earn which is not expressly set forth in the Franchise Agreement, including this Schedule, or contained in the Franchise Disclosure Document. Nothing in this or any related agreement or schedule is intended to disclaim the representations Franchisor made in any Franchise Disclosure Document furnished Franchisee. Franchisee further represents that Franchisee has independently investigated and evaluated the Premises, had ample opportunity to consult with professional advisors and business consultants about the Kiosk and this Addendum and has voluntarily chosen to enter into this Addendum.

Franchisee warrants and represents that the following individuals own 100% of all interests in Franchisee's Fujisan Franchise, the Kiosk and the Franchised Business:

	Ownership Percentage
_____	_____ %
Print Name:	

	Ownership Percentage
_____	_____ %
Print Name:	

	Ownership Percentage
_____	_____ %
Print Name:	

J. Meaning of Terms. Defined terms not defined in this Addendum shall have the meaning provided in the Franchise Agreement.

K. Effect of Addendum. Except as expressly amended by this Addendum, the terms of the Franchise Agreement remain in full force and effect. In the event of any conflict with, or inconsistency

between, the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

L. Entire Understanding. This Addendum and the Franchise Agreement (and all exhibits and other addenda to the Franchise Agreement) comprise the entire agreement between Franchisee and Franchisor with respect to the Kiosk location and operation. All contemporaneous and prior discussions, negotiations and representations concerning this Kiosk are superseded by this Addendum and the Franchise Agreement (including all addenda and exhibits).

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

The parties, intending to be legally bound, have executed this Agreement to be effective on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS  
AND UNTIL SIGNED BY FRANCHISOR

FRANCHISOR:

Fujisan Franchising Corp.  
a California corporation

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

FRANCHISEE (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation Corporation, LLC or Partnership

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_



**GUARANTOR(S):**

(1) \_\_\_\_\_

**Signature**

(1) \_\_\_\_\_

PLEASE PRINT NAME

\*\*\*\*\*

(2) \_\_\_\_\_

**Signature**

(2) \_\_\_\_\_

PLEASE PRINT NAME

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(3) \_\_\_\_\_

**Signature**

(3) \_\_\_\_\_

PLEASE PRINT NAME

## **SCHEDULE E-3 TO THE FRANCHISE AGREEMENT**

### **REDUCED OPERATING HOURS KIOSK ADDENDUM**

**Location Addendum No.** \_\_\_\_\_

This is a Reduced Operating Hours Kiosk Addendum (the “Addendum”) to the Fujisan Franchising Corp. Franchise Agreement between Fujisan Franchising Corp. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) dated \_\_\_\_\_, 20\_\_\_\_, (the “Franchise Agreement”). The effective date of this Addendum is \_\_\_\_\_, 20\_\_\_\_, (the “Effective Date”).

#### **RECITALS**

Franchisor awarded Franchisee a license to conduct a Fujisan Franchise Business under the Franchise Agreement. By signing this Addendum, Franchisee and Franchisor identify a location to be operated by Franchisee as a Fujisan kiosk under the terms of the Franchise Agreement and this Addendum. For good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, Franchisee and Franchisor hereby agree as follows.

#### **AGREEMENT**

The Franchise Agreement is hereby amended to include the following additional terms, which are made part of the Franchise Agreement as though originally expressed therein:

A. **Grant**: Franchisor grants Franchisee the right to establish and operate a Reduced Operating Hours Kiosk (the “Kiosk”) in compliance with this Addendum, the Franchise Agreement and the Operations Manuals at the following location:

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

(the “Premises”).

B. **Term**. The term of the Addendum starts on the Effective Date and shall expire or terminate with the Franchise Agreement, unless this Addendum is terminated sooner according to the terms of the Franchise Agreement and/or this Addendum. Franchisee shall start operating the Kiosk not later than \_\_\_\_\_, 20\_\_\_\_, unless Franchisor consents in writing to extend the date.

C. **Payments to Franchisee. (Check Applicable Options C (1) OR C (2):**

\_\_\_\_\_  
(1). Payment Terms For Direct Locations Established Without Third-Party Contract: Subject to Sections 12.A and B of the Franchise Agreement, Franchisor shall pay to Franchisee        % of the Kiosk Gross Revenues (as defined in the Franchise Agreement), as reported by and received from the Premises Host, less any deductions for amounts owed by Franchisee. Franchisor shall pay the amounts due to Franchisee within 30 days after receiving the sales report and payment for the applicable period from the Premises Host; OR

\_\_\_\_ (2). Payment Terms for Locations Established via Third-Party Contract: Subject to Sections 12.A and B of the Franchise Agreement, Franchisor shall pay to Franchisee \_\_\_\_% of the Wholesale Gross Revenues (as defined in the Franchise Agreement and restated in Section E (2) below), as reported by and received from the Premises Host, less any deductions for amounts owed by Franchisee. Franchisor shall pay the amounts due to Franchisee within 30 days after receiving the sales report and payment for the applicable period from the Premises Host.

D. Reduced Operating Hours Requirements. Franchisee shall operate the Kiosk on a part-time basis each day during the year or on a full-time basis each day during a portion of the year and part-time each day during the remainder of that year, but always in compliance with the operating hours and/or days as set by the Premises Host and/or Franchisor. The Kiosk shall operate to ensure that a sufficient amount of food is prepared and made available to customers for purchase by 11:00 a.m. each operating day or portion thereof, or as otherwise required by the Premises Host and/or Franchisor. Furthermore, Franchisee shall ensure a sufficient amount of food is provided throughout each day by restocking as necessary and as provided in the Operations Manual or as otherwise required by Franchisor and/or the Premises Host. The Kiosk shall be staffed to accommodate the needs and requests of the Premises Host and Franchisor's policies and procedures relating to product sampling, as provided in the Manuals or other written instruction from Franchisor. Franchisee agrees to comply with any revisions to these operating requirements made by Franchisor to accommodate the needs and requests of the Premises Host.

E. Particular Location Requirements. (Check Applicable Option E (1) or E (2))

\_\_\_\_ (1) Direct Locations Established Without Third-Party Contract.; OR

\_\_\_\_ (2) Locations Established via Third-Party Contract. Wholesale Gross Revenues are amounts received from Products and Services prepared and provided by Franchisee, at established Wholesale Prices, to the Premises Host and sold at retail. Wholesale Prices for the Location are negotiated and established pursuant to the applicable Third-Party Contract, subject to change from time to time. Changes to Wholesale Prices and other factors may impact the Wholesale Gross Revenues. Franchisor will make commercially reasonable efforts to provide Franchisee with prior notice of changes that might impact amounts paid to Franchisee.

Note any additional location requirements here:

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F. Initial Inventory. As provided in Section 12.H of the Franchise Agreement, if Franchisor outfits the Kiosk with equipment, opening inventory, and other supplies, Franchisee shall pay the related costs on receipt of invoice.

G. Termination and Franchisee Duties. Whenever Franchisor has the right to terminate this Addendum and/or the Franchise Agreement on the grounds provided in Section 18 of the Franchise Agreement, Franchisor has the option of terminating this Addendum by itself or with one or more other Addenda, or of terminating the Franchise Agreement in its entirety, including this Addendum. The termination of this Addendum does not by itself act to terminate the Franchise Agreement. If this Addendum is terminated, Franchisee must comply with all of Franchisee's duties on termination with respect to the Kiosk, as provided in Section 19 of the Franchise Agreement, and including the possible sale of Kiosk assets and food inventory to Franchisor under Section 19. viii.

H. Guaranty. Each individual undersigned below as “Guarantor” hereby ratifies and affirms the terms of any personal guaranty provided in connection with the Franchise Agreement, acknowledges the same as continuing in full force and effect and unconditionally, and absolutely and irrevocably guaranties and promises to pay and perform any and all indebtedness and obligations of Franchisee to Franchisor under this Addendum and the Franchise Agreement (including all addenda and exhibits). If more than one person signs below as Guarantor, the obligation of the undersigned shall be joint and several.

I. Franchisee Acknowledgments and Representations. Franchisee acknowledges and agrees that Franchisee, the Kiosk and the Kiosk operations must at all times meet the terms, conditions and requirements of, and are subject to all of the terms of, the Franchise Agreement, this Addendum, the mandatory requirements of the Operations Manuals, the requirements of the Premises Host, and applicable laws and regulations. Franchisee represents and warrants that neither Franchisor nor any person or entity representing Franchisor has made any statement or promise to Franchisee about any success, profit, or any level of sales or revenues at the Kiosk or made any projections as to the Kiosk’s performance or what Franchisee might earn which is not expressly set forth in the Franchise Agreement, including this Schedule, or contained in the Franchise Disclosure Document. Nothing in this or any related agreement or schedule is intended to disclaim the representations Franchisor made in any Franchise Disclosure Document furnished to Franchisee. Franchisee further represents that Franchisee has independently investigated and evaluated the Premises, had ample opportunity to consult with professional advisors and business consultants about the Kiosk and this Addendum and has voluntarily chosen to enter into this Addendum.

Franchisee warrants and represents that the following individuals own 100% of all interests in Franchisee’s Fujisan Franchise, the Kiosk and the Franchised Business:

	Ownership Percentage
_____	_____ %
Print Name:	

	Ownership Percentage
_____	_____ %
Print Name:	

	Ownership Percentage
_____	_____ %
Print Name:	

J. Meaning of Terms. Defined terms not defined in this Addendum shall have the meaning provided in the Franchise Agreement.

K. Effect of Addendum. Except as expressly amended by this Addendum, the terms of the Franchise Agreement remain in full force and effect. In the event of any conflict with, or inconsistency between, the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

L. Entire Understanding. This Addendum and the Franchise Agreement (and all exhibits and other addenda to the Franchise Agreement) comprise the entire agreement between Franchisee and Franchisor with respect to the Kiosk location and operation. All contemporaneous and prior discussions,

negotiations and representations concerning this Kiosk are superseded by this Addendum and the Franchise Agreement (including all addenda and exhibits).

The parties, intending to be legally bound, have executed this Agreement to be effective on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE  
UNLESS AND UNTIL SIGNED BY FRANCHISOR

FRANCHISOR:

Fujisan Franchising Corp.  
a California corporation

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

FRANCHISEE (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation Corporation, LLC or Partnership

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

**GUARANTOR(S):**

(1) \_\_\_\_\_

**Signature**

(1) \_\_\_\_\_

PLEASE PRINT NAME

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(2) \_\_\_\_\_

**Signature**

(2) \_\_\_\_\_

PLEASE PRINT NAME

\*\*\*\*\*

(3) \_\_\_\_\_

**Signature**

(3) \_\_\_\_\_

PLEASE PRINT NAME

**SCHEDULE F-1 TO THE FRANCHISE AGREEMENT  
OWNER NON-COMPETE, NON-DISCLOSURE AND  
CONFIDENTIALITY AGREEMENT**

**(NOT FOR CALIFORNIA FRANCHISE OWNERS)**

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement for the operation of a Fujisan Kiosk ("Kiosk"), and any revisions, modifications and amendments thereto, (hereinafter collectively the "Franchise Agreement") dated \_\_\_\_\_, 20\_\_\_\_, by and between Fujisan Franchising Corp. (hereinafter "Franchisor") and \_\_\_\_\_ (hereinafter "Franchisee"), the undersigned ("Owner") agrees as follows:

1. In Term Non-Competition Covenants. Owner acknowledges that as a result of Owner's equity position in Franchisee, Owner may receive valuable Confidential Information and other proprietary information of Franchisor's or its affiliates. Owner covenants that, during the term of the Franchise Agreement and subject to the post-termination provisions contained therein and any applicable addendum to the Agreement, Owner will not, either directly or indirectly, for himself/herself or through, on behalf of or in conjunction with any Family Members or other person, persons, partners or entity:

i) have any direct or indirect interest anywhere in any Similar Business, or in any entity granting franchises or licenses or establishing joint ventures for the operation of Similar Businesses; or

ii) provide any financial support or perform any services anywhere as an employee, agent, representative, consultant or in any capacity of any kind for any Similar Business, or for any entity granting franchises or licenses or establishing joint ventures to operate Similar Businesses.

For purposes of this Agreement, i) a "Similar Business" is any business or enterprise that sells sushi (and such product sales represent 15% or more of such business/enterprise's sales) and any enterprise granting franchises or licenses to operate a Similar Business; and ii) "Family Members" include an individual and his/her spouse and/or domestic partner, and their respective mother, father, brother, sister, son, daughter and relatives.

2. Post Term Covenants. Owner covenants that, that for two (2) years after any transfer, repurchase, termination or expiration of the Franchise Agreement, Owner shall be subject to all of the restrictions stated in Section 1, above, with respect to Similar Businesses located, and/or services to be performed, within the following areas, unless Franchisor otherwise consents in writing:

i) 5 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a major city (as defined below);

ii) 10 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a metropolitan area (as defined below);

iii) 15 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a rural area (as defined below);

iv) In this Agreement, a "major city" means any of the top 25 cities in the U.S. measured by population; a "metropolitan city" means any city other than a major city where the population density is greater than 1,000 people per square mile; and a "rural area" means an area with a population density of 1,000 people per square mile or less. Population

figures at the time of expiration or termination will be used in the application of this term, and Franchisor will provide Owner a list of then current Kiosk locations upon request.

- v) The provisions stated in this Paragraph 2 shall be subject to and limited in scope and/or time by applicable state law.

3. Non-Use and Non-disclosure Covenants. Owner agrees to protect as confidential, and not to disclose to any person or entity any Trade Secrets, either directly or indirectly, except as may be required for the fulfillment of Owner's and/or Franchisee's obligations under the Franchise Agreement. For purposes of this Agreement, Trade Secrets includes in any form current and future: Operations Manuals, methods and techniques for food preparation and service, food labeling and ingredient information, vendor data and information, proprietary sauces and product formulas, nutritional analysis, customer information and data, and other methods, formulas, specifications and procedures for developing and operating Kiosks and franchises.

Owner further agrees:

- i. to maintain absolute confidentiality of the Trade Secrets during and after the term of the Franchise Agreement. Owner shall not use any Trade Secrets, Marks or Copyrighted Works in any other business or venture and shall not use the Trade Secrets in any manner not authorized or approved in writing by Franchisor;
- ii. Owner shall not make any unauthorized copy of any Trade Secrets or Copyrighted Works; and
- iii. Owner shall implement reasonable procedures and all procedures prescribed from time to time by Franchisor to prevent unauthorized use and disclosure of the Trade Secrets, Marks or Copyrighted Works. Owner shall divulge the Trade Secrets and Copyrighted Works only to Kiosk personnel who must know them to do their jobs, and shall divulge only those portions that the personnel need to know.

4. No Undue Hardship. Owner acknowledges and agrees that the covenants set forth above are fair and reasonable and will not impose any undue hardship on Owner since Owner has other considerable skills, experience and education which afford him/her the opportunity to derive income from other endeavors.

5. Inapplicability of Restrictions. The restrictions described in paragraphs 1 and 2 do not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than three percent (3%) of the outstanding number of shares of that class issued by a Similar Business.

6. Independence of Covenants. Each of the above covenants shall be deemed independent of any other covenant or provision of this Agreement. If any of the restrictions in this Agreement are determined to be unenforceable to an extent because of excessive duration, geographic area, scope of business or otherwise, they will be reduced to the level that provides the greatest protection to Franchisor and the System, but which is still enforceable. If a court of competent jurisdiction deems any provision of this Agreement unreasonable, the court may declare a reasonable modification, and this Agreement shall be valid and enforceable as so modified.

7. Modification of Covenants. Owner understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any of the above covenants without Owner's consent, effective immediately upon receipt by Owner of written notice thereof, and Owner shall comply with any covenant as so modified.



8. Enforcement of Covenants. Owner expressly agrees that the existence of any claims Owner may have against Franchisor shall not act as a defense to the enforcement by Franchisor of the covenants contained in this Agreement. Owner agrees to pay all costs and expenses (including reasonable Attorneys' Fees) incurred by Franchisor in connection with the enforcement of the covenants set forth in this Agreement.

9. Specific Performance. Owner acknowledges that any breach of Owner's obligations herein may cause Franchisor great and irreparable injury that cannot be adequately compensated by the payment of damages in an action at law. Accordingly and notwithstanding any contrary or inconsistent term of the Franchise Agreement, Franchisor shall be entitled to the remedies of injunction, specific performance and other equitable relief to redress any breach, or to prevent any threatened breach (and Franchisor shall not be required to post any bond or prove special damages) and Owner shall pay any and all costs and expenses (including reasonable Attorneys' Fees and expenses) incurred by Franchisor in enforcing its rights hereunder. Nothing contained in this Agreement shall, however, be construed as a waiver by Franchisor of any other right, including, without limitation, Franchisor's right to damages.

10. Binding. This Agreement shall be binding on and inure to the benefit of the parties and their successors and permitted assigns. Franchisor may assign its rights and obligations under this Agreement to anyone without the consent of Owner. Owner shall not assign any of Owner's rights or obligations under this Agreement.

11. Laws. This Agreement and the parties' respective rights and obligations hereunder will be governed by, and construed and enforced in accordance with, the laws of the state where a claimed breach occurs, PROVIDED, that the provisions of any statute, regulation or law regarding franchises shall not apply unless jurisdictional, definitional and other requirements thereof are met independently of this Section.

12. Survival. Owner's obligations shall survive termination of the Franchise Agreement. Any failure on the part of Franchisor to insist upon the performance of this Agreement in whole or in part shall not constitute a waiver of any right under this Agreement. No waiver of any provision of this Agreement shall be effective unless in writing and executed by the party waiving the right. The parties agree that the covenants included in this Agreement, taken as a whole, are reasonable in duration and scope and necessary to protect Franchisor and the System, and it is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If in any judicial proceeding a court shall refuse to enforce any of the separate covenants included in this Agreement, then such unenforceable covenant shall be deemed modified so as to be enforceable (or if not subject to modification, then eliminated) to the extent necessary to permit the remaining covenants to be enforced.

13. Defined Terms. Capitalized terms used in this Agreement, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Franchise Agreement. **Owner acknowledges having received, reviewed and understood the terms of the Franchise Agreement and having had ample opportunity to consult with independent counsel of Owner's choosing prior to execution of this Agreement.**

IN WITNESS WHEREOF, the undersigned have set their hands as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISOR:

Fujisan Franchising Corp.  
a California corporation

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

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

OWNER:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

**SCHEDULE F-2 TO THE FRANCHISE AGREEMENT  
OWNER NON-COMPETE, NON-DISCLOSURE AND  
CONFIDENTIALITY AGREEMENT**

**(FOR CALIFORNIA FRANCHISE OWNERS ONLY)**

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement for the operation of a Fujisan Kiosk ("Kiosk"), and any revisions, modifications and amendments thereto, (hereinafter collectively the "Franchise Agreement") dated \_\_\_\_\_, 20\_\_\_\_, by and between Fujisan Franchising Corp. (hereinafter "Franchisor") and \_\_\_\_\_ (hereinafter "Franchisee"), the undersigned ("Owner") agrees as follows:

1. In Term Non-Competition Covenants. Owner acknowledges that as a result of Owner's equity position in Franchisee, Owner may receive valuable Confidential Information and other proprietary information of Franchisor's or its affiliates. Owner covenants that, during the term of the Franchise Agreement and subject to the post-termination provisions contained therein and any applicable addendum to the Agreement, Owner will not, either directly or indirectly, for himself/herself or through, on behalf of or in conjunction with any Family Members or other person, persons, partners or entity:

i) have any direct or indirect interest anywhere in any Similar Business, or in any entity granting franchises or licenses or establishing joint ventures for the operation of Similar Businesses; or

ii) provide any financial support or perform any services anywhere as an employee, agent, representative, consultant or in any capacity of any kind for any Similar Business, or for any entity granting franchises or licenses or establishing joint ventures to operate Similar Businesses.

For purposes of this Agreement, i) a "Similar Business" is any business or enterprise that sells sushi (and such product sales represent 15% or more of such business/enterprise's sales) and any enterprise granting franchises or licenses to operate a Similar Business; and ii) "Family Members" include an individual and his/her spouse and/or domestic partner, and their respective mother, father, brother, sister, son, daughter and relatives.

2. Post Term Covenants. Owner covenants that, that for two (2) years after any transfer, repurchase, termination or expiration of the Franchise Agreement, Owner shall be subject to all of the restrictions stated in Section 1, above, with respect to Similar Businesses located, and/or services to be performed, within the following areas, if the fulfillment of any of Owner's duties and responsibilities relating to the Similar Business would inherently call upon Owner to disclose and/or use any portion of the Operations Manual or Trade Secrets:

- i) 5 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or other Affiliate of Franchisor in a major city (as defined below);
- ii) 10 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a metropolitan area (as defined below);
- iii) 15 miles of any Kiosk operated by Franchisor or by any franchisee or licensee or Affiliate of Franchisor in a rural area (as defined below);

- iv) In this Agreement, a “major city” means any of the top 25 cities in the U.S. measured by population; a “metropolitan city” means any city other than a major city where the population density is greater than 1,000 people per square mile; and a “rural area” means an area with a population density of 1,000 people per square mile or less. Population figures at the time of expiration or termination will be used in the application of this term, and Franchisor will provide Owner a list of then current Kiosk locations upon request.
- v) The provisions stated in this Paragraph 2 shall be subject to and limited in scope and/or time by applicable state law.

3. Non-Use and Non-disclosure Covenants. Owner agrees to protect as confidential, and not to disclose to any person or entity any Trade Secrets, either directly or indirectly, except as may be required for the fulfillment of Owner’s and/or Franchisee’s obligations under the Franchise Agreement. For purposes of this Agreement, Trade Secrets includes in any form current and future: Operations Manuals, methods and techniques for food preparation and service, food labeling and ingredient information, vendor data and information, proprietary sauces and product formulas, nutritional analysis, customer information and data, and other methods, formulas, specifications and procedures for developing and operating Kiosks and franchises.

Owner further agrees:

- i. to maintain absolute confidentiality of the Trade Secrets during and after the term of the Franchise Agreement. Owner shall not use any Trade Secrets, Marks or Copyrighted Works in any other business or venture and shall not use the Trade Secrets in any manner not authorized or approved in writing by Franchisor;
- ii. Owner shall not make any unauthorized copy of any Trade Secrets or Copyrighted Works; and
- iii. Owner shall implement reasonable procedures and all procedures prescribed from time to time by Franchisor to prevent unauthorized use and disclosure of the Trade Secrets, Marks or Copyrighted Works. Owner shall divulge the Trade Secrets and Copyrighted Works only to Kiosk personnel who must know them to do their jobs, and shall divulge only those portions that the personnel need to know.

4. No Undue Hardship. Owner acknowledges and agrees that the covenants set forth above are fair and reasonable and will not impose any undue hardship on Owner since Owner has other considerable skills, experience and education which afford him/her the opportunity to derive income from other endeavors.

5. Inapplicability of Restrictions. The restrictions described in paragraphs 1 and 2 do not apply to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than three percent (3%) of the outstanding number of shares of that class issued by a Similar Business.

6. Independence of Covenants. Each of the above covenants shall be deemed independent of any other covenant or provision of this Agreement. If any of the restrictions in this Agreement are determined to be unenforceable to an extent because of excessive duration, geographic area, scope of business or otherwise, they will be reduced to the level that provides the greatest protection to Franchisor and the System, but which is still enforceable. If a court of competent jurisdiction deems any provision of this Agreement unreasonable, the court may declare a reasonable modification, and this Agreement shall be valid and enforceable as so modified.

7. Modification of Covenants. Owner understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any of the above covenants without Owner's consent, effective immediately upon receipt by Owner of written notice thereof, and Owner shall comply with any covenant as so modified.

8. Enforcement of Covenants. Owner expressly agrees that the existence of any claims Owner may have against Franchisor shall not act as a defense to the enforcement by Franchisor of the covenants contained in this Agreement. Owner agrees to pay all costs and expenses (including reasonable Attorneys' Fees) incurred by Franchisor in connection with the enforcement of the covenants set forth in this Agreement.

9. Specific Performance. Owner acknowledges that any breach of Owner's obligations herein may cause Franchisor great and irreparable injury that cannot be adequately compensated by the payment of damages in an action at law. Accordingly and notwithstanding any contrary or inconsistent term of the Franchise Agreement, Franchisor shall be entitled to the remedies of injunction, specific performance and other equitable relief to redress any breach, or to prevent any threatened breach (and Franchisor shall not be required to post any bond or prove special damages) and Owner shall pay any and all costs and expenses (including reasonable Attorneys' Fees and expenses) incurred by Franchisor in enforcing its rights hereunder. Nothing contained in this Agreement shall, however, be construed as a waiver by Franchisor of any other right, including, without limitation, Franchisor's right to damages.

10. Binding. This Agreement shall be binding on and inure to the benefit of the parties and their successors and permitted assigns. Franchisor may assign its rights and obligations under this Agreement to anyone without the consent of Owner. Owner shall not assign any of Owner's rights or obligations under this Agreement.

11. Laws. This Agreement and the parties' respective rights and obligations hereunder will be governed by, and construed and enforced in accordance with, the laws of the state where a claimed breach occurs, PROVIDED, that the provisions of any statute, regulation or law regarding franchises shall not apply unless jurisdictional, definitional and other requirements thereof are met independently of this Section.

12. Survival. Owner's obligations shall survive termination of the Franchise Agreement. Any failure on the part of Franchisor to insist upon the performance of this Agreement in whole or in part shall not constitute a waiver of any right under this Agreement. No waiver of any provision of this Agreement shall be effective unless in writing and executed by the party waiving the right. The parties agree that the covenants included in this Agreement, taken as a whole, are reasonable in duration and scope and necessary to protect Franchisor and the System, and it is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If in any judicial proceeding a court shall refuse to enforce any of the separate covenants included in this Agreement, then such unenforceable covenant shall be deemed modified so as to be enforceable (or if not subject to modification, then eliminated) to the extent necessary to permit the remaining covenants to be enforced.

13. Defined Terms. Capitalized terms used in this Agreement, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Franchise Agreement. **Owner acknowledges having received, reviewed and understood the terms of the Franchise Agreement and having had ample opportunity to consult with independent counsel of Owner's choosing prior to the execution of this Agreement.**

IN WITNESS WHEREOF, the undersigned have set their hands as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISOR:

Fujisan Franchising Corp.  
a California corporation

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

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

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

OWNER:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

**EXHIBIT C-1 TO THE DISCLOSURE DOCUMENT**  
**LIST OF OUR FRANCHISED KIOSK LOCATIONS**

Franchisee	Address	City	State	Zip	Phone
Sunbase Group Corp	29683 Frederick Blvd	Daphne	AL	36526	(626) 478-6068
Thang Sushi LLC	1080 Eastern Blvd	Montgomery	AL	36117	(470) 422-0610
Sssushi LLC	201 Lakeshore Pkwy	Homewood	AL	35209	(347) 821-6562
VLT LLC	1 Harrison Plaza	Florence	AL	35630	(317) 908-0574
John Mang LLC	3440 Ross Clark Cir	Dothan	AL	36303	(417) 416-2648
Hlaing Zar Mon	1900 Oxford Exchange Blvd	Oxford	AL	36203	(815) 315-0633
KPZ & Success Sushi LLC	3053 John Hawkins Pkwy	Hoover	AL	35244	(813) 599-5098
Saiku Sushi LLC	601 E I-65 Service Rd S	Mobile	AL	36606	(317) 690-6501
JSP Mang LLC	5651 Holmes Ave	Huntsville	AL	35816	(270) 421-0435
KT Sushi LLC	3500 Southeast Club Blvd	Bentonville	AR	50311	(480) 307-3228
Hre Lian Hmung Sushi LLC	900 S Bowman Rd	Little Rock	AR	72211	(417) 755-1608
Robert Thawng Khen Mung	1368 Higdon Ferry Rd	Hot Springs	AR	71913	(614) 625-3196
Ngun Thang LLC	2405 S Caraway Rd	Jonesboro	AR	72401	(331) 871-1374
THM Family LLC	7700 Rogers Ave	Fort Smith	AR	72903	(214) 306-1396
Ngun Mawng Lian	1250 South Amity Rd	Conway	AR	72032	(417) 619-5515
Ukte Sushi LLC	3081 N Highway 112	Fayetteville	AR	72704	(317) 601-4007
Ma and Blia Sushi LLC	1517 S 56th St	Springdale	AR	72762	(920) 547-8402
Biak Uk Sang	1021 W Dickson St	Fayetteville	AR	75235	(432) 305-7856
Ceu Sushi LLC	5600 Landers Rd	N Little Rock	AR	72117	(817) 230-3050
J-Glory LLC	1462 S Pacific Ave	Yuma	AZ	85365	(928) 503-7646
Han Kyi Lynn	1525 W Bell Rd	Phoenix	AZ	85023	(646) 944-9521
Sunrise Mesquite LLC	600 Hwy 95	Bullhead City	AZ	86429	(702) 439-1702
Amherst Sushi LLC	4701 N Stone Ave	Tucson	AZ	85704	(516) 967-7534
Than Nung	16573 W Bell Rd	Surprise	AZ	85374	(623) 213-4167
Than Nung	1459 N Dysart Rd	Avondale	AZ	85323	(623) 213-4167
Nu Ei San LLC	700 N 54th St	Chandler	AZ	85226	(480) 562-8242
Aung Family LLC	2621 S Market St	Gilbert	AZ	85295	(804) 869-4416
Za and Kio LLC	1851 E Butler Ave	Flagstaff	AZ	86001	(405) 800-7553
P & M Family LLC	1225 N Gilbert Rd	Gilbert	AZ	85234	(480) 410-1794
KARENG 13 LLC	8340 W McDowell Rd	Phoenix	AZ	85037	(480) 717-0407
Biak & Lian LLC	18501 N 83rd Ave	Glendale	AZ	85308	(928) 846-5472
Sushi by Huiqing LLC	29061 Newport Rd	Menifee	CA	92584	(951) 430-9454
Bamarphaythar LLC	26900 Sierra Hwy	Santa Clarita	CA	91321	(530) 524-1034
SHWE MAUNG THEIN LLC	8250 Power Inn Rd	Sacramento	CA	95828	(702) 416-0149
M&AA Inc	26468 Carl Boyer Dr.	Santa Clarita	CA	91350	(626) 267-6140
Xin Fu Zhou Food Service LLC	1500 Helen Power Dr	Vacaville	CA	95687	(626) 225-6233
Jun's Gourmet Sushi	30712 Benton Rd	Winchester	CA	92596	(858) 231-7518
XY Grapes Inc	2841 Mary St	Riverside	CA	92506	(312) 522-5536
Myint Oo	1050 Old Alturas Rd	Redding	CA	96003	(530) 355-1619

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
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Franchisee	Address	City	State	Zip	Phone
Allen & Cassie LLC	161 E 40th St	San Bernardino	CA	92404	(909) 682-8800
Allen & Cassie LLC	1522 E Highland Ave	San Bernardino	CA	92404	(909) 682-8800
Ling Long Inc	3460 E Ontario Ranch Rd	Ontario	CA	77043	(626) 247-0937
Mibamyinttar528 LLC	8200 Rosedale Hwy	Bakersfield	CA	93312	(661) 472-6957
Mibamyinttar528 LLC	5625 Gosford Rd	Bakersfield	CA	93313	(661) 472-6957
Rongyao Group Inc	6989 Schaefer Ave	Chino	CA	91710	(626) 679-0163
Wangyang Corporation	14466 Main St	Hesperia	CA	92345	(626) 628-6258
YPW Point Inc	22351 El Toro Rd	Lake Forest	CA	92630	(626) 262-5160
Double L Sushi LLC	14425 Moreno Beach Dr	Moreno Valley	CA	92555	(626) 492-8304
Double L Sushi LLC	47 W Nuevo Rd	Perris	CA	92571	(626) 492-8304
Daydayup LLC	11300 Firestone Blvd	Norwalk	CA	90650	(626) 679-1624
AL&H LLC	951 N Milliken Ave	Ontario	CA	91764	(510) 882-1477
PINGYUAN, INC.	25900 Iris Ave	Moreno Valley	CA	92551	(213) 999-9886
Happy Family Sushi Inc	7200 Arlington Ave	Riverside	CA	92503	(951) 999-8777
Happy Family Sushi Inc	550 Hidden Valley Pkwy	Corona	CA	92879	(951) 999-8777
QQ Sushi Corp	7900 Imperial Hwy	Downey	CA	90242	(213) 292-0285
Fantastic Sushi Inc	1023 N Grand Ave	Covina	CA	91724	(626) 655-9009
Fantastic Sushi Inc	1111 E Imperial Hwy	Placentia	CA	92870	(626) 655-9009
Zhanyu Inc	1155 Calimesa Blvd	Calimesa	CA	92320	(626) 360-9096
Zen Food LLC	15350 Roy Rogers Dr	Victorville	CA	92393	(561) 373-3926
Li Chief Corp	1301 Lone Hill Ave	Glendora	CA	91740	(626) 587-5992
Yi Zhi Wei Inc	12880 Day St	Moreno Valley	CA	92553	(626) 741-7008
Yi Zhi Wei Inc	110 E Carson St	Carson	CA	90745	(626) 741-7008
Yi Zhi Wei Inc	5571 Mission Blvd	Riverside	CA	92509	(626) 741-7008
TEMEI LLC	25904 Newport Rd	Menifee	CA	92584	(626) 554-0407
Linshan Cai	11810 Whittier Blvd	Whittier	CA	90601	(909) 726-4263
Z&L Xinhe Inc	1430 Beaumont Ave	Beaumont	CA	92223	(909) 718-9473
Za Company LLC	1751 N Sunrise Way #1	Palm Springs	CA	92262	(626) 759-4395
Za Company LLC	1717 E Vista Chino	Palm Springs	CA	92262	(626) 759-4395
PSI LLC	900 N Walton Ave	Yuba City	CA	95993	(559) 558-3596
Maxwell Handcraft LLC	28047 Scott Rd	Murrieta	CA	92562	(951) 445-0827
Great Golden Food Inc	5871 Firestone Blvd	South Gate	CA	90280	(626) 537-5187
Commercial Mely International Trading (U.S.A.) Inc	14168 US-395	Adelanto	CA	92301	(909) 800-0678
King's Katana LLC	7147 Greenback Ln	Citrus Heights	CA	95621	(916) 225-6126
Fortune Gain Inc	67800 Vista Chino	Cathedral City	CA	92234	(949) 842-8688
SQ&L LLC	1467 Country Club Dr	Madera	CA	93638	(559) 545-8589
Ni Zhang	7814 Firestone Blvd	Downey	CA	90241	(626) 642-4378
Sanbao Sushi Inc	375 N Azusa Ave	West Covina	CA	91791	(626) 632-8759
Khin Ni La Aung	78210 Varner Rd	N Palm Desert	CA	92211	(585) 353-7684
YAN GENG INC	1175-C Baker St	Costa Mesa	CA	92626	(951) 907-3007
Bawm Hkaw	2495 Iron Point Rd	Folsom	CA	95630	(916) 318-2260
Yang Shun LLC	800 N China Lake Blvd	Ridgecrest	CA	93555	(626) 673-6255

**FUJISAN FRANCHISING CORP.**

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Franchisee	Address	City	State	Zip	Phone
BO&F RAINBOW FISH	1004 Cherry Valley Blvd	Calimesa	CA	92320	(626) 622-6131
BO&F RAINBOW FISH	7200 Day Creek Blvd	Rancho Cucamonga	CA	91739	(626) 622-6131
BO&F RAINBOW FISH	8228 Sierra Ave	Fontana	CA	92335	(626) 622-6131
BO&F RAINBOW FISH	1085 W Highland Ave	San Bernardino	CA	92405	(626) 622-6131
BO&F RAINBOW FISH	8770 Baseline Rd	Alta Loma	CA	91701	(626) 622-6131
SCM Group Inc	1536 Barton Rd	Redlands	CA	92373	(626) 318-7068
Lovely Sushi LLC	4750 Telephone Rd	Ventura	CA	93003	(214) 524-8625
Lovely Sushi LLC	2401 N Rose Ave	Oxnard	CA	93030	(214) 524-8625
Lovely Sushi LLC	2690 E Vineyard Ave	Oxnard	CA	93036	(214) 524-8625
LX Sakura Inc	6501 San Fernando Rd	Glendale	CA	91201	(323) 556-4536
Bigbooster LLC	977 Kendall Dr	San Bernardino	CA	92407	(646) 251-2810
Bigbooster LLC	15222 Summit Ave	Fontana	CA	92336	(646) 251-2810
Dioana LLC	13439 Camino Canada	El Cajon	CA	92021	(619) 713-3931
Dioana LLC	1674 Main St	Ramona	CA	92065	(619) 713-3931
FangFang Hope LLC	1025 E Amar Rd	West Covina	CA	91792	(424) 409-1880
FangFang Hope LLC	9575 Central Ave	Montclair	CA	91763	(424) 409-1880
FangFang Hope LLC	571 E Foothill Blvd	Rialto	CA	92376	(424) 409-1880
FangFang Hope LLC	616 Camino de los Mares	San Clemente	CA	92673	(424) 409-1880
FangFang Hope LLC	11070 Limonite Ave	Mira Loma	CA	91752	(424) 409-1880
FangFang Hope LLC	29941 Alicia Pkwy	Laguna Niguel	CA	92677	(424) 409-1880
D&S Fantastic LLC	6501 E Spring St	Long Beach	CA	90808	(626) 695-2929
Tomlui LLC	3770 Mission Ave	Oceanside	CA	92058	(954) 274-4138
Tomlui LLC	9909 Carmel Mountain Rd	San Diego	CA	92129	(954) 274-4138
Tomlui LLC	31813 Highway 79 S	Temecula	CA	92592	(954) 274-4138
Miaomiaochong LLC	1225 Concord Ave	Concord	CA	94520	(925) 588-5300
JJ Sushi LLC	4901 N Santa Anita Blvd	El Monte	CA	91731	(626) 757-6654
JJ Sushi LLC	10683 Valley Blvd	El Monte	CA	91731	(626) 757-6654
Ningorchid Inc	3420 La Sierra	Riverside	CA	92503	(626) 417-8231
Kyu & Phyu Inc	2060 E 20th St	Chico	CA	95928	(530) 208-8045
JY April Corp	12253 Apple Valley Rd	Apple Valley	CA	92308	(713) 498-4278
Ram Sushi LLC	1350 Franklin Rd	Yuba City	CA	95993	(402) 452-8562
22Rising Inc	13200 Palm Dr	Desert Hot Springs	CA	92240	(626) 764-8313
22Rising Inc	58060 29 Palms Highway	Yucca Valley	CA	92284	(626) 764-8313
Hanhan San Inc	28988 Greenspot Rd	Highland	CA	92346	(909) 488-9119
Hanhan San Inc	11365 Bryant St	Yucaipa	CA	92399	(909) 488-9119
Zhanhong Inc	16750 Lakeshore Dr	Lake Elsinore	CA	92530	(626) 253-7812
Zhanhong Inc	2741 W MacArthur Blvd	Santa Ana	CA	92704	(626) 253-7812
Zhanhong Inc	43396 Florida Ave	Hemet	CA	92544	(626) 253-7812
Zhanhong Inc	3125 W Florida Ave	Hemet	CA	92545	(949) 351-1430
Zhanhong Inc	1271 N State St	San Jacinto	CA	92583	(949) 351-1430
Vi Sushi LLC	36010 Hidden Springs Rd	Wildomar	CA	92595	(951) 419-1188
VL Blue Ocean LLC	555 Grand Ave	San Marcos	CA	92078	(619) 359-7292

**FUJISAN FRANCHISING CORP.**

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Franchisee	Address	City	State	Zip	Phone
VL Blue Ocean LLC	1048 N El Camino Real	Encinitas	CA	92024	(619) 359-7292
DH Strategic Group Inc	13589 Poway Rd	Poway	CA	92064	(619) 573-8818
Heyue Inc	32281 Mission Trail	Lake Elsinore	CA	92530	(626) 377-7107
Humble Sushi LLC	2687 Gateway Rd	Carlsbad	CA	92009	(858) 753-5170
SY Dream Inc	25630 Baron Rd	Loma Linda	CA	92354	(951) 281-9126
Chop & Roll Sushi LLC	3150 N Case Rd	Perris	CA	92571	(951) 501-9875
Chop & Roll Sushi LLC	4602 W Florida Ave	Hemet	CA	92545	(951) 501-9875
HGX, Inc	5110 Montauban Ave	Stockton	CA	95210	(209) 670-7210
Quality Crown Inc	8373 Pine Ave	Chino	CA	91708	(951) 999-8777
Quality Crown Inc	930 N Haven Ave	Ontario	CA	91764	(951) 999-8777
Chenghao Inc	6755 Westminster Blvd	Westminster	CA	92683	(318) 332-6300
Chenghao Inc	10500 Magnolia Ave	Anaheim	CA	92804	(318) 332-6300
D & K Liu Inc	901 Presidents Dr	Stockton	CA	95211	(209) 914-4860
R&R Clark LLC	25612 Crown Valley Pkwy	Ladera Ranch	CA	92694	(832) 601-7821
R&R Clark LLC	26892 La Paz	Aliso Viejo	CA	92656	(832) 601-7821
Y Tasty Food LLC	12800 La Mirada Blvd	La Mirada	CA	90638	(626) 295-3528
Pei Chang Food Gourmet Co Ltd	22201 Barton Rd.	Grand Terrace	CA	92313	(951) 300-8317
Dasane Sushi Inc	3951 Grand Ave	Chino	CA	91710	(626) 380-6732
MAARA FOOD CO LLC	150 B Avenue	Coronado	CA	92118	(619) 289-1098
MAARA FOOD CO LLC	2800 Fletcher Pkwy	El Cajon	CA	92020	(619) 289-1098
Porter Du Inc	11875 Pigeon Pass Rd	Moreno Valley	CA	92557	(951) 529-1900
Porter Du Inc	1775 E Lugonia Ave	Redlands	CA	98684	(951) 529-1900
Porter Du Inc	11 E Colton Ave	Redlands	CA	92374	(951) 529-1900
Jimmy Sushi Inc	11225 Sierra Ave	Fontana	CA	92337	(909) 210-8327
Viva Eats Inc	42425 Jackson St	Indio	CA	92202	(818) 917-3257
Viva Eats Inc	81056 US Hwy 111	Indio	CA	92201	(818) 917-3257
Fresh Food Company LLC	904 Pleasant Grove Rd	Roseville	CA	95678	(916) 715-1072
Little Bean Group	2122 S Hacienda Blvd	Hacienda Heights	CA	91745	(626) 235-7194
Fuya La Inc	16904 Main St	Hesperia	CA	92345	(626) 627-5210
Ryan & Zhuang LLC	16721 Valley Blvd	Fontana	CA	92335	(626) 257-1880
Ryan & Zhuang LLC	250 W Foothill Blvd	Rialto	CA	92376	(626) 257-1880
Ryan & Zhuang LLC	16212 Foothill Blvd	Fontana	CA	92335	(626) 257-1880
Ryan & Zhuang LLC	4721 Riverside Dr	Chino	CA	91710	(626) 257-1880
Go Green Life Inc	660 E Los Angeles Ave	Simi Valley	CA	93065	(626) 922-8599
Go Green Life Inc	5805 E Los Angeles Ave	Simi Valley	CA	93065	(626) 922-8599
Yum Yum Sushi Kitchen LLC	2716 N San Fernando Rd	Los Angeles	CA	90065	(626) 586-8458
LucyFood LLC	21500 Yorba Linda Blvd	Yorba Linda	CA	92887	(626) 857-6619
Yoshi Sushi Bar LLC	7480 Carson St	Long Beach	CA	90808	(714) 321-3465
Crazy Bunny Inc	151 E Valley Blvd	Colton	CA	92324	(626) 341-5465
DASHINI LLC	1045 N Garey Ave	Pomona	CA	91767	(949) 527-4963
DASHINI LLC	1830 E Rte 66	Glendora	CA	91740	(949) 572-4963
Humberto Gonzalez	1050 N Davis Rd	Salinas	CA	93907	(831) 737-6917

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Franchisee	Address	City	State	Zip	Phone
Sushi Nika LLC	9100 Whittier Blvd	Pico Rivera	CA	90660	(562) 712-8848
Sushi Nika LLC	12523 Alondra Blvd	Norwalk	CA	90650	(562) 712-8848
Sha Rainbow	21602 Bear Valley Rd	Apple Valley	CA	92308	(626) 688-5436
Lee's Sushi LLC	10633 Tierrasanta Blvd	San Diego	CA	92124	(858) 776-6793
ZQLC Sushi LLC	9225 Magnolia Ave	Riverside	CA	92503	(626) 786-1887
ZQLC Sushi LLC	315 E Alessandro Blvd	Riverside	CA	92508	(626) 786-1887
Bayi Foods LLC	7101 Warner Ave	Huntington Beach	CA	92647	(310) 309-9261
Jinling Taste Company	78630 Hwy 111	La Quinta	CA	92253	(626) 321-7259
Jinling Taste Company	40101 Monterey Ave	Rancho Mirage	CA	92270	(626) 321-7259
Redffee LLC	24336 El Toro Rd	Laguna Woods	CA	92637	(657) 229-0392
Alientac Fresh LLC	14250 Chino Hills Pkwy	Chino Hills	CA	91709	(626) 371-6582
MINGYUHDH	2850 Pavillion Pkwy	Tracy	CA	95304	(415) 519-6089
Edo4Me LLC	7227 Van Nuys Blvd	Van Nuys	CA	91405	(626) 271-5381
Edo4Me LLC	9136 Sepulveda Blvd	North Hills	CA	91343	(626) 267-3760
Edo4Me LLC	1800 E Collins Ave	Orange	CA	92867	(626) 267-3760
Fresh Bites Inc	8039 Beach Blvd	Buena Park	CA	72701	(626) 848-4858
Fresh Bites Inc	18527 Yorba Linda Blvd	Yorba Linda	CA	21401	(626) 848-4858
Fresh Bites Inc	1390 S Beach Blvd	La Habra	CA	63385	(626) 848-4858
Cambridge International (U.S.A.) Corp	4680 La Sierra Ave	Riverside (La Sierra)	CA	92505	(626) 272-7257
Qiya Feng	1288 Border Ave	Corona	CA	92882	(323) 788-9998
Qiya Feng	2790 Hamner Ave	Norco	CA	92860	(323) 788-9998
HHChan LLC	18140 Arrow Blvd	Fontana	CA	92335	(909) 682-2725
HHChan LLC	1105 W Philadelphia St	Ontario	CA	91762	(909) 682-2725
Fareast Inc	7663 N Blackstone Ave	Fresno	CA	93720	(559) 362-5858
Xingping Group Inc	1375 East Ontario Ave	Corona	CA	92882	(312) 774-1367
Xingping Group Inc	260 West Foothill Pkwy	Corona	CA	92882	(312) 774-1367
K-Banchan	603 S Placentia Ave	Fullerton	CA	92831	(213) 700-1851
K-Banchan	2500 E Imperial Hwy #158	Brea	CA	92821	(213) 700-1851
Olive Tree E-Commerce Inc	6363 Valley Springs Pkwy	Riverside	CA	92507	(626) 510-3762
JIN HP INC	11815 Artesia Blvd	Artesia	CA	90701	(213) 272-2266
Magic Chef Group LLC	10114 Adams Ave	Huntington Beach	CA	92646	(949) 439-1526
Magic Chef Group LLC	42171 Big Bear Blvd	Big Bear	CA	92315	(949) 439-1526
Magic Chef Group LLC	28100 State Hwy 189	Lake Arrowhead	CA	92352	(949) 439-1526
G.O.A.T. Together Inc	15150 Kensington Park Dr	Tustin	CA	94324	(949) 285-8872
ONE2 ACCESSORIES INC	30241 Golden Lantern	Laguna Niguel	CA	92677	(949) 501-8109
Nina Sushi LLC	1571 San Elijo Road S	San Marcos	CA	92078	(858) 900-1070
JY & IB Corporation	2291 West Malvern Ave	Fullerton	CA	92833	(818) 439-6210
Jiayun Qiu	200 E Sepulveda Blvd	Carson	CA	90745	(951) 561-0474
Yoo Fu Inc	2995 Iowa Ave	Riverside	CA	92507	(650) 245-0699
Yoo Fu Inc	9155 Jurupa Rd	Riverside	CA	92509	(650) 245-0699
Xiaomei Fu	15200 Rosecrans Ave	La Mirada	CA	90638	(808) 277-0612
Aili Xu	10950 Sherman Way #110	Burbank	CA	91505	(949) 299-6333

**FUJISAN FRANCHISING CORP.**

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Franchisee	Address	City	State	Zip	Phone
Adventure Eden LLC	15235 Hook Blvd	Victorville	CA	92394	(480) 710-3277
YJL Sushi Inc	436 Auto Center Dr	Claremont	CA	91711	(626) 782-2880
Seung Hyeon Pak	19500 Plummer St	Northridge	CA	91324	(323) 223-8200
Yusheng Susi Inc	1702 Freedom Blvd	Watsonville	CA	95019	(626) 557-6686
Lulu Sushi	600 Bear Mountain Blvd	Arvin	CA	93203	(951) 816-1231
Four Season Handicraft Sushi Inc	1193 Magnolia Ave	Corona	CA	92879	(646) 266-6505
Four Season Handicraft Sushi Inc	8888 Chapman Ave	Garden Grove	CA	92841	(646) 266-6505
KSH07 LLC	2260 N Lincoln Ave	Altadena	CA	91001	(626) 734-4077
Larry Thao	820 Main St	Delano	CA	93215	(559) 285-8124
Larry Thao	3112 N Dinuba Blvd	Visalia	CA	93291	(559) 285-8124
Hong Hu Inc	40500 Murrieta Hot Springs	Murrieta	CA	92563	(209) 865-5555
Ding Sushi	29995 Canyon Hills Rd	Lake Elsinore	CA	92532	(508) 494-6280
SL Gourmet Inc	1055 Harriman Pl	San Bernardino	CA	92408	(626) 560-1155
All Custom Sushi Inc	2243 Eagle Glen Pkwy	Corona	CA	92883	(951) 789-1269
Zenwei Inc	13760 Bear Valley Rd	Victorville	CA	92392	(650) 382-8940
Sushi Star Corp	1390 Allen Ave	Pasadena	CA	91104	(626) 340-9462
Sushi Star Corp	655 N Fair Oaks Ave	Pasadena	CA	91103	(626) 340-9462
Roll Dogs LLC	2845 West Ave L	Lancaster	CA	93536	(661) 583-3873
Roll Dogs LLC	39940 10th St W	Palmdale	CA	93551	(661) 583-3873
Roll Dogs LLC	37218 47th St East	Palmdale	CA	93550	(702) 899-9666
LLK Dream One Inc	34220 Monterey Ave	Cathedral City	CA	92211	(626) 693-1564
Star Shadow LLC	8201 Topanga Canyon Blvd	Canoga Park	CA	91304	(214) 985-5659
M Cargo Services LLC	1040 E Bastanchury Rd	Fullerton	CA	92835	(909) 769-6556
J&S Food Service LLC	6336 College Grove Way	San Diego	CA	92115	(619) 573-8818
KB Trading LLC	25050 Hancock Ave	Murrieta	CA	95262	(626) 253-7812
Pengda Foods LLC	1537 S San Jacinto Ave	San Jacinto	CA	92583	(951) 907-3007
MK Sushi Inc	10740 Westview Pkwy	San Diego	CA	92126	(858) 888-3055
Vivirise LLC	2601 Skypark Dr	Torrance	CA	90505	(626) 382-6284
Volcano Foods Inc	17099 Brookhurst St	Fountain Valley	CA	92708	(626) 999-1500
Cooking Monster Inc	7511 Orangethorpe Ave	Buena Park	CA	90621	(626) 759-2542
SSRCJ LLC	4059 Phelan Rd	Phelan	CA	92371	(626) 586-2411
L & H Sushi LLC	919 N Mountain Ave	Upland	CA	91786	(626) 695-4999
Chenghao Inc	4550 E Chapman Ave	Orange	CA	92869	(318) 332-6300
Chenghao Inc	14212 Mulberry Dr	Whittier	CA	90604	(318) 332-6300
Fumand Inc	14668 7th St	Victorville	CA	92395	(909) 413-8696
Fumand Inc	13650 Bear Valley Rd Ste A	Victorville	CA	92392	(909) 413-8696
Ko & Koo Service Inc	3325 E Chapman Ave	Orange	CA	92869	(323) 547-9324
ERYA LLC	210 E Stetson Ave	Hemet	CA	92543	(561) 459-6283
Joahae Inc	2430 River Rd	Norco	CA	92860	(818) 378-8842
Hoi Wing Sushi LLC	170 W Shaw Ave	Clovis	CA	93612	(559) 916-6117
EK Sales LLC	16040 Sherman Way	Van Nuys	CA	91406	(213) 905-9788
West dragon wei LLC	3400 East South St	Lakewood	CA	90805	(949) 423-9638

**FUJISAN FRANCHISING CORP.**

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Franchisee	Address	City	State	Zip	Phone
West dragon wei LLC	8510 Painter Ave, Suite L	Whittier	CA	90602	(949) 423-9638
JVC Concession LLC	1399 Artesia Blvd	Gardena	CA	90247	(310) 773-2308
Nwe Nwe Win	3247 23rd Ave	Evans	CO	80620	(970) 584-8845
Lin LLC	7817 Park Meadows Dr	Lone Tree	CO	80124	(808) 780-4292
Lian Inc	6201 S Aurora Pkwy	Aurora	CO	80016	(720) 325-9405
A & C Sushi LLC	4385 Venetucci Blvd	Colorado Springs	CO	80906	(917) 306-7823
Chinland Kitchen LLC	880 S Abilene St	Aurora	CO	80012	(720) 422-8673
L Khongrath LLC	1200 E. Eisenhower Blvd	Loveland	CO	80537	(303) 249-1471
L Crame LLC	505 S Broadway	Denver	CO	80209	(720) 789-1578
Small Ant Inc	1850 E Woodmen Rd	Colorado Springs	CO	80920	(626) 679-1553
V Bawi Family LLC	9601 Grant St	Thornton	CO	80229	(720) 233-3873
Roll-n-Go Sushi Co LLC	4827 S Wadsworth Blvd	Littleton	CO	72712	(307) 331-2826
Mawi LLC	7805 E 35th Ave	Denver	CO	80207	(720) 380-6019
Grace Thang LLC	7370 W 52nd Ave	Arvada	CO	80002	(720) 789-9847
Thangboeh LLC	5940 Promenade Parkway	Castle Rock	CO	80108	(214) 779-1316
Zam Cung	412 Eagleridge Blvd	Pueblo	CO	81008	(317) 445-6698
Win Sushi Corp	3465 Berlin Turnpike	Newington	CT	06111	(860) 833-0085
Summer Honey LLC	1572 N Dupont Hwy	Dover	DE	19901	(206) 753-9304
Kennedy Zawthanglian	13360 Cortez Blvd	Brooksville	FL	34613	(904) 608-3239
Krak Mon LLC	5170 S Cleveland Ave	Fort Myers	FL	33907	(260) 704-2032
Paing Phyo LLC	15835 N Dale Mabry Hwy	Tampa	FL	33618	(813) 330-1950
Paing Phyo LLC	2575 Gulf to Bay Blvd	Clearwater	FL	33765	(813) 330-1950
Gorilla St LLC	27727 State Rd 56	Wesley Chapel	FL	33543	(317) 778-9921
Geel Mual Inc	13550 W Sunrise Blvd	Sunrise	FL	33323	(954) 939-1004
Tahan Mung LLC	10900 S US-1	Port St. Lucie	FL	34952	(252) 259-8411
Tahan Mung LLC	1750 SW Gatlin Blvd	Port St Lucie, FL	FL	34953	(252) 259-8411
TYK Enterprise LLC	4255 W New Haven Ave	Melbourne	FL	32904	(407) 970-5040
AKM Sushi LLC	450 Townsend Rd	Cocoa	FL	32926	(407) 209-7295
Summer Pottery Corporation	8425 NW 13th Terrace	Miami	FL	33126	(786) 227-2801
Yoma Corp	11920 Narcoossee Rd	Orlando	FL	32832	(716) 544-9067
Van Bawi Mang	3530 Lakeland Highlands Rd	Lakeland	FL	33803	(269) 601-2341
Sushi Bird LLC	300 N Cattlemen Rd	Sarasota	FL	34232	(941) 724-4164
Ai Khen Kap	300 Busch Dr	Jacksonville	FL	32218	(904) 418-1601
Grace Matu Food LLC	6373 Youngerman Cir	Jacksonville	FL	32244	(904) 924-5674
Mizo Sushi Inc	10690 Beach Blvd	Jacksonville	FL	32246	(904) 945-0171
John Sian Thang	1707 W 23rd St	Panama City	FL	32405	(309) 269-0588
Thian Nuam Rem	2021 W Brandon Blvd	Brandon	FL	33511	(904) 316-4218
Cung Cung	10385 Big Bend Rd	Riverview	FL	33578	(727) 324-9368
Jenevi Siang Siang	1725 34th St N	St. Petersburg	FL	33713	(813) 528-7154
Ci Lian	5300 30th St E	Bradenton	FL	34203	(813) 701-4308
Falampa LLC	4763 W Irlo Bronson Memorial Hwy	Kissimmee	FL	34746	(317) 737-6892
Meneses Technologies LLC	950 N University Dr	Coral Springs	FL	33071	(954) 554-7944

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1

March 2025

Franchisee	Address	City	State	Zip	Phone
Biak San Lal LLC	1500 S Orange Blossom Trail	Apopka	FL	32703	(317) 383-7494
Biak San Lal LLC	4330 US Hwy 19	New Port Richey	FL	34652	(317) 383-7494
Twenty Eleven Enterprise LLC	1101 Rinehart Rd	Sanford	FL	32771	(832) 703-9988
Lian and Vansui Enterprise LLC	755 US-441	Lady Lake	FL	32159	(317) 666-4153
Tin Maung Win	740 Beal Pkwy NW	Fort Walton Beach	FL	92584	(850) 822-0955
Ram Lian LLC	1460 Cornerstone Blvd	Daytona Beach	FL	89147	(904) 531-6465
Bawmkhai LLC	5565 20th St	Vero Beach	FL	32966	(918) 814-0864
Aye Thu Zar Htay LLC	3921 SW College Rd	Ocala	FL	34474	(315) 316-9614
Amy's Family LLC	4001 SW 30th Place	Gainesville	FL	32608	(352) 215-5985
Lal Hming Thang	9498 S Orange Blossom Trl	Orlando	FL	32837	(317) 998-0140
Sianz Khai Pu Inc	4295 45th St	West Palm Beach	FL	33407	(754) 204-4596
Niang Lun Cing	1900 S University Dr	Miramar	FL	33025	(305) 647-8692
The Finest Noah LLC	7810 W Colonial Dr	Orlando	FL	32818	(407) 968-9494
Za Lian LLC	4600 US Hwy 98 N	Lakeland	FL	33809	(317) 749-7552
Za Lian LLC	7001 Park Blvd	Pinellas Park	FL	33781	(317) 909-4216
Zomizogam LLC	1250 Airport Blvd	Pensacola	FL	32504	(561) 670-8140
Sushi Queen LLC	7701 E Colonial Dr	Orlando	FL	32807	(309) 292-0355
Soe Soe Win	17700 Murdock Cir	Port Charlotte	FL	33948	(707) 727-8853
Khaohom Sushi LLC	301 SW Pine Island Rd	Cape Coral	FL	33991	(352) 915-4265
Nisi Family LLC	7325 Jonesboro Rd	Morrow	GA	30260	(404) 908-1715
Vung Pum Family LLC	150 Cobb Pkwy S	Marietta	GA	30062	(678) 887-4416
Zahlangh Blessings LLC	1520 Scenic Hwy.	Snellville	GA	30078	(770) 885-9395
Grace LLC	3839 Mundy Mill Rd	Oakwood	GA	30566	(678) 457-1070
PTL Innkuan LLC	1765 Jonesboro Rd	McDonough	GA	30253	(404) 551-7017
Thang Five Sister Family LLC	9464 Main St	Woodstock	GA	30188	(770) 294-5487
A.T Ngaihte Family LLC	4798 Jimmy Lee Smith Pkwy	Hiram	GA	30141	(404) 734-0295
KYAW FAMILY CORP	80 Carlton St	Athens	GA	30602	(954) 673-9915
Chin Cherry Par LLC	15 Mill Creek Cir	Pooler	GA	31322	(773) 639-7128
MARY NAULAK FAMILY LLC	10600 Davis Dr	Alpharetta	GA	30004	(678) 262-6676
Ceu Vung	596 Bobby Jones Expy	Augusta	GA	30907	(469) 891-6218
Maw Maw 22 LLC	1975 E Montgomery Cross Rd	Savannah	GA	31406	(706) 992-5222
SK Ngaihte LLC	6995 Concourse Pkwy	Douglasville	GA	30134	(704) 777-4626
Grace Yun LLC	2550 Redomond Cir	Rome	GA	30165	(404) 207-8138
Sai Sushi LLC	1201 N Westover Blvd	Albany	GA	31707	(317) 702-6760
Sianpia LLC	3450 Steve Reynolds Blvd	Duluth	GA	30096	(404) 423-1211
Sianpia LLC	4365 Atlanta Hwy	Athens	GA	30606	(404) 423-1211
Emmanuel Family LLC	2910 Clairmont Rd	Atlanta	GA	30329	(404) 759-5485
Click Mango LLC	3383 Buford Dr NE	Buford	GA	30519	(678) 618-8674
Simply Sushi LLC	5448 Whittlesey Blvd, Ste A	Columbus	GA	31909	(706) 325-9615
Haukhup Family LLC	310 Fisher Rd	Sharpsburg	GA	30277	(678) 886-7321
Hlu Family Inc	1940 Mountain Industrial Blvd	Tucker	GA	30084	(470) 358-0501
AngelaSushi Inc	4701 Log Cabin Dr	Macon	GA	98375	(269) 419-5269

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
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Franchisee	Address	City	State	Zip	Phone
Thangdim LLC	450 Norman Dr	Valdosta	GA	31601	(904) 397-3369
Khan Lian LLC	10100 Canal Crossing	Brunswick	GA	31525	(317) 332-6298
Thawng Pi Pa LLC	1101 73rd St	Des Moines	IA	50311	(417) 414-8080
C&A Sushi LLC	4201 S York St	Sioux City	IA	51106	(270) 938-2917
Peng And Van LLC	4400 Asbury Rd	Dubuque	IA	52002	(317) 672-5333
Moses Thawng	210 E Tower Park Dr	Waterloo	IA	50701	(319) 486-3770
BiakSung Sushi LLC	3221 Manawa Center Dr	Council Bluffs	IA	51501	(402) 671-2112
Za Hei LLC	305 Airport Rd	Ames	IA	50010	(515) 402-0360
EM Sushi LLC	125 N Madison St	Iowa City	IA	52245	(515) 707-8556
Muan Sangi	200 Hawkins Dr	Iowa City	IA	52242	(806) 220-4804
NUNU LLC	1569 Blue Lakes Blvd N	Twin Falls	ID	83301	(214) 659-3527
Labang Family Sushi and Poke Restaurant LLC	700 E 17th St	Idaho Falls	ID	83404	(609) 498-1437
Vvan LLC	1000 S Randall Rd	Elgin	IL	60123	(517) 894-6825
Za Cung Ling LLC	6570 Grand Ave	Gurnee	IL	60031	(414) 502-4314
Ngun Thang LLC	9500 W Joliet Rd	Hodgkins	IL	60525	(806) 930-9752
Januerot Mon LLC	2709 Walton Way	Marion	IL	62959	(260) 425-0914
Bual Peng	1350 W Hwy 50	O'Fallon	IL	62269	(314) 728-4135
Sui Tin Tial	5 Illini Dr	Glen Carbon	IL	62034	(469) 508-8424
Silas Ramza Hmung	915 W Marketview Dr	Champaign	IL	61822	(417) 763-0006
SNC Family Sushi Inc	1050 Ogden Ave	Montgomery	IL	60538	(806) 683-4430
DKT Sushi LLC	4334 N Prospect	Decatur	IL	62526	(816) 344-7055
David Family Sushi LLC	9400 S Western Ave	Evergreen Park	IL	60805	(309) 317-1321
Tun LLC	2151 Shepard Rd	Normal	IL	61761	(309) 868-6873
Senthang LLC	335 N Milwaukee Ave	Vernon Hills	IL	60061	(331) 250-2557
Chan Hei Nawl LLC	2300 White Oaks Dr	Springfield	IL	62704	(317) 617-8823
Tan Hu LLC	603 River Oaks West	Calumet City	IL	60409	(317) 460-5538
Heih Cin LLC	5670 Northwest Hwy	Crystal Lake	IL	60014	(331) 218-9382
Bawi Thlaceu LLC	16100 Harlem Ave.	Tinley Park	IL	60477	(317) 413-8358
Bawi Lian	700 N 54th St	Quincy	IL	62305	(507) 589-8424
Tum Ceu	321 S Larkin Ave	Joliet	IL	60436	(469) 742-1251
Moonlight Sushi LLC	6770 E Virginia St	Evansville	IN	47715	(214) 406-4486
Za Lian	1101 Windhorst Way	Greenwood	IN	46227	(317) 756-7943
Nuli Zawn	3134 E 79th Ave	Merrillville	IN	46410	(404) 503-5358
Do Tlei LLC	7235 E 96th St	Indianapolis	IN	46250	(463) 207-8703
Peterlian Sushi LLC	3819 South St	Lafayette	IN	47905	(317) 993-2352
Biak Ceu Sang	5805 Rockville Rd	Indianapolis	IN	46224	(317) 946-3007
TCA Sushi LLC	1301 Veterans Pkwy	Clarksville	IN	47129	(970) 712-8250
TLEM LLC	1917 E Markland Ave	Kokomo	IN	46901	(317) 909-3348
Kimthai Sushi LLC	6736 Lima Rd	Fort Wayne	IN	46818	(260) 557-7522
Van Tha Bawi LLC	2715 Merchant Mile	Columbus	IN	47201	(317) 617-5474
Van's Super Sushi LLC	10510 Parallel Pkwy	Kansas City	KS	66109	(913) 215-0879
Lily's Sushi LLC	8300 W 135th St	Overland Park	KS	66223	(913) 313-1727

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1

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Franchisee	Address	City	State	Zip	Phone
Dawt's Sushi LLC	12200 W 95th St	Lenexa	KS	66215	(913) 387-9735
MTV Sushi LLC	3010 Larue St	Garden City	KS	67846	(620) 521-9787
Khenglawt Sushi LLC	3084 N Maize Rd	Wichita	KS	67205	(913) 428-6755
Dim Deih Lian	6415 N Rock Rd	Wichita	KS	67226	(817) 210-9561
Sushi Business LLC	1401 SW Wanamaker Rd	Topeka	KS	66604	(903) 985-3450
S&B LLC	1845 Fairmount St #56	Wichita	KS	67260	(716) 603-1615
Januerot Mon LLC	3550 James-Sanders Blvd	Paducah	KY	42001	(260) 425-0914
Jenny Stinson	3200 Ken Bale Blvd	Bowling Green	KY	42103	(270) 791-2862
Hrokhin LLC	5240 Frederica St	Owensboro	KY	42301	(615) 828-8513
Sung Sushi LLC	6622 Preston Hwy	Louisville	KY	40219	(502) 804-8324
Uzumaki Fresh LLC	1500 Ring Rd	Elizabethtown	KY	42701	(502) 533-0738
Laisuhi LLC	1401 Alliant Ave	Jeffersontown	KY	40299	(270) 777-5921
Kong Lian LLC	103 Bryant Dr	Nicholasville	KY	40356	(859) 699-3394
Kong Lian LLC	1063 E New Circle Rd	Lexington	KY	40505	(859) 699-3394
Van Thawng Lian	4949 Houston Rd	Florence	KY	41042	(309) 989-5538
Lianpi LLC	3222 Ambassador Caffery Pkwy	Lafayette	LA	70506	(414) 368-7105
Mercy & Grace Family Sushi LLC	3900 Airline Hwy	Metairie	LA	70001	(504) 209-4748
Thla Tin Uk Limited Liability Company	5400 Frontage Rd	Monroe	LA	71202	(318) 267-2946
Romeo Van Lian Thawng	201 Bass Pro Blvd	Denham Springs	LA	70726	(225) 431-4115
B&B Sushi LLC	69630 Stirling Blvd	Covington	LA	70433	(317) 652-3789
Asian Burmese Restaurant LLC	2861 Beene Blvd	Bossier City	LA	71111	(318) 205-1834
Inno Bio USA Inc	3805 North Blvd	Alexandria	LA	71301	(559) 676-8669
Zau Htoi	1527 Manhattan Blvd	Harvey	LA	70058	(504) 513-1131
Hkahku LLC	2000 Alumni Fr	New Orleans	LA	70148	(904) 405-9484
J&R Sushi LLC	2174 Martin Luther King Blvd	Houma	LA	70360	(317) 410-7975
ThlaBawi LLC	7400 Youree Dr	Shreveport	LA	71105	(214) 772-3243
KYI LLC	181 Northshore Blvd	Slidell	LA	70460	(985) 590-8891
Lamasushi LLC	10444 North Mall Dr	Baton Rouge	LA	70809	(225) 349-5207
JL Sushi LLC	2025 Sam's Way	Lake Charles	LA	70601	(972) 375-2803
Ling Sushi LLC	5604 Buckeystown Pike	Frederick	MD	21704	(240) 440-3288
Nur Kholis	610 N Frederick Ave	Gaithersburg	MD	20877	(540) 287-3244
Wasabi Sushi House LLC	2100 Generals Hwy	Annapolis	MD	21401	(410) 340-2356
MC Family Sushi LLC	15 Texas Station Ct	Timonium	MD	21093	(443) 562-5221
Ni Zi	3535 Russett Green E	Laurel	MD	20724	(301) 741-9800
Ciin Suan Vung	424 George Claus Blvd	Severn	MD	21144	(443) 570-4082
Lian Bawi	5702 Baltimore National Pike	Catonsville	MD	21228	(317) 413-4200
Dawn Sushi LLC	1700 Wesel Blvd	Hagerstown	MD	21740	(240) 626-6196
Van Thang LLC Limited Liability Company	2365 Crain Hwy	Waldorf	MD	20601	(301) 665-6852
Great Plate LLC	2700 N Salisbury Blvd	Salisbury	MD	21801	(443) 735-5575
Bawi Lian Thawng Kung	6410 Petrie Way	Baltimore	MD	21237	(410) 302-1452
Ngun Chin Sushi LLC	4326 28th St SE.	Kentwood	MI	49548	(616) 299-3781

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
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Franchisee	Address	City	State	Zip	Phone
IsaacFamily LLC	1707 E Sherman Blvd	Muskegon	MI	49444	616-729-9915
Vakok Family LLC	39800 Ford Rd	Canton	MI	48187	(317) 772-5194
Peter Sushi LLC	2925 Towne Centre Blvd	Lansing	MI	48906	(270) 938-2113
Van Than Luai LLC	817 E Shaw Ln	East Lansing	MI	72701	(517) 894-8120
Thahlawnpar LLC	4373 Corunna Rd	Flint	MI	48532	(469) 742-1251
Tha Ling Sushi LLC	2190 N Park Drive	Holland	MI	49424	(616) 315-5759
Global Asian LLC	2401 US 31 S	Traverse City	MI	49684	(954) 821-8306
Thawngpi Sushi LLC	31020 John R Road	Madison Heights	MI	48071	(317) 658-9930
Van Family LLC	31720 Gratiot Ave	Roseville	MI	48066	(317) 603-0694
Dawt Iang	4850 Encore Blvd	Mt Pleasant	MI	48858	(816) 205-5028
Kham L Khup LLC	1900 S East Campus Dr	Mt Pleasant	MI	02881	(616) 466-3114
Hlee Vue	14940 Florence Trail	Apple Valley	MN	55124	(612) 810-8290
Than Soe	4743 Maple Grove Rd	Hermantown	MN	55811	(206) 582-8487
Johan Thang	207 County Rd 120	St Cloud	MN	56303	(641) 691-2197
Chengleng LLC	8201 Old Carriage Ct	Shakopee	MN	55379	(651) 410-4136
Kaliayah 17 LLC	9925 Hudson Rd	Woodbury	MN	55125	(651) 334-2794
Py's Sushi LLC	3410 NW 55th Street	Rochester	MN	55901	(612) 413-9157
Xee Ho Vang LLC	1850 Buerkle Rd	White Bear Lake	MN	55110	(651) 500-5629
Yummy Sushi LLC	3035 Denmark Ave	Eagan	MN	55121	(918) 370-3559
NS&K Sushi LLC	8150 University Ave NE	Fridley	MN	55432	(612) 423-8128
Sky Blue LLC	200 American Blvd W	Bloomington	MN	55420	(651) 391-0638
Khua Hup LLC	102 Urbauer Hall	St Louis	MO	63105	(314) 267-3299
Ram Hei	3660 E Sunshine St	Springfield	MO	65809	(417) 771-1007
Sung Hniang LLC	3055 Bear Creek Dr	Wentzville	MO	63385	(314) 297-7689
Star Tlung LLC	2100 Maplewood Commons Dr	Maplewood	MO	63143	(314) 484-8558
Kopho LLC	5110 N Oak Trafficway	Kansas City	MO	64118	(816) 521-0191
Vandawt LLC	2855 Veterans Memorial Pkwy	St Louis	MO	63303	(970) 825-2224
Ni Sui Sin	8130 N Church Rd	Kansas City	MO	64158	(913) 337-2828
Jacobpa LLC	10248 Big Bend Rd	St Louis	MO	63122	(206) 579-7943
Saw Mu Eh Than	232 Shirley Dr	Cape Girardeau	MO	63701	(314) 393-4162
Tial's Sushi LLC	5201 N Belt Hwy, Ste A	St Joseph	MO	64506	(816) 385-2166
Sai Lian Thang LLC	196 THF Blvd	Chesterfield	MO	63005	(315) 413-1341
Sarah & Daniel LLC	4512 Lemay Ferry Rd	St Louis	MO	63129	(314) 793-5251
Ni H Lian LLC	745 W El Camino Alto	Springfield	MO	65810	(417) 824-0184
LB Fresh Sushi LLC	3536 Hammons Blvd	Joplin	MO	64804	(317) 699-3302
Kai & Peng LLC	13455 Manchester Rd	Saint Louis	MO	63131	(314) 556-4997
VALTHAIAP LLC	4100 Bolger Dr	Independence	MO	64055	(417) 763-7484
Thang LLC	10735 W Florissant Ave	St Louis	MO	63136	(314) 764-9038
Senrisushi LLC	141 N Dean Ave	Raymore	MO	64083	(417) 850-3307
Mingalabasushi LLC	849 Stoneridge Pkwy	Jefferson City	MO	65109	(816) 205-6345
Shalom Nsoi LLC	10431 Old Hwy 49	Gulfport	MS	39503	(402) 680-9849
Zathang Inc	465 Goodman Rd E	Southaven	MS	38671	(214) 257-5665

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1

March 2025

Franchisee	Address	City	State	Zip	Phone
YGL Innovation Inc	90 Bass Pro Dr	Pearl	MS	39208	(201) 674-3294
T.L.P. Sushi LLC	6080 US Hwy 98	Hattiesburg	MS	39402	(601) 527-3988
Sargo LLC	401 NW Bypass	Great Falls	MT	59404	(406) 564-6314
Joelceu LLC	4420 King Ave E	Billings	MT	59101	(469) 671-8390
Cho Mar Thein	4005 Chapel Hill Blvd	Durham	NC	27707	(919) 200-5083
Dulay LLC	1170 Western Blvd	Jacksonville	NC	28546	(252) 367-3032
K Queen LLC	412 S College Rd	Wilmington	NC	28403	(910) 515-9849
Lal Siam	4418 W Wendover Ave	Greensboro	NC	27407	(336) 888-9915
Ruth Ro Ding Thar	8909 JW Clay Blvd	Charlotte	NC	28262	(980) 263-7070
Par Sushi-par L.L.C.	646 River Hwy	Mooresville	NC	28117	(980) 339-6486
Family Food Center LLC	7435 US Hwy 70 SE	Hickory	NC	28602	(630) 994-9192
YangYan Lucky Home LLC	930 Hanes Mall Blvd	Winston-Salem	NC	27103	(626) 731-0216
21 Blessing Corp	284 Summit Square Blvd	Winston-Salem	NC	27105	(253) 545-9651
Diamond Lion Sushi LLC	3001 Calvary Dr	Raleigh	NC	27604	(984) 303-6871
Diamond Lion Sushi LLC	2537 S Saunders St	Raleigh	NC	27603	(984) 303-6871
Diamond Lion Sushi LLC	11460 Royall Cotton Rd	Wake Forest	NC	27587	(984) 303-6871
Zar Zar Lin	3540 E Franklin Blvd	Gastonia	NC	28056	(704) 923-6718
Blessing Bowl LLC	2811 N Park Dr	Goldsboro	NC	27534	(252) 514-1235
Lonely Htain LLC	4240 Winterville Pkwy	Winterville	NC	28590	(252) 626-4445
Vankau LLC	1450 Skibo Rd	Fayetteville	NC	28303	(252) 259-8497
Muantal Te Innkuan LLC	1801 Windsor Square Dr	Matthews	NC	98375	(704) 345-2123
Thang Family Sushi LLC	2421 Supercenter Dr NE	Kannapolis	NC	28083	(980) 207-9558
Dilian LLC	300 Tarrytown Center	Rocky Mount	NC	27804	(317) 777-9940
Winner Bo LLC	11425 Carolina PI Pkwy	Pineville	NC	28134	(980) 253-3054
Thomas Mang	645 Patton Ave	Asheville	NC	28806	(269) 339-1043
Shwe Waingmaw LLC	300 Highlands Square Dr	Hendersonville	NC	28792	(817) 840-8892
Johan Thang	2821 Rock Island Pl	Bismarck	ND	58504	(320) 800-7350
Chhakchhuak Puii	8480 Andermatt Dr	Lincoln	NE	68526	(206) 883-2780
Benjamin Biakchan Thang	13130 L St	Omaha	NE	68137	(402) 709-1588
Zel Thawng	9851 S. 71st Plaza	Papillion	NE	68133	(402) 672-2157
Sung H Cuai LLC	4900 N 27th St	Lincoln	NE	68521	(402) 709-9134
Hachi Man LLC	7 Walmart Blvd	Hudson	NH	03051	(702) 596-8888
Hachi Man LLC	304 Sheep Davis Rd	Concord	NH	03301	(702) 596-8888
Fachangkyauk LLC	2000 Clements Bridge Rd	Deptford Township	NJ	8096	(856) 571-6505
Kai Seng Maran	2521 Rte 130 S	Cinnaminson	NJ	08077	(856) 870-0251
B&B Sushi LLC	1025 Black Horse Pike	Pleasantville	NJ	8232	(317) 652-3789
Naw Yaw Han	883 US-1	Edison	NJ	8817	(601) 291-0256
Van Biak Sang	300 Park Plaza Dr	Secaucus	NJ	7094	(303) 960-0820
Ngun LLC	2080 N Blackhorse Pike	Williamstown	NJ	8094	(215) 758-6149
Elshad & Sugijo LLC	320 W Main St	Freehold	NJ	7728	(973) 281-6059
Kompa Family Sushi LLC	1421 N Renaissance Blvd	Albuquerque	NM	87107	(214) 772-5491
Apumte LLC	10600 Coors Blvd Bypass NW	Albuquerque	NM	87114	(432) 271-9924

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
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Franchisee	Address	City	State	Zip	Phone
Rual Hleng LLC	300 Eubank Blvd NE	Albuquerque	NM	87123	(807) 208-4767
E & D Sushi LLC	4201 Rodeo Drive	Santa Fe	NM	87507	(214) 554-5198
Iang Sushi LLC	2711 N Telshor Blvd	Las Cruces	NM	88011	(469) 464-6861
Jaya Family LLC	7175 Spring Mountain Rd	Las Vegas	NV	89117	(702) 721-1649
Jaya Family LLC	4015 S Buffalo Dr	Las Vegas	NV	89147	(702) 721-1649
Pyne Family LLC	8080 W Tropical Pkwy	Las Vegas	NV	89149	(765) 409-2794
Pyne Family LLC	1910 E Serene Ave	Las Vegas	NV	65809	(765) 409-2794
Jojowdomi LLC	1955 N Nellis Blvd	Las Vegas	NV	89115	(603) 226-1225
Johnny Chen LLC	7100 West Arroyo Crossing Pkwy	Las Vegas	NV	89113	(646) 240-8750
Hu & Ma LLC	7405 S Durango Dr	Las Vegas	NV	89113	(702) 354-2564
Hla Hla Nyunt	4835 Kietzke Ln	Reno	NV	89509	(720) 323-5822
Sang Awr	2441 Vestal Parkway East	Vestal	NY	13850	(317) 938-4330
Sushi Mun LLC	333 Saw Mill River Rd	Elmsford	NY	10523	(929) 667-3038
Van Khan LLC	1580 Military Rd	Niagara Falls	NY	14304	(716) 544-8267
Van Khan LLC	3735 Union Rd	Cheektowaga	NY	14225	(716) 544-8267
Bawilian Sushi LLC	300 N Galleria Dr	Wallkill	NY	10941	(317) 658-9605
T's Sushi LLC	56 W Merritt Blvd	Fishkill	NY	12524	(317) 389-1091
T's Sushi LLC	21341 Sams Dr	Watertown	NY	13601	(317) 389-1091
Sang Hrem	579 Troy/Schenectady Rd, Ste 236	Latham	NY	12110	(806) 690-0488
Poepoh Sushi Inc	7 Consumer Square	Plattsburgh	NY	12901	(802) 777-5619
ABThawng LLC	830 Country Road 64 Ste 2	Elmira	NY	14903	(317) 608-7523
Cunglian LLC	801 Frank Sotille Blvd	Kingston	NY	12401	(260) 239-7071
Sui Tial LLC	2950 Horse Block Rd	Medford	NY	11763	(317) 435-8438
Sea Fresh Sushi LLC	50555 Valley Plaza Dr	St Clairsville	OH	43950	(412) 627-5294
Trust Me Sushi LLC	1189 Buchholzer Blvd	Cuyahoga Falls	OH	44221	(234) 303-5572
Fam Tha Ki	6955 Miller Rd	Dayton	OH	45414	(214) 715-3673
Thomas Lian	432 Private Dr #288	South Point	OH	45680	(317) 529-6640
Siang LLC	1111 Miamisburg Centerville Rd	Dayton	OH	45459	(469) 671-6973
Siang LLC	3446 Pentagon Blvd	Beavercreek	OH	45431	(469) 671-6973
Ngun Tha Sung	10250 Brookpark Rd	Brooklyn	OH	44130	(216) 972-4195
Lian Mawng LLC	614 Crossings Rd	Sandusky	OH	44870	(317) 556-0587
The Hnin Family LLC	1070 N Lexington Springmill Rd	Ontario	OH	44906	(269) 339-2692
Sisters Food LLC	1270 N Bridge St	Chillicothe	OH	45601	(607) 592-3725
SuiHlichal LLC	3950 Morse Rd	Columbus	OH	43219	(614) 354-4094
Sengri Biak Incorporated	1150 Greely Chapel Rd	Lima	OH	45804	(317) 554-9351
Daysi LLC	3724 Northpointe Dr	Zanesville	OH	43701	(402) 208-8635
Chin Ma Lay LLC	10900 Euclid Ave	Cleveland	OH	44106	(317) 503-9677
Chin Ma Lay LLC	23300 Broadway Ave	Oakwood Village	OH	44146	(317) 503-9677
Tial Lian Bawi	2675 Taylor Rd Ext	Reynoldsburg	OH	43068	(614) 902-8959
Ikaal Sushi LLC	1755 Hilliard Rome Re	Hilliard	OH	43026	(402) 913-5129
Ram and Sung Store LLC	5600 Emerald Ct	Mentor	OH	44060	(270) 702-3556

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
March 2025

Franchisee	Address	City	State	Zip	Phone
Cincinnati Asian Sushi LLC	800 Kemper Commons Cir	Springdale	OH	45246	(317) 652-9420
Cincinnati Asian Sushi LLC	5375 N Bend Rd	Cincinnati	OH	45247	(317) 652-9420
Kapi LLC	1040 Niles Cortland Rd SE	Warren	OH	44484	(260) 564-1470
ZRSUNG LLC	3750 W Market Street #J	Fairlawn	OH	44333	(317) 494-2000
Sushi Dawt LLC	1705 S Broadway Ave	Moore	OK	73160	(405) 305-9256
Van Thawng	12905 E 96th St. N	Owasso	OK	74055	(918) 934-5918
Sushi To Go LLC	3400 W Main St	Norman	OK	73072	(405) 208-1364
Sung Sushi LLC	6521 SE 29th St	Midwest City	OK	73110	(405) 808-9783
Oasis S&M LLC	7757 S Olympia Ave	Tulsa	OK	74132	(918) 779-8557
Oasis S&M LLC	4420 S Sheridan Rd	Tulsa	OK	74145	(918) 779-8557
Sushi Zing LLC	4101 N May Ave	Oklahoma City	OK	73112	(405) 651-3678
UK Sushi LLC	5510 SW 5th St	Oklahoma City	OK	73128	(405) 985-9345
Suan Khan Mung	1117 West I-35 Frontage Rd	Edmond	OK	73034	(405) 361-2769
Agape Sushi LLC	1900 W Memorial Rd	Oklahoma City	OK	73134	(405) 464-2528
Sui Sushi LLC	802 NW Sheridan Rd	Lawton	OK	73505	(405) 905-1209
Laimi Sushi LLC	6922 S Mingo Rd	Tulsa	OK	74133	(918) 896-6035
Ram and Kim Sushi LLC	9000 NW Passage	Oklahoma City	OK	73132	(405) 886-1165
Suan Lun LLC	3025 SW Cedar Hills Blvd	Beaverton	OR	97005	(503) 995-7486
Hatlangh LLC	7501 SW Dartmouth St	Tigard	OR	97223	(503) 719-0278
Sakura76 LLC	2501 NE Century Blvd	Hillsboro	OR	97124	(971) 325-7373
Tuang Suum LLC	7330 NE Butler St	Hillsboro	OR	97124	(971) 506-5400
Sea Fresh Sushi LLC	80 Trinity Point Dr.	Washington	PA	15301	(412) 627-5294
Sea Fresh Sushi LLC	289 Mt Nebo Point Rd	Pittsburgh	PA	15237	(412) 627-5294
Rice & Season LLC	901 Airport Center Drive	Allentown	PA	18109	(484) 456-9909
Rice & Season LLC	5314 Allentown Pike	Temple	PA	19560	(484) 456-9909
Ja Hkashi, LLC	6520 Carlisle Pike	Mechanicsburg	PA	17050	(717) 330-8976
Ja Hkashi, LLC	2801 E Market St	York	PA	17402	(717) 330-8976
Zou Theen LLC	2251 Century Dr	West Mifflin	PA	15122	(412) 513-5703
Biak Thiang LLC	1000 Franklin Mills Cir	Philadelphia	PA	19154	(267) 507-8355
EsakSushi LLC	261 Wilson Ave	Hanover	PA	17331	(512) 698-0645
Awng Du Naw Nyan	6781 Grayson Rd	Harrisburg	PA	17111	(402) 763-0054
Ba Kyi LLC	2500 W Plank Rd	Altoona	PA	16601	(260) 602-1876
DK Ocean Elohim LLC	6211 State Rte 30	Greensburg	PA	15601	(412) 600-6721
Amazing Grace Food Limited	611 Lycoming Mall Cir	Muncy	PA	17756	(607) 592-3725
Amazing Grace Food Limited	3796 Easton Nazareth Hwy	Easton	PA	75069	(607) 592-3725
Sandy Shine LLC	3925 Welsh Rd	Willow Grove	PA	19090	(267) 266-5221
Z Sushi LLC	1717 E Lincoln Hwy	Langhorne	PA	19047	(704) 626-9002
Dream Sushi LLC	2000 Village Center Dr	Tarentum	PA	15084	(412) 290-0760
Rehoboth Sushi LLC	3621 William Penn Hwy	Monroeville	PA	15146	(412) 738-5860
Mang Sushi LLC	7200 Peach St	Erie	PA	16509	(814) 572-9598
Nang MCP LLC	921 Viewmont Dr	Scranton	PA	18519	(214) 535-3656
Lian & Zir Fresh Sushi LLC	200 Moraine Pointe Plaza	Butler	PA	16001	(412) 596-7566

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
March 2025

Franchisee	Address	City	State	Zip	Phone
Thy Kingdom Sushi LLC	441 Wilkes Barre Township Blvd	Wilkes Barre	PA	91321	(978) 235-6768
Sang Fresh Sushi LLC	381 Benner Pike	State College	PA	16801	(317) 610-6719
Vanlian Sang	249 Summit Park	Pittsburgh	PA	15275	(215) 254-0531
Ara Group LLC	Plaza del Parque 1500, Ramon Luis Rivera Ave	Bayamon	PR	00961	(787) 245-5481
DOUBLE SEVEN INC	Plaza Centro II, Ave Rafael Cordero	Caguas	PR	00725	(787) 246-0419
Sushi Thang LLC	PR-2 KM 84.2	Hatillo	PR	00659	(787) 366-7400
Wu Blue Hawaii LLC	2188 Av Eduardo Ruberte	Ponce	PR	00716	(787) 363-6128
L&B Worldwide LLC	Western Plaza, Carr. 2 KM	Mayaguez	PR	00680	(949) 572-8430
L&B Worldwide LLC	Plaza Escorial	Carolina	PR	00987	(949) 572-8430
L&B Worldwide LLC	PR-2 KM 2.2 Kennedy Ave	San Juan	PR	00936	(909) 678-6666
Thwinn LLC	50 Lower College Rd	Kingston	RI	02881	(646) 331-7867
Sea Fresh Sushi LLC	4900 Centre Pointe Dr	North Charleston	SC	29418	(412) 627-5294
Okurimono LLC	1211 Woodruff Rd	Greenville	SC	29607	(864) 438-6251
Deirel Arsi LLC	3812 Liberty Hwy, Ste 6	Anderson	SC	29621	(864) 386-1557
Moses&Bawi LLC	733 Fashion Dr	Columbia	SC	29229	(269) 589-9375
Vankautlang Inc	200 Peachwood Centre Dr	Spartanburg	SC	29301	(864) 354-2471
Thiang Family LLC	5426 Forest Dr	Columbia	SC	29206	(803) 667-8055
No El Ti	2474 Cross Pointe Dr	Rock Hill	SC	29730	(904) 770-1185
Tuan's Family Sushi LLC	1946 10th Ave N	Myrtle Beach	SC	29577	(309) 350-9779
Ngun Chawng	220 Jefferson Davis Hwy	Aiken	SC	29801	(980) 474-7436
Muvanlai Sushi LLC	14 Bluffton Rd	Bluffton	SC	29910	(904) 728-6017
Ebenezer Sushi Ministry LLC	200 Beltline Dr	Florence	SC	29501	(270) 991-8893
Sum Inc	309 Rolling Hills Cir	Easley	SC	29640	(864) 907-0431
Thicoengva LLC	350 Harbison Blvd	Columbia	SC	29212	(803) 873-4320
Zan's Sushi Franchise LLC	925 Eglin St	Rapid City	SD	57701	(417) 365-0440
Lal Biak LLC	3201 S Louise Ave	Sioux Falls	SD	57106	(417) 705-5905
Shuwan&Family LLC	1177 Sams St	Cookeville	TN	38506	(931) 510-8580
Ngun Thang LLC	2150 Covington Pike	Memphis	TN	38128	(331) 871-1374
Da Kha Cin	3070 Mallory Ln	Franklin	TN	37067	(806) 443-4292
Orchid 23 LLC	2120 Emporium Dr	Jackson	TN	38305	(414) 514-1859
Shan Chin Star LLC	1408 25th Ave S	Nashville	TN	37212	(615) 823-0749
Robin Thawng LLC	8435 Wallbrook Dr	Knoxville	TN	37923	(972) 940-2907
Han Sushi LLC	3315 Guthrie Hwy	Clarksville	TN	37040	(615) 481-9580
Govani Ko	2920 Knoxville Center Dr	Knoxville	TN	37924	(865) 200-9577
ZH Moses Pui LLC	8480 US Hwy 64	Bartlett	TN	38133	(317) 294-2916
ZH Moses Pui LLC	7475 Winchester Rd	Memphis	TN	38125	(317) 294-2916
Zai Tin Rem	6101 Lee Hwy	Chattanooga	TN	98684	(432) 978-3279
LV Hallelujah7 LLC	1300 Antioch Pike	Nashville	TN	37211	(334) 494-3572
Gin Sushi LLC	301 Indian Lake Blvd	Hendersonville	TN	37075	(470) 214-3929
Minlun Family LLC	125 John R Rice Blvd	Murfreesboro	TN	37129	(615) 521-8403
Nangyint Family LLC	3060 Franklin Terrace	Johnson City	TN	37604	(817) 706-0005

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
March 2025

Franchisee	Address	City	State	Zip	Phone
DC Sushi LLC	10488 Katy Fwy	Houston	TX	77043	(509) 308-5148
DC Sushi LLC	20424 Katy Fwy	Katy	TX	77449	(509) 308-5148
Sushi Rose Inc	2325 Interstate 20	Grand Prairie	TX	75052	(817) 204-9228
Siang Sushi Inc	6375 NE Loop 820	N Richland Hills	TX	76180	(214) 587-5147
Siang Sushi Inc	201 Golden Triangle Blvd	Keller	TX	76248	(214) 587-5147
Renh and Sang LLC	1213 Market Place Blvd	Irving	TX	75063	(469) 528-0141
Renh and Sang LLC	1701 W State Hwy 114	Grapevine	TX	76051	(469) 528-0141
Shukufuku LLC	5150 N Garland Ave	Garland	TX	75040	(469) 733-7020
Thangku Sushi LLC	1740 Highway 157 N	Mansfield	TX	76063	(682) 279-2282
Cho Cho Ma	6185 Retail Rd	Dallas	TX	75231	(817) 902-9921
Wai Lin LLC	2025 S SW Loop 323	Tyler	TX	75701	(469) 207-2276
The Best Star Sushi LLC	9461 Webb Chapel Rd	Dallas	TX	75220	(214) 730-8336
MANG THANG LLC	9498 Gateway Blvd N	El Paso	TX	79924	(469) 952-9279
MANG THANG LLC	7001 Gateway Blvd W	El Paso	TX	79925	(469) 952-9279
MANG THANG LLC	7970 N Mesa St	El Paso	TX	79932	(469) 952-9279
Thet Thet Wai	9665 FM 1960 Bypass Rd W	Humble	TX	77338	(832) 774-5322
Lahpai Sengnu Lataw	8351 Anderson Blvd	Fort Worth	TX	76120	(817) 965-9827
Sian Siam LLC	13600 East Fwy	Houston	TX	77015	(832) 908-3051
Khuang Family Inc	2900 W Wheatland Rd	Dallas	TX	75237	(214) 994-5901
Tluang Tin Lian	3310 N 4th St	Longview	TX	75605	(817) 655-0373
Hakha LLC	11360 Pellicano Dr	El Paso	TX	79936	(575) 805-6183
Rainbow Box LLC	1615 Interstate 10 S	Beaumont	TX	77701	(346) 646-9640
Rainbow Box LLC	22402 Bellaire Blvd	Richmond	TX	77047	(346) 646-9640
Alpha Mun LLC	12205 West Rd	Houston	TX	77065	(832) 774-3056
J&H Sushi LLC	2000 Westview Blvd	Conroe	TX	77304	(832) 545-2780
J&H Sushi LLC	325 E Richey Rd	Houston	TX	77073	(832) 545-2780
Van's Sushi LLC	600 N Burleson Blvd	Burleson	TX	76028	(817) 986-3544
Van's Sushi LLC	9900 S IH 35 Frontage Rd	Austin	TX	78748	(817) 986-3544
Zahnin Sushi LLC	4400 Bryant Irvin Rd	Fort Worth	TX	76132	(469) 321-6941
Htoisan Sushi LLC	19091 Interstate 45 S	Shenandoah	TX	77385	(281) 717-0733
Salai Sushi LLC	12000 McCree Rd	Dallas	TX	75238	(404) 734-9172
Tha Uk LLC	301 Coit Rd	Plano	TX	75075	(214) 434-3012
Siakhel LLC	3801 Kell Blvd	Wichita Falls	TX	76308	(805) 769-0396
Beaula LLC	2201 Ross Osage St	Amarillo	TX	79103	(806) 220-5455
Elena Par LLC	6016 Marsha Sharp Fwy	Lubbock	TX	79407	(806) 567-4248
Th Thang LLC	6760 Westworth Blvd	Westworth Village	TX	76114	(214) 994-7492
Youdao LLC	5310 S Rice Ave	Houston	TX	77081	(281) 235-2321
Aung Ming Thang	5565 De Zavala Rd	San Antonio	TX	78249	(210) 980-8248
Sea Story Inc	1350 Leah Ave	San Marcos	TX	78666	(512) 743-6639
Sea Story Inc	130 Sundance Pkwy #300	Round Rock	TX	78681	(512) 743-6639
Hmi Sushi LLC	1575 S Main St	Fort Worth	TX	76104	(817) 696-6656
Shimasu LLC	8952 Westgate Pkwy	Amarillo	TX	79124	(512) 487-4375

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1

March 2025

Franchisee	Address	City	State	Zip	Phone
Lian Cung Thang	3333 N US Highway 75	Sherman	TX	75090	(214) 400-4327
Blessing Maang Family LLC	3239 Goliad Rd	San Antonio	TX	78223	(346) 719-5619
Blessing Maang Family LLC	5055 NW Loop 410	San Antonio	TX	78229	(346) 719-5619
Mason Thawng LLC	4062 Lyndon B Johnson Fwy	Addison	TX	75244	(214) 960-6440
B&RD LLC	1500 Tradewinds Blvd	Midland	TX	79706	(806) 717-3318
ML Sushi LLC	351 Hwy 6	Sugarland	TX	77478	(832) 866-6037
Tiger Parts, LLC	12300 Southwest Fwy	Stafford	TX	77477	(713) 371-2636
4 Corners Sushi LLC	11101 Fuqua St	Houston	TX	20877	(832) 605-6301
KingChan Sushi LLC	9700 N Capital of Texas Hwy	Austin	TX	89117	(682) 498-7118
KingChan Sushi LLC	10901 Lakeline Mall Dr	Austin	TX	78717	(682) 498-7118
Ngun Pawng LLC	8621 Ohio Dr	Plano	TX	75024	(972) 829-1510
Nai Nai LLC	1200 E Spring Creek Pkwy	Plano	TX	75074	(469) 509-4565
La Awng	6614 Gulf Fwy	La Marque	TX	77568	(410) 938-1102
Caparsushibar LLC	4230 John Ben Shepperd Pkwy	Odessa	TX	79762	(214) 545-8153
Emerald Sushirro LLC	4833 South Padre Island Dr	Corpus Christi	TX	78411	(415) 810-5592
Bawi sushi LLC	600 W Central Texas Expwy	Harker Heights	TX	76548	(830) 391-7617
Kyaw Kyaw Tun	407 N Brentwood Dr	Lufkin	TX	75904	(765) 767-1948
Henry Van Sushi LLC	621 N Expressway 77	Harlingen	TX	78550	(469) 438-1865
Josephnu's Kitchen LLC	5555 S Buckner Blvd	Dallas	TX	75228	(469) 471-2310
J&J Food LLC	7950 Cypress Creek Pkwy	Houston	TX	77070	(346) 606-1867
Houston Ethan's LLC	155 W El Dorado Blvd	Friendswood	TX	77546	(832) 542-6686
Yugen LLC	15800 South Fwy	Pearland	TX	77584	(281) 840-7292
Emerald Zay USA LLC	1405 E Earl Rudder Fwy	College Station	TX	77845	(415) 509-6890
Nant Phaunt Sue	5749 Sherwood Way	San Angelo	TX	76901	(415) 910-7067
Diamond Sushi LLC	2850 W University Dr	Denton	TX	76201	(214) 527-4448
Chumawithawng LLC	751 W Main Street	Lewisville	TX	75067	(469) 471-1678
Tun Sushi LLC	1414 Marland Wood Rd	Temple	TX	76502	(270) 485-6832
Emerald Queen LLC	7601 N 10th St	McAllen	TX	78504	(415) 810-5550
Emerald Queen LLC	1400 E Jackson Ave	McAllen	TX	78503	(415) 810-5550
Sola Fide Sushi LLC	1935 Medical District Dr, Mailstop D2513	Dallas	TX	75235	(240) 404-8524
Kap Hnim	1670 W University Dr	McKinney	TX	75069	(214) 962-7856
Long Nguyen	12349 Interstate 35 N	San Antonio	TX	78233	(469) 773-1104
Long Nguyen	3150 SW Military Dr	San Antonio	TX	78224	(469) 773-1104
Hnianglian Family Sushi Inc	2301 E Waco Dr	Waco	TX	76705	(940) 222-0636
Family Sushi LLC	6525 S State St	Murray	UT	84107	(801) 918-8758
Family Sushi LLC	7571 S 3800 West	West Jordan	UT	84084	(801) 918-8758
Malihka Phaga LLC	801-829 E 600 N	Logan	UT	84321	(540) 414-1198
Malihka Phaga LLC	145 W 1250 N	Logan	UT	84341	(540) 414-1194
Shuwan&Family LLC	13249 Lee Hwy	Bristol	VA	24202	(931) 510-8580
Vanhre Thangngan	1501 Sam's Cir	Chesapeake	VA	23320	(404) 399-6629
Vanhre Thangngan	2444 Chesapeake Square Ring Rd	Chesapeake	VA	23321	(404) 399-6629

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-1  
March 2025

Franchisee	Address	City	State	Zip	Phone
Van Tha Bik Thawng	1455 Towne Square Blvd NW	Roanoke	VA	24012	(540) 819-5059
Esther Michael May William LLC	9440 W Broad St	Richmond	VA	23294	(804) 507-3878
Boaznaw LLC	735 South Park Blvd	Colonial Heights	VA	23834	(804) 588-6935
Sein Tun	601 Commerce Dr	Bluefield	VA	24605	(702) 498-7513
Aura Duwa LLC	970 Hilton Heights Rd	Charlottesville	VA	22901	(402) 321-3021
Aura Duwa LLC	901 Walmart Way	Midlothian	VA	23113	(402) 321-3021
Tuan & Siam Sushi Company LLC	3912 Wards Rd	Lynchburg	VA	24502	(540) 915-8667
Zaw&Rose LLC	3345 Virginia Beach Blvd	Virginia Beach	VA	21093	(757) 602-8568
The Bik's L.L.C.	45425 Dulles Crossing Plaza	Sterling	VA	20166	(410) 292-6325
Malihka Phaga LLC	14050 Worth Ave	Woodbridge	VA	22192	(540) 414-1198
Nghaktea Tuahzo	215 Piedmont Pl	Danville	VA	24541	(336) 858-8914
A Myat LLC	12407 Jefferson Ave	Newport News	VA	23602	(757) 256-5703
Temi&Lian LLC	9518 176 St E	Puyallup	WA	98375	(214) 842-3130
Pasian Thupha LLC	905 NE 136th Ave	Vancouver	WA	98684	(503) 914-8949
Topa Thupha LLC	2101 NE Andresen Rd	Vancouver	WA	98661	(503) 737-8937
Xuan Sushi LLC	3947 116th St NE	Marysville	WA	98271	(281) 781-6841
JH Sushi LLC	120 Triangle Shopping Center	Longview	WA	89632	(206) 225-4965
Rachel Mawi LLC	21100 91st Place S	Kent	WA	98031	(425) 449-9539
Double7 Sushi LLC	3300 Brumback Blvd	Kenosha	WI	53144	(608) 217-2061
M&C FRESH SUSHI LLC	3900 Deerfield Dr	Janesville	WI	53546	(608) 469-8098
Lee Xiong LLC	2470 W Mason St	Green Bay	WI	54303	(920) 327-9232
Ram Sushi LLC	6705 S 27th St	Franklin	WI	53132	(515) 577-9216
Ally & Sui LLC	21 N Park St	Madison	WI	53715	(240) 459-5472
Ally & Sui LLC	1308 W Dayton St	Madison	WI	53715	(240) 459-5472
Lal N Piang LLC	4000 Rib Mountain Dr	Wausau	WI	54401	(432) 215-1609
Tin Can Sushi LLC	600 Springdale Rd	Waukesha	WI	53186	(414) 775-5620
Wai Sushi Appleton LLC	1000 N Westhill Blvd	Appleton	WI	54914	(920) 216-6668
Pang Cher Vue	4001 Gateway Dr	Eau Claire	WI	54701	(715) 839-8815
Boi Sushi LLC	8050 N 124th St	Milwaukee	WI	53223	(414) 690-5739
Golden Peninsula Company	1100 Grand Central Ave	Vienna	WV	26105	(330) 475-4208
Paulchanmyae LLC	6001 University Town Centre Dr	Morgantown	WV	26501	(269) 841-6409
Yuzu Sushi LLC	1220 N Eisenhower Dr	Beckley	WV	25801	(347) 363-9929
Akhai LLC	1948 Dell Range Blvd	Cheyenne	WY	82009	(832) 834-0312



**EXHIBIT C-2 TO THE DISCLOSURE DOCUMENT**  
**LIST OF FRANCHISEES THAT LEFT THE SYSTEM IN FISCAL YEAR 2024**

Name	City	State	Phone
DaWa LLC*	Mobile	AL	(251) 207-9588
Kim And Grace Enterprise LLC	Oxford	AL	(678) 886-7321
Zaw Lwin LLC	Huntsville	AL	(270) 421-0435
John Mang LLC*	Mobile	AL	(417) 416-2648
Golden Dream Sushi LLC	Fayetteville	AR	(417) 350-6388
MIHFRESHSUSHI LLC	Springdale	AR	(432) 741-1960
Sodom Lian Sushi's LLC	Jonesboro	AR	(920) 547-8402
Robin Van Neih Thang	Springdale	AR	(214) 772-4900
Snay Pyu LLC	Glendale	AZ	(469) 251-6440
Mang Sushi Inc	Palmdale	CA	(626) 377-7107
Cung Sushi LLC	Big Bear Lake	CA	(530) 355-1619
Winner 168 LLC*	Riverside	CA	(260) 797-7674
JRZ Corporation*	Van Nuys	CA	(818) 477-6253
Jojo Hope LLC	Pasadena	CA	(626) 283-1056
All Fresh LLC	La Habra	CA	(626) 848-4858
Za Company LLC*	Desert Hot Springs	CA	(626) 759-4395
Maxwell Handcraft LLC*	Hemet	CA	(951) 445-0827
MYM Cuisine Inc	Torrance	CA	(626) 382-6284
T & S Food LLC	Murrieta	CA	(909) 272-7527
YAN GENG INC*	San Jacinto	CA	(951) 907-3007
Yidingreng Inc*	Hemet	CA	(949) 351-1430
BO&F RAINBOW FISH*	Victorville	CA	(626) 622-6131
Joylemon LLC	Van Nuys	CA	(818) 919-1778
Hua Shan Corp	Coronado	CA	(619) 573-8818
Bigbooster LLC*	San Bernardino	CA	(646) 251-2810
Sunartae Inc	Tustin	CA	(858) 922-7046
Yili Yu	Cathedral City	CA	(626) 242-3182
J & C Ace Inc	Huntington Beach	CA	(213) 446-2038
Milanopolo LLC	North Hills	CA	(909) 347-3496
MCLian Family Sushi LLC	Lancaster	CA	(626) 377-7107
Pangpang LLC	Palmdale	CA	(702) 899-9666
Zhanhong Inc*	Murrieta	CA	(626) 253-7812
DH Strategic Group Inc*	San Diego	CA	(619) 573-8818
Lee & Kwon Kitchen LLC	Northridge	CA	(818) 326-0840
Oriental Star Group	Buena Park	CA	(626) 759-2542
KSEET LLC	Artesia	CA	(213) 327-7641
Kyungbum Lee	San Diego	CA	(858) 888-3055
Quality Crown Inc*	Norco	CA	(951) 999-8777
J Tasty Food LLC	Fullerton	CA	(626) 393-0886
Palm KFood*	Lancaster	CA	(213) 247-0333

Name	City	State	Phone
Tonny T Jahng	San Clemente	CA	(858) 305-9202
DEFU Inc	Fountain Valley	CA	(909) 342-2778
Linda Sushi	Temecula	CA	(951) 331-0590
Go Green Life Inc*	Canoga Park	CA	(626) 922-8599
Joesoep Corp	Pasadena	CA	(213) 468-4438
Taewoon Inc	Orange	CA	(323) 547-9324
JJ's Products Inc	Whittier	CA	(626) 643-8819
Shao Yun Zhang (forming G & S Trading Inc)	Gardena	CA	(909) 538-5759
Vesea International Inc	Claremont	CA	(626) 246-4646
Kun Guo	Orange	CA	(510) 899-3684
Aung Myo	Laguna Niguel	CA	(760) 408-4344
Fengyun Inc	Anaheim	CA	(929) 660-5921
Sushi Star Corp*	Whittier	CA	(626) 340-9462
Heavenly Manna LLC*	Denver	CO	(619) 808-9745
Lucas Mang	Pueblo	CO	(719) 500-3013
A Team Sushi Factory Inc	Castle Rock	CO	(719) 242-1278
Sushi N' Roll LLC*	Littleton	CO	(720) 462-8355
JP Chei	Pueblo	CO	(432) 880-3303
Zai T Chei	Pueblo	CO	(432) 222-2897
Van Daitui LLC*	Vero Beach	FL	(918) 813-8900
Fnuniang Suan Ching	Pensacola	FL	(850) 901-0300
Lal Peng	New Port Richey	FL	(813) 475-0972
Olive Lian Sushi LLC	Cape Coral	FL	(317) 332-2313
Khaing Gyi Family Inc	Orlando	FL	(919) 396-4851
Seacrest Aung Enterprises Inc	Orlando	FL	(919) 357-7992
Thlan Cing LLC	Orlando	FL	(317) 966-1217
Khup Khat Pau	Daytona Beach	FL	(216) 575-4772
VLS Family Enterprise LLC	Pinellas Park	FL	(317) 909-4216
Blessing Family LLC	Sharpsburg	GA	(678) 330-0664
Thang Lian Sang	Alpharetta	GA	(404) 829-5325
Thang Ngaih Lian	Valdosta	GA	(770) 203-5545
MARY NAULAK FAMILY LLC*	Athens	GA	(678) 262-6676
Ngaihte Thangpu LLC	Brunswick	GA	(480) 239-6063
Tial's Sushi LLC*	Sioux City	IA	(816) 385-2166
Lal Muan Kima	Dubuque	IA	(515) 723-0033
Dawt Hmun Thang	Iowa City	IA	(317) 702-5815
Vena Sushi LLC	Iowa City	IA	(515) 867-0591
Vanlian Sushi LLC	Quincy	IL	(317) 871-4231
Thahlawnpar LLC*	Joliet	IL	(469) 742-1251
AC1 Sushi LLC	Kokomo	IN	(317) 374-2615
Sansushi LLC	Fort Wayne	IN	(317) 432-3458
Mang Hrin Lian	Columbus	IN	(317) 992-8574

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-2  
March 2025

Name	City	State	Phone
Aung Ko	Lexington	KY	(845) 461-6293
Van Biakzapeng	Lake Charles	LA	(972) 375-2803
Tha Lin	Baton Rouge	LA	(515) 333-9097
Florence & Arfi Sushi LLC	Slidell	LA	(985) 259-3250
Hniang Chin Hmung	Baltimore	MD	(443) 766-8695
Ngun Thang LLC*	Roseville	MI	(331) 871-1374
Agape Sushi LLC	Holland	MI	(616) 308-9376
Hnin Sushi LLC	Roseville	MI	(517) 894-5949
DC & LA LLC	Mt Pleasant	MI	(269) 425-5594
Van Than Luai LLC*	Madison Heights	MI	(514) 894-8120
Zay Linn Khant	Mt Pleasant	MI	(463) 867-9290
T&M Sushi LLC	Fridley	MN	(612) 229-3111
Yang Infinity LLC (Moua Yang)	Bloomington	MN	(651) 391-0638
Suitha LLC	Raymore	MO	(913) 282-7788
Lin's Sushi LLC	Jefferson City	MO	(816) 205-6345
Win Family LLC	Hendersonville	NC	(616) 550-9839
Only Helen Sushiya Inc	Raleigh	NC	(919) 908-4586
Lawi Marn	Pineville	NC	(610) 605-7764
Infinity Fresh Sushi Inc	Kannapolis	NC	(704) 303-3041
Ni Kung	Bismarck	ND	(317) 612-4520
Biak Mang	Papillion	NE	(402) 213-8611
Thla Ceu Or	Lincoln	NE	(402) 710-2009
Joowdomi LLC*	Concord	NH	(702) 596-8888
Mary Kawl Tial	Williamstown	NJ	(267) 221-8100
Excellent Sushi LLC	Freehold	NJ	(347) 238-5023
Hakha LLC*	Las Cruces	NM	(575) 805-6183
Bawi Thang LLC	Las Vegas	NV	(702) 785-8401
168 Sushi LLC	Reno	NV	(775) 843-6023
Salaijune LLC	Kingston	NY	(317) 389-1091
Ceu Pi LLC	Watertown	NY	(317) 764-7429
Tin Peng Cung	Medford	NY	(469) 286-7575
Sung's Sushi LLC	Toledo	OH	(704) 606-5367
BNM Sushi LLC	Fairlawn	OH	(614) 603-4834
Sui Hlei	Cincinnati	OH	(317) 665-6725
Lang Lian Thang	Pittsburgh	PA	(412) 871-1372
Saw Lar Paung	Wilkes-Barre	PA	(215) 873-1844
Karima Shariffa Williams	Easton	PA	(631) 383-1183
Vankautlang Inc*	Easley	SC	(864) 354-2471
Queen Iris2020 LLC	Columbia	SC	(404) 429-6694
Chin Matu LLC	Florence	SC	(704) 352-1602
Vau LLC	Sioux Falls	SD	(918) 951-2104
Go San Cing	Nashville	TN	(615) 260-4553

**FUJISAN FRANCHISING CORP.**

Franchise Disclosure Document – Exhibit C-2  
March 2025

Name	City	State	Phone
Johnny Wan LLC	Johnson City	TN	(330) 412-6237
Zaw Moe	Chattanooga	TN	(256) 819-9693
Blessed Sushi LLC	Hendersonville	TN	(563) 549-8878
Victor Small of EI LLC	Memphis	TN	(410) 530-3625
Sashimi Sushi Sakura LLC	Harlingen	TX	(512) 487-4375
Siang Sushi Inc*	Denton	TX	(214) 587-5147
Esther Hesa	Lewisville	TX	(214) 434-8926
The Best Star Sushi LLC*	Temple	TX	(214) 730-8336
PrimRose Sushi LLC	San Angelo	TX	(469) 693-7140
Ivypaul LLC	Colege Station	TX	(214) 680-3761
Bawi Hmun Thawng	Dallas	TX	(503) 332-1697
Jo Jo Sushi Bar LLC	Pearland	TX	(832) 207-3074
American Sheep LLC	Houston	TX	(917) 912-3628
Ngun Bawi Thawng	Lufkin	TX	(817) 776-2512
Hrang Bik Lal	Waco	TX	(469) 647-0114
Maw Hu	Brownsville	TX	(904) 383-5383
Sung Lian Tei LLC	Amarillo	TX	(806) 670-1747
TC Sushi LLC	Dallas	TX	(214) 624-8936
Lucky Elephant LLC	Friendswood	TX	(346) 719-3402
Sand Harbor Sushi Company Inc	Harker Heights	TX	(361) 806-6379
Alphonse Tin Lian	McAllen	TX	(716) 335-8412
Plus Sushi LLC	Round Rock	TX	(512) 888-2163
Van Ceu Hnin	Plano	TX	(214) 259-6092
Lal Neih Thang	Odessa	TX	(432) 214-1707
J T Sushi LLC	Plano	TX	(469) 661-6118
Simon J LLC (Sa Zin Htoo Naing)	La Marque	TX	(713) 732-8688
Cing Khai LLC	San Antonio	TX	(210) 328-8253
Emerald Zay USA LLC*	Waco	TX	(415) 509-6890
Zingki LLC	Dallas	TX	(309) 292-4605
Leeyan LLC*	Logan	UT	(561) 574-7045
Ngun Can	Newport News	VA	(757) 256-5703
Ja Ja Hkang Hti	Midlothian	VA	(804) 617-4724
Lian Bawi*	Sterling	VA	(317) 413-4200
Lian's LLC	Virginia Beach	VA	(804) 928-7057
Ngun Tin Par	Eau Claire	WI	(414) 488-4808

**\*These franchisees continue to own other Fujisan® franchised locations.**

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT C-3 TO THE DISCLOSURE DOCUMENT**  
**LIST OF COMPANY-OWNED KIOSK LOCATIONS**

**COMPANY OWNED KIOSK AS OF 12/31/24**

**NONE**

**EXHIBIT C-4 TO THE DISCLOSURE DOCUMENT**  
**LIST OF FRANCHISEES THAT WERE NOT YET OPERATING AS OF DECEMBER 31, 2024**

Franchisee	City	State	Zip
Eago Inc	Lake Elsinore	CA	92532
Two Baba Sushi Inc	Modesto	CA	95356
Nicholas Saw	National City	CA	91950
Cincinnati Asian Sushi LLC	Cincinnati	OH	45245

**EXHIBIT D TO THE DISCLOSURE DOCUMENT**  
**STATE FRANCHISE LAW ADMINISTRATORS**

California:  
Department of Financial Protection and Innovation  
One Sansome Street, Ste. 600  
San Francisco, CA 94104

320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344

May Lee State Office Complex  
651 Bannon Street, Suite 300  
Sacramento, CA 95811

1350 Front Street, Room 2034  
San Diego, CA 92101-4233

1-866-ASK-CORP

Hawaii:  
Department of Commerce and  
Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813

Illinois:  
Office of the Attorney General  
500 South Second Street  
Springfield, IL 62706

Indiana:  
Indiana Securities Division  
Secretary of State  
302 West Washington Street, Room E-111  
Indianapolis, IN 46204

Maryland:  
Office of the Attorney General  
Division of Securities  
200 Saint Paul Place, 20th Floor  
Baltimore, MD 21202-2020

Michigan:  
Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Department of Attorney General  
670 Law Building  
Lansing, MI 48913

Minnesota:  
Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1500

New York:  
NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, NY 10005  
(212) 416-8222

North Dakota:  
Office of Securities Commissioner  
600 East Boulevard, 5th Floor  
Bismarck, ND 58505

Oregon  
Director  
Department of Consumer & Business Services  
Division of Finance & Corporate Securities  
P.O. Box 14480  
Salem, Oregon 97309-0405  
(503) 378-4140

Rhode Island:  
Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex 69-1  
Cranston, RI 02920-4407

South Dakota:  
Division of Insurance  
Securities Regulation  
124 S. Euclid, Second Floor  
Pierre, SD 57501  
(605) 773-3563

Virginia:  
State Corporation Commission  
Division of Securities and  
Retail Franchising  
1300 East Main Street, 9th Floor  
Richmond, VA 23219

Washington:  
Department of Financial Institutions  
Securities Division  
P. O. Box 41200  
Olympia, WA 98504-1200  
360-902-8760

Wisconsin:  
State of Wisconsin  
Office of the Commissioner of Securities  
4822 Madison Yards Way, North Tower  
Madison, WI 53705

**EXHIBIT E TO THE DISCLOSURE DOCUMENT**  
**AGENTS FOR SERVICE OF PROCESS**

**The Franchisor has not appointed the agent identified below unless it has registered in that state, as noted on the page following the State Cover page.**

**California:**

Commissioner of Financial Protection and Innovation  
Department of Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344

**Hawaii:**

Commissioner of Securities  
Department of Commerce and  
Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

**Illinois:**

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706

**Indiana:**

Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204

**Maryland:**

Securities Commissioner  
200 Saint Paul Place  
Baltimore, Maryland 21202-2020

**Michigan:**

Department of Attorney General's Office  
Consumer Protection Division  
670 Law Building  
Lansing, Michigan 48913

**Minnesota:**

Commissioner of Commerce  
85 7<sup>th</sup> Place E.  
St. Paul, MN 55101

**New York:**

Secretary of State  
99 Washington Avenue  
Albany, New York 12231

**North Dakota:**

Commissioner of Securities  
600 East Blvd., 5th Floor  
Bismarck, North Dakota 58505

**Rhode Island:**

Director of Business Regulation  
Division of Securities  
John O. Pastore Complex 69-1  
1511 Pontiac Avenue  
Cranston, RI 02920

**South Dakota:**

Director  
Division of Insurance  
Securities Regulation  
124 S. Euclid, Second Floor  
Pierre, South Dakota 57501  
(605) 773-3563

**Virginia:**

Clerk of the State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219

**Washington:**

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, Washington 98501

**Wisconsin:**

Administrator  
Department of Financial Institutions  
Division of Securities  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705



**EXHIBIT F TO THE DISCLOSURE DOCUMENT**  
**TRANSFER OF FRANCHISE TO A BUSINESS ENTITY**

## ASSIGNMENT

\_\_\_\_\_ (individually and collectively, the “Assignor”) entered into a Franchise Agreement with Fujisan Franchising Corp. (the “Franchisor”) on \_\_\_\_\_ (the “Franchise Agreement”). The Franchise Agreement requires that the franchisee operating the Fujisan Franchised Business (the “Kiosk”) under the Franchise Agreement be a corporation or limited liability company with a minimum of 1 employee. In order to comply with the Franchise Agreement requirements, Assignor has formed \_\_\_\_\_ and is now assigning to \_\_\_\_\_ (the “Assignee”) all of Assignor’s rights and interests in and obligations under the Franchise Agreement so Assignee can operate the Kiosk. For value received, Assignor hereby assigns and transfers to Assignee all rights, interests and obligations Assignor has in and under the Franchise Agreement and the Kiosk. Assignor further agrees that this Assignment will not relieve Assignor from any obligations under the Franchise Agreement or any promissory note or other agreements Assignor has with Franchisor. Franchisor can set off any amount owed by Franchisor to Assignor or Assignee against any amount owed by Assignor or Assignee to Franchisor.

### **Assignor**

Date: \_\_\_\_\_  
\_\_\_\_\_  
(Signature)  
\_\_\_\_\_, an individual  
(Print Name)

Date: \_\_\_\_\_  
\_\_\_\_\_  
(Signature)  
\_\_\_\_\_, an individual  
(Print Name)

## ACCEPTANCE

The undersigned corporation or limited liability company, as applicable, (“Assignee”) hereby accepts the Assignment of the Franchise Agreement and the Kiosk business referred to in the above Assignment. Assignee agrees to be bound by all the terms and conditions of the Franchise Agreement and assumes all of the Franchisee’s obligations under the Franchise Agreement. Assignee shall also deliver to Franchisor along with this Acceptance the form of Personal Guaranty attached to and required under the Franchise Agreement, which Personal Guaranty shall be signed by all of Assignee’s shareholders or members, as applicable.

### **Assignee**

\_\_\_\_\_  
(Print Assignee Company Name above)

Date: \_\_\_\_\_  
\_\_\_\_\_  
(Signature)

BY: \_\_\_\_\_  
(Print Signer’s Name above)

TITLE: \_\_\_\_\_  
(Print “President” or “Manager”, as applicable)

CONSENT OF FUJISAN FRANCHISING CORP.

Fujisan Franchising Corp. hereby consents to the above assignment upon the terms and conditions stated in the Assignment and Acceptance, respectively.

**Franchisor**

Fujisan Franchising Corp.

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

BY: \_\_\_\_\_  
(Print Signer's Name above)

TITLE: \_\_\_\_\_

**EXHIBIT G TO THE DISCLOSURE DOCUMENT  
BACKGROUND INVESTIGATION/CREDIT CHECK FEE RECEIPT**

**FUJISAN FRANCHISE**  
**FRANCHISE BACKGROUND INVESTIGATION/CREDIT CHECK FEE RECEIPT**  
**FOR PROSPECTIVE FRANCHISEES**

You (the Prospective Franchisee) have indicated your interest in obtaining a FUJISAN Franchise, under which you would be licensed to operate a FUJISAN franchised Kiosk business. You understand that Franchise candidates may be required to pay us a non-refundable Background Investigation/Credit Check fee as part of our evaluation process.

By signing and dating this receipt in the places noted below, you acknowledge and agree to the following:

1. Your Background Investigation/Credit Check fee of up to \$300 must be paid to Fujisan Franchising Corp. ("we" or "us") when you return a signed and dated copy of this Receipt to us. The fee is associated with our evaluation costs and is entirely non-refundable, regardless of whether or not we offer or grant you a Fujisan Franchise.
2. You understand that our acceptance of the fee does not mean, and should not be understood to mean, that we will grant you a Franchise. We are not obligated to grant a Franchise to you and you are not obligated to accept any offer of a Franchise from us, regardless of the payment of this Background Investigation/Credit Check fee. We have not granted a Fujisan Franchise to you as of the date of this Receipt.
3. You received a Fujisan Franchising Corp. Franchise Disclosure Document at least 14 calendar days before paying us the Background Investigation/Credit Check fee or any other amount and before signing any commitments or agreements.

**PROSPECTIVE FRANCHISEE**

\_\_\_\_\_

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

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

Title: \_\_\_\_\_

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

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

\_\_\_\_\_

**EXHIBIT H TO THE DISCLOSURE DOCUMENT**  
**STATE ADDENDA**

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA**

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning transfer, termination or non-renewal of a franchise. If the franchise agreement contains provisions that are 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 covenants not to compete which extend beyond the termination of the franchise. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a Disclosure Document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
6. You must sign a general release if you renew or transfer your franchise agreement. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
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 franchise agreement requires binding arbitration. The arbitration will occur in Los Angeles County, California with each party bearing its own costs. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California. Business and Professions Code Section 20040.5 relating to forum selection clauses restricting venue outside the state of California or arbitration may be preempted by the Federal Arbitration Act. Section 20040.5 may still apply to any provision relating to judicial proceedings. A binding arbitration provision may not be enforceable under generally applicable contract defenses, such as fraud, duress, or unconscionability.
9. OUR WEBSITE, [WWW.FUJIFRANCHISING.COM](http://WWW.FUJIFRANCHISING.COM), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).
10. The California Department of Financial Protection and Innovation has required as a condition to our franchise registration that we satisfy a financial assurance condition, which we have done by posting a surety bond in the amount of \$437,000. A copy of the surety bond is on file with the California Department of Financial Protection and Innovation.
11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the

inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.



**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF HAWAII**

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

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

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS**

1. Illinois law governs the Franchise Agreement(s)
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND**

Item 5 of the Disclosure Document is amended to state that the Maryland Securities Division has required as a condition to our franchise registration that we satisfy a financial assurance condition, which we have done by posting a surety bond on file with the Division.

Items 5 and 17 of the Disclosure Document shall be amended to include the following:

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

Item 17 of the Disclosure Document shall be amended to include the following:

A Franchisee may bring any court litigation for claims arising under the Maryland Franchise Registration and Disclosure Law in Maryland.

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

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.).

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MINNESOTA**

1. Minnesota Statutes §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Section 80C.14, Subdivisions 3, 4 and 5 which require, except in certain specified cases, 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.

3. Item 13 of the Franchise Disclosure Document is modified with respect to Minnesota Franchisees as follows: The Minnesota Department of Commerce requires that the Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Franchisor's trademarks or service marks infringes trademark rights of some third party. The Franchisor does not indemnify against the consequences of the Franchisee's use of the Franchisor's trademark except in accordance with the requirements of the franchise (and to the extent validly required as a condition to registration), and, as a condition to indemnification, the Franchisee must provide notice to the Franchisor of any such claim within 10 business days and tender the defense of claim to the Franchisor. If the Franchisor accepts the tender of defense, the Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minn. Rule 2860.4400J prohibits a franchisee from waiving its rights to a jury trial or waiving its rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

5. Any releases required as a condition of renewal and/or assignment/transfer will not apply to claims that may arise under the Minnesota Franchises Law.

6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the 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 with the franchise.

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NEW YORK**

1. The following information is added to the Cover Page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 DISCLOSURE DOCUMENT.**

2. The following paragraphs are inserted in Item 3 of the Franchise Disclosure Document:

With regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operation.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegation.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities 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 business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Items 17(c) titled **“Requirements for franchisee to renew or extend,”** and Item 17(m) **Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following is added to Item 17 in the “Summary” section of Item 17 (d) titled **“Termination by franchisee”**: “You may terminate the Franchise Agreement on any grounds available by law.”

5. The following is added to the “Summary” sections of Item 17(v) titled **“Choice of Forum,”** and 17(w), titled **“Choice of law”**: “The foregoing choice of law should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York.”

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA**

**THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):**

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND**

In connection with Item 17 of the Franchise Disclosure Document, the following paragraph is included pursuant to Rhode Island law:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in the 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.”



**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF SOUTH DAKOTA**

Item 5 of the Disclosure Document is amended to state that the South Dakota Securities Regulation Office has required as a condition to our franchise registration that we satisfy a financial assurance condition, which we have done by posting a surety bond on file with the Office.

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Fujisan Franchising Corp. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure:

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON**

This Franchise Disclosure Document and Section 44 of the Franchise Agreement are amended to state that the Washington Department of Financial Institutions has required as a condition to our franchise registration that we satisfy a financial assurance condition, which we have done by posting a surety bond on file with the Department.

This Franchise Disclosure Document is amended to state that we entered into an Assurance of Discontinuance with the Attorney General of the State of Washington on or about October 18, 2019, relating to franchise agreement provisions prohibiting our franchisees from soliciting or hiring our employees or employees of our affiliates or of another FujiSan franchisee ("no poach" provisions). We agreed, among other things, to discontinue the use of no poach provisions in future franchise agreements in Washington State and not to enforce such provisions in existing franchise agreements.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

**ADDENDUM TO THE FUJISAN FRANCHISING CORP.  
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WISCONSIN**

In connection with Item 17 of the Franchise Disclosure Document, the following paragraph is included pursuant to Wisconsin law:

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes, 1981-82, Title XIV-A, Chapter 135.

**EXHIBIT I TO THE DISCLOSURE DOCUMENT**

**PROMISSORY NOTE WITH PERSONAL GUARANTY  
AND DEFERRED PAYMENT AGREEMENT**

PROMISSORY NOTE AND PERSONAL GUARANTY

\$ \_\_\_\_\_

Date \_\_\_\_\_

City, state \_\_\_\_\_

For value received, \_\_\_\_\_ ("Borrower"), a \_\_\_\_\_, promises to pay to Fujisan Franchising Corp. ("Lender"), a California corporation, or order, the principal sum of \$ \_\_\_\_\_ without interest (except Default Interest defined below) payable in \_\_\_\_\_ equal monthly installments of principal only of \$ \_\_\_\_\_ on the first day of each month beginning on \_\_\_\_\_ and continuing through \_\_\_\_\_, and a final installment of \$ \_\_\_\_\_ on \_\_\_\_\_ on which date all sums outstanding under this Note shall be due and payable. This Promissory Note and Personal Guaranty (collectively, "Note") is made subject to the following terms and conditions:

**1. Method, Application, and Place of Payment.** Borrower shall make payments in lawful money of the United States of America and in immediately available funds. Any payment received by Lender shall be credited first to any Default Interest (defined in Section 6 below) accrued and the remainder to principal.

**2. Place of Payment.** Subject to Section 3 below, all payments under this Note will be made to Lender at 14420 Bloomfield Ave., Santa Fe Springs, CA 90670, or at such other address as Lender will direct Borrower in writing.

**3. Authorization to Deduct Payments.** Borrower authorizes Lender to deduct payments due under this Note from any amounts due to Borrower from Lender under the Fujisan Franchising Corp. Franchise Agreement dated \_\_\_\_\_ between Lender as franchisor and Borrower as franchisee (the "Franchise Agreement").

**4. Prepayment.** Except as set forth in Section 9.b below, Borrower may prepay this Note, in whole or in part, without penalty, at the option of Borrower and without the consent of Lender.

**5. Acceleration.** All liabilities of Borrower to the Lender shall mature and become due and payable immediately, at Lender's option, with or without notice to Borrower, upon the occurrence of any of the following:

- a. Failure to make any payment on this Note as and when due.
- b. Termination of the Franchise Agreement for any reason.
- c. Dissolution or liquidation of Borrower.
- d. A change or transfer in ownership of Borrower or Borrower's business, whether directly or indirectly or through the sale or transfer of assets or capital interests and regardless of the percentage of ownership sold or transferred.
- e. The death of any guarantor of this Note;
- f. The filing of a voluntary or involuntary petition by or on behalf of Borrower or any guarantor of this Note under any of the provisions of the federal bankruptcy laws or any proceeding under any law relating to the relief of Borrowers including the appointment of a receiver for property or an assignment for the benefit of creditors.

**g.** Any representation, warranty, certification, or statement made by or on behalf of Borrower or any guarantor of this Note made in the Franchise Agreement or in any certificate, writing or other document delivered pursuant to either of those documents proves to have been incorrect in any material respect when made.

**h.** A good faith determination, in the sole opinion of Lender, that the financial responsibility of Borrower or any guarantor of this Note has become unreasonably impaired or unsatisfactory and either one of those parties does not, on demand, furnish further collateral or make payment on account satisfactory to the Lender.

**6. Interest on Past Due Amounts.** Any amounts owed under this Note that are not paid when due shall bear interest after the due date at the legal rate until paid ("Default Interest").

**7. Remedies.** The rights, remedies and powers of Lender, as provided in this Note, are cumulative and concurrent, and may be pursued singly, successively or together against Borrower, any guarantor of Borrower's obligations, and any other security given at any time to secure the payment of Borrower's obligations, all at the sole discretion of Lender. Lender may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained in this Note, all in Lender's sole discretion.

**8. Waivers and Consent.** Borrower and each endorser, guarantor, surety, or accommodation party of this Note and each other person liable or to become liable for any part of the indebtedness evidenced by this Note: (a) waive presentment for payment, demand, notice of nonpayment, notice of dishonor, protest of any dishonor, notice of protest and protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, (b) agree that their liability shall be unconditional and without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Lender, (c) consent to every extension of time, renewal, waiver or modification that may be granted by Lender with respect to the payment or other provisions of this Note and to the release of any collateral given to secure the payment of amounts owing under this Note, with or without substitution, and (d) agree that additional makers or guarantors or endorsers may become parties to this Note without notice to Borrower or any other parties and without affecting the liability of Borrower or any other parties under this Note.

**9. General Provisions.**

**a. Governing Law and Jurisdiction.** The laws of the state governing the Franchise Agreement shall govern all questions with respect to the construction of this Note and the rights and liabilities of the parties to this Note without giving effect to any conflict or choice of law provision that would result in the imposition of another state's law. Borrower consents to the exclusive jurisdiction of, and any actions arising under this Note shall be heard and resolved in, the state for federal courts designated as the venue for any litigation in the Franchise Agreement.

**b. Usury.** In no event shall the amount of interest or any other amount paid or agreed to be paid to Lender for the use, forbearance, or detention of money exceed the highest lawful rate permissible under applicable usury laws. If for any reason amounts payable under this Note are deemed by a court of competent jurisdiction to involve the payment of interest in excess of the maximum amount permissible by law, then the obligation shall be reduced to the limit of such validity, and any amount received by Lender in excess of the maximum rate shall be applied to reduce the unpaid principal balance of this Note and not to the payment of interest. Such application shall be made with the same force and effect as

though Borrower had specifically designated such sums to be applied to principal and Lender had agreed to accept such sums as a penalty for prepayment.

**c. Attorney Fees & Costs.**

(1) Borrower shall reimburse Lender for all reasonable attorneys' fees, costs and expenses, incurred by Lender in connection with the enforcement of Lender's rights under this Note, including, without limitation, reasonable attorneys' fees, costs and expenses for trial, appellate proceedings, out-of-court negotiations, workouts and settlements or for enforcement of rights under any state or federal statute, including, without limitation, reasonable attorneys' fees, costs and expenses incurred to protect Lender's security and attorneys' fees, costs and expenses incurred in bankruptcy and insolvency proceedings such as (but not limited to) seeking relief from stay in a bankruptcy proceeding. The term "expenses" means any expenses incurred by Lender in connection with any of the out-of-court, or state, federal or bankruptcy proceedings referred to above, including, without limitation, the fees and expenses of any appraisers, consultants and expert witnesses retained or consulted by Lender in connection with any such proceeding.

(2) Lender shall also be entitled to its attorneys' fees, costs and expenses incurred in any post-judgment proceedings to collect and enforce the judgment. This provision is separate and several and shall survive the merger of this Note into any judgment on this Note.

**d. Waivers.** Waiver by Lender of any term, covenant or condition under this Note, or of any default by Borrower under this Note, or any failure by Lender to insist upon strict performance by Borrower of any term, covenant or condition contained in this Note, shall be effective or binding on Lender only if made in writing by Lender. No waiver shall be implied from any omission by Lender to take action with respect to any term, covenant, condition or default. No express written waiver by Lender of any term, covenant, condition or default shall affect any other term, covenant, condition or default or cover any other time period than the application of any such term, covenant or condition to the matter as to which a waiver has been given or the default or time period specified in the express waiver.

**e. Binding on Successors.** This Note shall inure to the benefit of, and shall be binding upon, the successors and assigns of each of the parties to this Note.

**f. Amendments.** This Note may be amended only by an instrument in writing signed by Borrower and Lender.

**g. Severability.** If any part of this Note is declared invalid for any reason, the declaration shall not affect the validity of the rest of the Note. The other parts of this Note shall remain in effect as if this Note had been executed without the invalid part.

**h. Waiver of Trial by Jury.** TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE. BORROWER HAS EITHER (1) OBTAINED THE ADVICE OF INDEPENDENT LEGAL COUNSEL BEFORE SIGNING THIS NOTE AND ACKNOWLEDGES THE VOLUNTARY WAIVER OF THE RIGHT TO A TRIAL BY JURY WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND LEGAL CONSEQUENCE OR (2) HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL BEFORE SIGNING THIS NOTE BUT HAS VOLUNTARILY CHOSEN NOT TO DO SO.



**Borrower:**

\_\_\_\_\_

a \_\_\_\_\_

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

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

Title: \_\_\_\_\_

**[End Of Page – Unconditional Guaranty of Note Follows]**

## UNCONDITIONAL GUARANTY OF NOTE

With full knowledge of Lender's reliance on this Guaranty, and in consideration of the execution of the Note and the making of the loan evidenced thereby, the undersigned ("Guarantor") personally guarantees to Lender the prompt and full payment of Borrower's obligations in accordance with the terms of the Note and any related documents (the "Obligations").

This Guaranty is a continuing guaranty until all terms of the Note and any related documents are fully paid, satisfied, and discharged and may be proceeded upon immediately after failure by Borrower to pay any Obligations. This Guaranty is one of payment and not of collection. Guarantor waives any right to require that any action be brought against the Borrower or any other person or to require that resort be had to any security or to any balance of any deposit account or credit on the books of Lender in favor of the Borrower or any other person.

Guarantor has not and will not set up or claim any defense, counterclaim, setoff or other objection of any kind to the suit, action or proceeding at law, in equity, or otherwise, or to any demand or claim that may be instituted or made under and by virtue of the Guaranty.

Lender may exercise any of its rights under the Note and this Guaranty separately or together, as many times as it chooses and may delay or forgo enforcing any of its rights without losing or impairing any of them.

Guarantor promises to pay all expenses Lender incurs to enforce this Guaranty, including reasonable attorney's fees and costs.

Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full. All individuals and entities signing as Guarantor are jointly and severally liable.

This Guaranty is entered into under and pursuant to the laws of the state governing the Note and will be in all respects governed, construed, applied and enforced in accordance with the laws of that State, without giving effect to any conflict or choice of law provision that would result in the imposition of another state's law.

This Guaranty may not be changed or terminated except in writing. This Guaranty shall be binding upon and insure to the benefit of the parties to it and their respective heirs, executors, administrators, successors and assigns. If any part of this Guaranty is found to be unenforceable, all other parts will remain in effect

Guarantor further represents that there are no judgments, federal or state tax liens, or any other liens against Guaranty in any jurisdiction and that Guarantor is not a defendant in any pending litigation and has no knowledge or notice of any lawsuit not yet commenced as of the date of this Guaranty.

TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS GUARANTY OR THE NOTE.

**BY SIGNING BELOW:**

**(1) Each individual or entity becomes obligated as Guarantor under this Guaranty;**

(2) Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guaranty, including all waivers and the rights of Lender to take certain actions at any time, without notice, without Guarantor's consent, and without making demand on Guarantor; and

(3) Guarantor acknowledges that he/she/it has either (a) obtained the advice of independent legal counsel before signing this Guaranty and acknowledges the voluntary waiver of the right to a trial by jury with full knowledge of its significance and legal consequence or (b) has had the opportunity to seek the advice of independent legal counsel before signing this Guaranty but has voluntarily chosen not to do so.

**Guarantor:**

Signature: \_\_\_\_\_

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

SSN: \_\_\_\_\_

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

## FujiSan Deferred Payment Agreement

Franchisee:

Last Name

Email: \_\_\_\_\_ PH#: \_\_\_\_\_ Date: \_\_\_\_\_

Retailer: \_\_\_\_\_ Store #: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

ITEM CATEGORY	AMOUNT
Initial Certification Program*	
Equipment and Small Wares*	
Opening Inventory*	
Operations Manual Loan Deposit	
Initial Marketing Materials*	
Printer Package	
Permit Fees*	
<b>ESTIMATED TOTAL</b>	<b>\$ -</b>

### *Payment Due at Time of Signing*

*Initial Franchise Fee*

<b>Initial Cost**</b>	\$	-
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### Deferred Payment Structure

Estimated Deferred Amount: \$ -

Payments 1 through 3 at equal payments of \$	\$	-
and final payment at	\$	-

Payments will be deducted from monthly sales periods as follows

#1	<b>(month 1)</b>	\$ -	, with a balance of	\$ -
#2	<b>(month 2)</b>	\$ -	, with a balance of	\$ -
#3	<b>(month 3)</b>	\$ -	, with a balance of	\$ -
#4	<b>(month 4)</b>	\$ -	, with a balance of	\$ -

OFFICE USE ONLY		AMOUNT
Inv#		
Inv#		
Inv#		
Inv#		
Inv#		
Inv#		
Inv#		
Inv#		
Total	\$	-

Comments: The Amounts for all Item Categories are subject to change and do not include any applicable sales tax, which will be calculated and added at times of transactions.

The payment deduction Months #1-4 above may change, depending on the actual opening date.

\* The Amounts for these Item categories represent estimated amounts for the total cost of products/services within these Item categories to Franchisee and are expected to change. Any differences in the actual costs for products/services to Franchisee will be reflected in the Deferred Amount and will be applied to one (1) or more of the scheduled payments above.

\*\* The Initial Cost is part of the Payment due at time of signing the Franchise Agreement and this Deferred Payment Agreement, and will be applied to one or more of the Amounts for Item Categories.

Franchisee:

Entity: 0 Date: \_\_\_\_\_

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

Title: Manager SSN:

## OFFICE USE ONLY

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Keith Maeda - Vice President

Administrator: \_\_\_\_\_ Accounting: \_\_\_\_\_

**EXHIBIT J TO THE DISCLOSURE DOCUMENT**  
**ASSET PURCHASE AGREEMENT**



TM

## ASSET PURCHASE AGREEMENT

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**FUJISAN®**  
**ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (the "AP Agreement" or "Agreement") is made as of \_\_\_\_\_, 20\_\_\_\_, by and between FUJISAN FRANCHISING CORP. ("Seller") a California Corporation, and \_\_\_\_\_ (collectively and individually referred to as "Buyer").

**BACKGROUND, BASIC BUSINESS ARRANGEMENT AND PRELIMINARY AGREEMENTS**

- A. Seller is currently operating a FujiSan® Asian bar service kiosk unit at \_\_\_\_\_ (the "Unit").
- B. Seller selectively awards franchises to qualified applicants to operate FujiSan® franchised Units pursuant to the current form of FujiSan® franchise agreement, including existing business operations (such as the Unit) which have been operated by the Seller and which may be franchised to qualified applicants.
- C. Seller wishes to sell, and the Buyer, after a full personal inspection, wishes to buy certain assets of the Unit for the sole purpose of Buyer operating the Unit as a FUJISAN® Franchisee. In general, the assets to be sold consist of those assets located at, and used by the Seller in the ordinary conduct of the Unit, but excluding cash on hand or in bank accounts, lease and utility deposits, pre-paid insurance, permits and licenses, as well as real property and any property leases held by Seller unless otherwise provided in this Agreement at Section 1.1.
- D. The purchase price is \$\_\_\_\_\_ (plus amounts for inventory) and will be paid in full on Closing (the "Purchase Price."). Closing, as defined in Section 7.1, will take place on the date specified in this Agreement, unless the Buyer and Seller agree to a different date. The Purchase Price is non-refundable, unless otherwise expressly stated in this Agreement.
- E. Seller has received Buyer's application to become a FUJISAN® Franchisee and is pleased to award a FUJISAN® Franchise to Buyer for operating the Unit only pursuant to a FUJISAN® Franchise Agreement (the "Franchise Agreement") and related documents, to be executed concurrently with the execution of this Agreement, each of which have been received, reviewed and approved by Buyer. Buyer will operate the Unit only pursuant to the Franchise Agreement and the initial Franchise Fee specified in the Franchise Agreement shall be paid in full to Seller, or its designee, on execution of the Franchise Agreement by the Buyer and is in addition to and entirely separate from the Purchase Price due and payable from Buyer under this Agreement.
- F. Terms not defined in this Agreement have the same meanings as in the Franchise Agreement.

**TERMS OF AGREEMENT**

**ARTICLE ONE: PURCHASE AND SALE OF ASSETS**

**Sale and Transfer of Assets.**

**1.1a Assets to be Sold.** Subject to the terms and conditions set forth in this Agreement and the exclusions referenced below or in any attachment to this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, only the following assets (the "Assets"):

All trade fixtures, equipment used exclusively in the Unit, work in process, signage, inventory and supplies related exclusively to the Unit and on the Premises at Closing, together with any other assets which shall be used in and integral to the Unit at Closing as listed on the attached Attachment 1.

**1.1b Assets Not to be Sold.** All other Assets of Seller are specifically excluded from the sale, including the following:

- (1) Those assets disposed of in the ordinary course of business between the date of this Agreement and the Closing Date, or as otherwise permitted by this Agreement;
- (2) Cash on hand or in bank accounts, lease and utility deposits, pre-paid insurance, permits and licenses, account receivable;
- (3) Real property or any interests in real property; and.
- (4) All rights to intellectual property including all rights under any patent, trademark, service mark, trade name, or copyright, whether registered or unregistered, and any applications therefor.

**1.2 Total Purchase Price, Payments From Buyer at Signing of This Agreement and at Closing.** The total purchase price is \$ \_\_\_\_\_ plus an amount for inventory and supplies on hand at Closing, to be jointly determined by Buyer and Seller (collectively the "Purchase Price"), all of which shall be paid in full at Closing. (Inventory will be valued on a good faith basis, based on a joint physical inventory taken the morning of the Closing Date). The Purchase Price shall be paid by cashier's check payable to the order of Seller or other manner and means acceptable to Seller. Buyer shall deliver, at the same time this Agreement is signed, a cashier's check, payable to the order of Seller in the amount of \$ \_\_\_\_\_, which will be credited as a deposit towards the Purchase Price (the "Deposit").

**1.3 Liabilities.** All costs, claims, expenses and liabilities incurred or accrued in conjunction with the operation of the Unit before the Closing are and shall remain the responsibility of Seller and all costs, expenses and liabilities incurred in conjunction with the operation of the Unit on and after the Closing shall be the responsibility of the Buyer.

**1.4 Purchase Price Allocation.** The purchase price (not including the value of the inventory) shall be allocated as follows:

<u>Tangible Assets</u>	<u>Portion of Purchase Price</u>
Equipment and Materials	\$ _____
Total Tangible Assets	\$ _____
<u>Intangible Assets</u>	<u>Portion of Purchase Price</u>
Total Intangible Assets	\$ _____
<u>Grand Total (Excluding Inventory)</u>	\$ _____

Each of the parties agrees to report this transaction for tax purposes in accordance with this allocation of the purchase price.

**1.5 Taxes.** Buyer shall be solely responsible and liable for the reporting and payment of all sales, use and/or similar taxes arising out of the sales, transfer or conveyance of the Assets or any related transaction and shall pay its portion, prorated as of the Closing Date, of state and local

real and personal property and other taxes related to the Unit. Buyer shall file all appropriate tax forms required with respect to this sale/purchase. Buyer shall not be responsible for any taxes related to any period ending prior to the Closing Date and Seller shall indemnify and hold Buyer harmless with respect thereto. Buyer shall be responsible for any taxes of any kind related to any period on or after the Closing Date and Buyer shall indemnify and hold Seller harmless with respect thereto.

**1.6 Unit Premises.** Buyer and Seller intend that Buyer will conduct the Unit at the premises currently operated by Seller at the following address, \_\_\_\_\_ (the "Premises") and subject to any applicable provisions of Buyer's Franchise Agreement, including, without limitation, any Lease Assignment Agreement. Buyer and Seller will use best efforts to obtain the necessary consent to any assumption, transfer, assignment, sublease, novation or otherwise (the "Transfer") of Seller's current lease of the Premises. However, any consent required to effectuate such Transfer from Seller to Buyer shall be deemed a condition precedent to Closing and in the event that the necessary consent is not forthcoming on terms acceptable to Seller, Seller may cancel this transaction without any further obligation or liability, and this Asset Purchase Agreement. Except as expressly stated in this Agreement, Buyer has no right of cancellation. If cancelled by Seller as provided herein, Seller will return amounts paid by Buyer toward the Purchase Price prior to the cancellation date and Buyer (and Buyer's owners, if Buyer is a business entity) will sign a general release in a form prescribed by Seller, of any and all claims, however arising, known or unknown, against Seller and/or any Seller Affiliate, and their respective shareholders, members, employees, officers, directors, partners, attorneys, and agents.

If the necessary consent is obtained on terms acceptable to Seller, Buyer and Seller agree that after Closing, Seller will have no further obligation or liability related to the Premises (other than as expressly assumed under the Collateral Assignment of Lease or as provided in any sublease between Buyer and Seller) and that Buyer will fully indemnify and hold harmless Seller from any claims and/or demands of any kind arising out of Buyer's use or occupancy of the Premises.

**1.7 Transfer of Assets.** On request by Buyer, Seller shall deliver to Buyer at or after the Closing, a Bill of Sale covering the Assets.

## **ARTICLE TWO: REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants that:

**2.1 Title to Assets.** Seller is the sole owner, beneficially and of record, of all the Assets (and after the Closing the Buyer will own the Assets) free and clear of all liens, encumbrances, security agreements, equities, options, claims, charges, and/or restrictions.

**2.2 Tangible Personal Property.** The tangible personal property constituting part of the Assets constitutes all tangible personal property reasonably necessary for the ordinary operation of the Unit.

**2.3 Authority.** The execution and delivery of this Agreement by Seller has been duly authorized by all necessary corporate action.

Seller and Buyer agree that:

**2.4 All Items Sold "As Is" – "Where Is."** Other than the limited warranty of title set forth in Section 2.1, all Assets are sold "AS IS," "WHERE IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY WITHOUT THE WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, including, but not limited to, any computers and other equipment identified on Attachment 1. If the Seller is a party to any manufacturer's, dealer's, or supplier's warranty ("Manufacturer's Warranty") for any of the Assets and such Manufacturer's Warranty is transferable or assignable without cost or other burden to the Seller or

any Affiliate, the Seller shall, on request by Buyer, transfer its interest in such Manufacturer's Warranty to Buyer.

### **ARTICLE THREE: REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants that:

**3.1 Permits and Other Requirements.** Buyer will independently and at its own expense obtain any and all authorizations, licenses, approvals, and meet all regulatory or other requirements necessary to conduct the Unit under the Franchise Agreement and to carry on the business of the Unit as such business has heretofore been conducted by Seller. Buyer acknowledges that under the terms of the Franchise Agreement and this Asset Purchase Agreement Buyer is exclusively responsible for (a) determining what licenses, permits, authorizations, or otherwise are required in connection with the establishment, operation or activities of the Unit under the Franchise Agreement, (b) obtaining each of them and (c) complying with all relevant laws, ordinances and regulations as of the Closing Date and thereafter, including, but not limited to, any applicable bulk sales transfer laws.

**3.2 Buyer's Authority.** Buyer has taken all requisite action to ensure that the execution of and delivery of this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer, is binding upon Buyer and Buyer has all requisite power and authority to enter into this Agreement and to perform its respective obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not conflict with, result in a breach of, or constitute a default under any of the terms, provisions or conditions of any statute, regulation, court or administrative order or process, or any instrument to which Buyer is a party or by which it is bound.

### **ARTICLE FOUR: SELLER'S OBLIGATIONS BEFORE CLOSING**

Seller agrees that from the date of this Agreement until the Closing Date:

**4.1 Buyer's Access to Unit and Information.** Buyer shall have reasonable access during normal business hours to the Unit, and Seller's books, accounts, records, and contracts relating exclusively to the Unit.

**4.2 Conduct of Business in Normal Course.** Seller will carry on the business of the Unit in substantially the same manner as it has previously done.

**4.3 Consents of Others.** As soon as reasonably practical after the execution and delivery of this Agreement, and in any event on or before the Closing Date, Seller will exert reasonable commercial efforts to obtain any lessor or other third party consents required in connection with this transaction and will furnish to Buyer executed copies of those consents.

### **ARTICLE FIVE: BUYER'S OBLIGATIONS BEFORE CLOSING**

**5.1 Cooperation in Securing Consents of Third Parties.** Buyer will use its best efforts to assist Seller in obtaining any lessor or other third party consents required in connection with this transaction and transfer to Buyer of any and all properties, assets, and agreements to be transferred under the terms of this Agreement.

### **ARTICLE SIX: CONDITIONS PRECEDENT**

**6.1 Conditions Precedent with Respect to the Parties' Obligations to Close.** Each and every obligation of the parties to be performed pursuant to this Agreement shall be subject to the prior satisfaction of the following conditions:

- (1) Seller and Buyer shall have performed and complied with all of their obligations under this Agreement which are to be performed prior to Closing or simultaneous therewith.
- (2) All disclosures or actions, corporate or otherwise, to be made or taken in connection with the transaction contemplated by this Agreement, and all documents incident thereto, shall be reasonably satisfactory in form and substance to Seller and Buyer to effect the transaction contemplated hereby. Seller and Buyer shall have complied with all statutory requirements from the valid consummation of this transaction.
- (3) All actions required to be performed by any third parties in relation to this transaction prior to Closing or simultaneous therewith shall have been performed.

Either party may, at its sole option, waive in writing any condition precedent to such party's obligation to perform prior to or at the Closing.

## **ARTICLE SEVEN: THE CLOSING**

**7.1 Time and Place.** The transfer of the Assets by Seller to Buyer (the "Closing") shall take place at \_\_\_\_\_, at \_\_\_\_\_ local time, on \_\_\_\_\_, 20\_\_\_\_, or at such other time and place as the parties may mutually agree in writing (the "Closing Date") and shall be attended by all parties to this Agreement. Possession of the Unit and the Assets shall be delivered to Buyer at the Closing. Should the Closing not occur by \_\_\_\_\_, 20\_\_\_\_, the transaction shall be deemed null and void, with no further obligations on the part of either party being due and owing except as otherwise provided herein. If the Closing fails to take place due to any breach of any obligation by Seller, the Seller's sole obligation and liability shall be to return the Deposit to Buyer, without interest. The parties by mutual agreement may extend this Closing Date. The Parties agree that time is of the essence for the Closing.

**7.2 Seller's Obligations at Closing.** At the Closing, Seller shall deliver or cause to be delivered to Buyer:

- (a) Any consents as required under this Agreement;
- (b) Seller's standard form of Bill(s) of Sale (if requested by Buyer) with respect to the Assets;
- (c) FUJISAN® Franchise Agreement and related documents (including Personal Guarantees, Franchisee Acknowledgments and receipts) pertaining to the Unit (Seller's standard form of Franchise Agreement and related documents have been reviewed and approved by Buyer and its counsel); and
- (d) Such other documents and items as Buyer shall reasonably require.

Simultaneously with the consummation of the transfer, Seller will put Buyer into full possession of the Assets.

Seller, at any time on or after the Closing Date, will execute, acknowledge, and deliver any further deeds, assignments, conveyances, and other assurances, documents, and instruments of transfer, reasonably requested by Buyer, and will take any other action consistent with the terms of this Agreement that may reasonably be requested by Buyer for the purpose of assigning, transferring, granting, conveying, and confirming to Buyer, or reducing to Buyer's possession, the Assets.

**7.3      Buyer's Obligations at Closing.** At the Closing, Buyer shall deliver to Seller the following instruments and documents against delivery of the items specified in Section 7.2:

- (a) A cashier's check in the amount of \$\_\_\_\_\_ with adjustment for inventory and subject to credit for the Buyer's Deposit, as provided in Section 1.2 or, alternatively, other manner and means acceptable to Seller;
- (b) Related consents (to the extent Buyer's signature is required on such consents) on Seller's standard forms;
- (c) Franchise Agreement and related documents (including Personal Guarantees, Franchisee Acknowledgments and disclosure document receipt, if not already provided) pertaining to the Unit, each of which have been reviewed and approved by the Buyer, and any initial franchise fee and other payment then due thereunder; and
- (d) Such other documents and items as Seller shall reasonably require.

Each of the foregoing documents shall be signed by the Buyer (and its principals in the case of any Personal Guaranty) and be in a form satisfactory to Seller and its counsel.

**7.4      Survival of Representations, etc.** All of the representations, and warranties made by Seller or Buyer, respectively, herein shall survive the Closing.

**7.5      IRS Documents.** Seller and Buyer agree that each party shall file all applicable IRS Forms and provide information to each other necessary to complete such Forms, including, but not limited to, respective Employer Identification Numbers.

#### **ARTICLE EIGHT: SELLER'S OBLIGATIONS AFTER CLOSING**

**8.1      Payment and Performance of Obligations by Seller.** Seller shall promptly pay, fully perform and hold the Buyer harmless with regard to, each and every obligation and liability of Seller, related in any way to the Unit, which was incurred prior to the Closing Date and which has not been assumed by Buyer.

#### **ARTICLE NINE: BUYER'S OBLIGATIONS AFTER CLOSING**

**9.1      Payment and Performance of Obligations by Buyer.** Buyer will promptly pay, fully perform and hold the Seller harmless with regard to any obligations related in any way to the operation or otherwise of the Unit on and after the Closing Date, as well as any obligation which has been assumed by Buyer or which is an obligation of the Buyer under this Agreement or otherwise.

#### **ARTICLE TEN: COSTS**

**10.1      Finder's Fee.** Each party represents and warrants that it has dealt with no broker or finder in connection with any transaction contemplated by this Agreement, and, as far as it knows, no broker or other person is entitled to any commission or finder's fee in connection with any of these transactions. Seller and Buyer each agree to indemnify and hold harmless one another against any loss, liability, damage, cost, claim, or expense incurred by reason of any brokerage, commission, or finder's fee alleged to be payable because of any act, omission, or statement of the indemnifying party.

**10.2 Expenses.** Each party shall pay their own costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

## **ARTICLE ELEVEN: TRANSFERABILITY OF INTEREST**

**11.1 Assignment by Seller.** This Agreement will inure to the benefit of the successors and assigns of Seller, which has the right to transfer or assign its interests in this Agreement to any person or entity it chooses and, on such assignment, Seller will be forever released from any, and have no further, obligation or liability to Buyer, whether arising from this Agreement or otherwise.

**11.2 Assignment by Buyer.** Buyer's rights and/or obligations under this Agreement (and/or any interest therein) are personal and may not be transferred, whether voluntarily or by operation of law, without the prior written consent of Seller (which may be granted, conditioned or withheld in its sole and absolute discretion) and any attempt by Buyer to make any transfer without first obtaining such consent shall constitute a breach of this Agreement by Buyer and be without force or effect. Buyer has received, reviewed and approved, with assistance of Buyer's own independent legal counsel, the repurchase provisions of Section 22 of the Franchise Agreement.

## **ARTICLE TWELVE: GENERAL**

**12.1 Risk of Loss.** Seller assumes all risk of loss, damage, or destruction to the Assets, up to the Closing Date. In the event of any such loss, which substantially impairs the value of the Assets, Buyer shall have the right to terminate this Agreement or to proceed with the Closing and receive an assignment of the applicable insurance proceeds. Buyer assumes all risk of loss, damage, or destruction to the Assets as of and after the Closing Date.

**12.2 Proprietary Information and Confidentiality.** Buyer agrees and acknowledges that Buyer will have received certain information about the Unit, its operation and the FUJISAN® System, which is proprietary and confidential ("Proprietary Information"). If a Closing does not occur as set forth herein, Buyer shall not disclose to any third party, nor shall Buyer or any of its directors, shareholders, officers, partners, employees, heirs, successors, agents or representatives utilize in any other manner, any of the Proprietary Information.

This provision shall survive the Closing. If any provisions of this Section or any part of this Agreement, should, for any reason whatsoever, be declared invalid, voidable or unenforceable by a court of competent jurisdiction, the validity or enforceability of the remainder of this Agreement shall not thereby be adversely affected.

**12.3 No Representations of, or Reliance on, Financial Information.** Buyer acknowledges that if it has received data and information regarding the financial performance of the Unit while owned and/or operated by Seller and required supplementary disclosures, that such information and data was provided at Buyer's request, that Buyer's operation of the Unit may not yield similar financial results and as such, the Buyer is at risk that it may not experience similar (or profitable) results. The Seller is unable to reliably estimate future results of operations of the Unit, even if operated by Seller, and certainly cannot reliably estimate financial or other results which the Buyer might experience. Buyer has elected to acquire the Assets and to become a FUJISAN® Franchisee based solely on Buyer's own independent investigation and assumptions.

**12.4 Indemnity Agreement.** Except as otherwise expressly provided herein, Buyer will indemnify and hold Seller and its respective affiliates, officers, directors, members, employees, partners, agents and representatives harmless from any and all claims, losses, damages, injuries and liabilities, including taxes, arising with respect to the Unit as of and after the date of the Closing.



Except as otherwise expressly provided herein, Seller will indemnify and hold Buyer harmless from any and all claims, losses, damages, injuries and liabilities arising with respect to the Unit prior to the date of the Closing.

**12.5 Post-Closing Business Operations.** Buyer will use reasonable efforts to have telephone calls forwarded to Seller and will take messages and forward any such messages to Seller.

After the date of the Closing, Seller shall notify its vendors that its mail should be addressed to its headquarters. If any of the forwarded mail belongs to Buyer, Seller shall return such mail to Buyer. If Buyer receives mail belonging to Seller, Buyer will forward mail to Seller at its headquarters not less than once a week.

Seller will, at Buyer's sole expense, arrange for a transfer of any applicable utility service to the Unit. All utility deposits and fees will be prorated accordingly.

Buyer is responsible for, and will obtain at its sole expense (1) any and all city, county, state and federal permits and licenses required for Buyer to operate the Unit and the FUJISAN® Franchise and (2) all insurance required under the Franchise Agreement, any Lease or Sublease.

**12.6 Captions.** Any titles or captions contained in this Agreement are for convenience of reference only and shall not be deemed part of the context of this Agreement.

**12.7 Incorporation of Provisions Related to Dispute Resolution.** The provisions of the Franchise Agreement (which Buyer has received, reviewed and approved, with assistance of Buyer's independent legal counsel), including, without limitation, those providing for any dispute resolution process, shall apply to and govern this Agreement and any dispute between the parties (and/or involving any Affiliates) and are incorporated herein by reference and shall have the same effect as if fully set forth herein.

**12.8 Severability.** If any provision of this Agreement is deemed invalid or unenforceable for any reason and to any extent, the remainder of this Agreement shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

**12.9 Entire Agreement.** The parties intend and agree that (1) this Agreement (together with any attachments) contains the final, complete and exclusive expression of the terms of the parties' agreement with respect to the subject matter of this Agreement and is the final expression of their intent and entirely supersedes and replaces any and all prior and/or concurrent understandings, agreements, inducements, prior course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) between the parties with respect to the subject matter of this Agreement, (2) there are no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) with respect to the subject matter of this Agreement which are not fully expressed in this Agreement (together with any attachments) and (3) no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) of any kind or nature whatsoever with respect to the subject matter of this Agreement have been made by any party or anyone else, nor have been relied on by any party nor will have any force or effect.

This Agreement supersedes any prior understandings and agreements between Buyer and Seller respecting its subject matter. Buyer acknowledges that Buyer has had access to advice by Buyer's own independent legal counsel (which is strongly recommended by Seller), has conducted an independent investigation of the Assets and the related franchise and business, and recognizes that the business venture contemplated by this Agreement involves speculative business risks, there is no assurance of success and any results will be primarily dependent upon Buyer's ability as an independent businessperson.

Seller and its Affiliates expressly disclaim the making of, and Buyer acknowledges that Buyer has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, success or otherwise of the business venture contemplated by this Agreement and, in particular, Seller and its Affiliates make no representation as to the possible financial performance of the FUJISAN® Unit that is the subject of this Agreement. THERE ARE, AND HAVE BEEN, NO REPRESENTATIONS, WARRANTIES, EARNINGS, REVENUE OR OTHER CLAIMS, AGREEMENTS, PROMISES, ARRANGEMENTS OR UNDERSTANDINGS, ORAL OR WRITTEN, BETWEEN OR AMONG THE PARTIES HERETO RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT WHICH ARE NOT FULLY EXPRESSED HEREIN OR WHICH HAVE BEEN RELIED ON BY THE BUYER.

The Buyer has read, understood, had an opportunity to discuss and has agreed to, each provision of this Agreement and all other agreements and documents to be signed by the Buyer and Seller has recommended that Buyer have this Agreement and all other documents reviewed by Buyer's own independent legal counsel. The Buyer has not been under any compulsion to sign this Agreement or any other documents and all documents will be deemed to have been drafted by each party in equal parts and no presumptions or inferences concerning this Agreement's terms, interpretation or otherwise will result by reason of the fact that any party prepared any part of this Agreement, the Franchise Agreement or any other related document.

**12.10 Amendment.** Any modification or change in or to this Agreement must be in writing and signed by each of the parties.

**12.11 Insolvency.** No corporation, firm or person other than Buyer shall have or acquire any rights granted to Buyer hereunder by virtue of any bankruptcy, insolvency or assignment for the benefit of creditors or reorganization proceedings, or any receivership or other legal process, either under attachment, execution or otherwise, or in any manner whatsoever growing out of any proceeding or suit in law or in equity, without the prior written consent of Seller. In the event of any such proceeding being had or taken by or against Buyer or any assignee or successor in interest of Buyer's under any provisions of the law, including the various chapters of the bankruptcy act, or for the involuntary winding up of the Buyer or any assignee or successor in interest of Buyer's, without such proceeding being dismissed or such levies released within five (5) days therefrom, Seller shall have the option of terminating this Agreement and all rights of Buyer thereunder immediately. In the event of any proceeding to wind up or dissolve the Buyer, Seller shall have the option of terminating Buyer's rights under this Agreement immediately.

**12.12 Remedies, Waivers, Limitation of Liability.** All rights and remedies of each party will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or otherwise. The failure of any party to demand strict compliance with a covenant or condition hereunder shall not be a waiver of its rights to demand strict compliance in the future. In no event will any party's liability to the other in connection with this Agreement or the sale of the Assets exceed the Purchase Price.

**12.13 Notices.** The notice provisions of the Franchise Agreement to be signed by the Buyer are incorporated in, and shall apply to, this Agreement.

**12.14 Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

**12.15 Acknowledgments.** BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT:

- (a) Buyer has entered into this Agreement as a result of its own independent investigation, after consultation with an attorney or other advisor(s) of its choice, and in any event not as a result of any representations of Seller, or its Affiliates, agents or representatives.
- (b) The success of the Unit will be primarily dependent upon the abilities and efforts of Buyer and its agents, and Seller, its Affiliates, agents and representatives have not made any representation that the Unit will be successful or profitable.
- (c) Buyer has not received and is not relying upon any financial projections or similar information or representations made by Seller, its Affiliates, agents or representatives.
- (d) A complete ready-to-sign copy of this Agreement and all other Agreements and documents was received by Buyer at least seven (7) days prior to the earlier of their execution by Buyer or Buyer's payment of any amounts, and a complete copy of the Franchise Disclosure Document, together with all attachments, was received by Buyer at least fourteen (14) days prior to the earlier of Buyer's execution of this Agreement or Buyer's payment of any amounts.

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

SELLER:

\_\_\_\_\_

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

Title: President

*Sign here if "Buyer" is a natural person*

BUYER (Individual[s])

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

*Sign here if "Buyer" is a type of business entity*

BUYER (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation    Corporation, LLC or Partnership

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

**ATTACHMENT 1**  
**ASSETS INCLUDED**  
**(LIST BELOW)**

**INVENTORY AND SUPPLIES ON PREMISES AT CLOSING TO BE LISTED AT CLOSING**

## ATTACHMENT 2

### PERSONAL GUARANTY

Each of the undersigned, to induce Fujisan Franchising Corp. ("Seller") to enter into a certain Asset Purchase Agreement, dated \_\_\_\_\_, with \_\_\_\_\_ [Buyer's Legal Name] ("Buyer"), unconditionally, jointly and severally, personally guarantees to Seller, its successors, or its assignees, the prompt full payment and performance of all obligations of Buyer that are or may become due and owing to Seller or any Seller Affiliate, including, but not limited to, all obligations arising out of the Asset Purchase Agreement or any other agreement between the parties and all extensions or renewals thereof.

Each of the undersigned expressly waives notice of the acceptance by Seller to or for the benefit of Buyer, of the purchase of inventory and goods by Buyer, the maturing of bills and the failure to pay the same, the incurring by Buyer of any additional future obligations and liability to Seller, and any other notices and demands. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Seller and Buyer, the taking of a note or other obligation from Buyer or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Buyer of bankruptcy, insolvency, reorganization or other debtor relief afforded Buyer under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of Buyer's obligations or liability to Seller, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Personal Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Personal Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by Seller of whatever remedies it may have against Buyer or others, or the enforcement of any lien or realization upon any security Seller may at any time possess. The undersigned hereby further waives all rights to revoke this Personal Guaranty at any time, and all rights to revoke any agreement executed by the undersigned at any time to secure the payment and performance of the undersigned obligations under this Personal Guaranty.

The undersigned agrees that any current or future indebtedness by Buyer to the undersigned will always be subordinate to any indebtedness owed by Buyer to Seller. The undersigned will promptly modify any financing statements on file with state agencies to specify that Seller's rights are senior to those of the undersigned.

The undersigned further agrees that as long as Buyer owes any money to Seller (other than royalty and advertising fund payments that are not past due) Buyer will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Buyer to any of the undersigned, either directly or indirectly, without the consent of Seller.

The undersigned further agrees to be personally bound to perform the obligations and to refrain from performing the acts prohibited by the provisions of Section 12.2 (Confidentiality) of the Asset Purchase Agreement as though the undersigned had signed the Asset Purchase Agreement in the capacity of buyer. The undersigned consents to be bound by the provisions of Section 12.7 of the Asset Purchase Agreement for purposes of resolving any dispute or controversy arising out of or in connection with the undersigned's alleged performance of or failure to perform the obligations of this Personal Guaranty or Section 12.2 of the Asset Purchase Agreement.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in this it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Asset Purchase Agreement, including all renewals and extensions, are fully paid and satisfied.

IN WITNESS TO THE FOREGOING, the undersigned have signed this guaranty on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

\_\_\_\_\_  
(Signature of Spouse or Domestic Partner)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
(Signature of Spouse or Domestic Partner)

\_\_\_\_\_  
(Printed name)

**EXHIBIT K TO THE DISCLOSURE DOCUMENT**  
**STATE EFFECTIVE DATES**

***FUJISAN FRANCHISING CORP.***

*Franchise Disclosure Document – NRS, HI, IN, MN, ND, RI, SD, VA, WI*  
*March 2025*



## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, 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 Dates stated below:

STATE	EFFECTIVE DATE
California	Exemption Pending
Hawaii	April 7, 2025
Illinois	Exempt
Indiana	October 4, 2024
Maryland	Exemption Pending
Michigan	December 27, 2024
Minnesota	April 2, 2025
New York	March 27, 2025
North Dakota	March 25, 2025
Rhode Island	March 26, 2025
South Dakota	September 11, 2024
Virginia	April 14, 2025
Washington	November 27, 2024
Wisconsin	Renewal Pending

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 L TO THE DISCLOSURE DOCUMENT**  
**RECEIPTS**

**RECEIPT**  
**(RETURN ONE COPY TO US)**

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 Fujisan Franchising Corp. 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.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Fujisan Franchising Corp. 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, DC 20580 and the appropriate state agency listed on Exhibit D.

The franchisor is Fujisan Franchising Corp., located at 14420 Bloomfield Avenue, Santa Fe Springs, CA 90670. Its telephone number is (562) 404-2590.

Issuance date: March 21, 2025.

The franchise sellers for this offering are: Keith Maeda, Bo Thurein, Jing Fang (James) Tian, Michael Kim, Paulette Fletcher, Philip Schoen, Chinatsu Khounpraseuth, Jason Prout, Efrain Kaffure, Naoki Matsuno, Aung Lin, Elizabeth Yap, Niang Sian San Nuam, Trairat Uthum, James Lian, David Mahr, Erick Chung, Eric Weisenfeld, Jae Lee, Chikara Inoue, Vicky Mai Cha, Tai Nguyen, Benjamin Lee, Carlos Medina, Thomas Lee, Genet Delagrangue, Shane Hartness, Jesse Sawyer, Bawi Thang, Sean Carmody, Ojani Jaime, Anthony Cheun, Daniel Gorman, Monica Magnani, Byoung Kim, Lauren Wells, Michael Snow and \_\_\_\_\_ all at Fujisan Franchising Corp., 14420 Bloomfield Avenue, Santa Fe Springs, CA 90670, (562) 404-2590.

Fujisan Franchising Corp. authorizes the agents listed in Exhibit E of this Disclosure Document to receive service of process for it.

I have received a disclosure document dated March 21, 2025\* that included the following Exhibits:

- A. Financial Statements
- B. Franchise Agreement with Schedules
  - A. Fee Schedule, Notice Addresses, Franchisee Owners and Officers
  - B. Guarantee and Assumption of Obligations
  - C. Franchisee Disclosure Acknowledgment Statement
  - D. Current Form of Releasing Language
  - E. -1 Location Addendum: Traditional Kiosk Addendum
  - E. -2 Location Addendum: Satellite Kiosk Addendum
  - E. -3 Location Addendum: Reduced Operating Hours Kiosk Addendum
  - F. -1 Owner Non-Compete, Non-Disclosure and Confidentiality Agreement (Non-CA Franchises)
  - F. -2 Owner Non-Compete, Non-Disclosure and Confidentiality Agreement (CA Franchises)
- C. -1-2 List of Current and Former Franchisees
- C. -3 List of Company-Owned Kiosk Locations
- C. -4 List of Franchisees Not Yet Operating As Of 12/31/24
- D. State Administrators
- E. Agents for Service of Process
- F. Transfer of Franchise to a Business Entity
- G. Background Investigation/Credit Check Fee Receipt
- H. State Addenda
- I. Promissory Note with Personal Guaranty and Deferred Payment Agreement
- J. Asset Purchase Agreement
- K. State Effective Dates
- L. Receipts

\*The effective date of this Disclosure Document may be different in your state. Please refer to Exhibit K of this Disclosure Document for a list of effective dates.

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

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

You may return the signed receipt by signing, dating and mailing it to Fujisan Franchising Corp. at 14420 Bloomfield Ave., Santa Fe Springs, California, 90670.

**FUJISAN FRANCHISING CORP.**

*Franchise Disclosure Document – Exhibit L*

*March 2025*

**RECEIPT**  
**(RETURN ONE COPY TO US)**

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  - E. -1 Location Addendum: Traditional Kiosk Addendum
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- J. Asset Purchase Agreement
- K. State Effective Dates
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\*The effective date of this Disclosure Document may be different in your state. Please refer to Exhibit K of this Disclosure Document for a list of effective dates.

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

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

You may return the signed receipt by signing, dating and mailing it to Fujisan Franchising Corp. at 14420 Bloomfield Ave., Santa Fe Springs, California, 90670.

**FUJISAN FRANCHISING CORP.**

*Franchise Disclosure Document – Exhibit L*

*March 2025*