

FRANCHISE DISCLOSURE DOCUMENT

Sushi Avenue

SAH HOLDINGS, LLC
a Minnesota limited liability company
895 Blue Gentian Rd., #6
Eagan, MN 55121
(651) 294-7000
nayhla@sushiavenue.com
www.sahholdingllc.com

As a franchisee, you will operate a “Sushi Avenue”™ food outlet, commonly referred to as a sushi bar, specializing in freshly prepared sushi.

If you are purchasing an existing sushi bar currently operated by our affiliate, the total investment necessary to begin operations of a sushi bar franchise is from \$6,600 to \$82,970. This includes \$0 to \$35,750 that must be paid to us as the franchisor or our affiliate. If you instead open a sushi bar in a new location, the total investment necessary to begin operation of a sushi bar franchise is from \$30,850 to \$102,970. This includes \$24,250 to \$55,750 that must be paid to us as the franchisor or our affiliate. If you and the local market in which you operate meet our qualifications, you may also be granted the right to stock and sell sushi products at one or more locations outside of your sushi bar; there are no additional fees charged by us to sell at such approved remote sites.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact 895 Blue Gentian Rd., #6, Eagan, MN 55121. Telephone number is 651-294-7000.

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

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

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

Issuance date: April 30, 2024.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out of State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration or litigation only in Minnesota. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with the franchisor in Minnesota than in your own state.
2. **Purchase of Inventory and Supplies.** You must purchase all or nearly all of the inventory and supplies necessary to operate your business from us, our affiliates, or from suppliers that we designate at prices that 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 franchised business.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
5. **Early Termination.** If for any reason the franchisor or its affiliate(s) lose(s) the right to operate an outlet in a location for which it has negotiated space, you may lose the right to operate your franchise, and you will not be compensated for that loss.

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.

INFORMATION FOR RESIDENTS OF THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

THE MICHIGAN FRANCHISE LAW STATES IN SEC. 445.1527, SEC 27, THAT EACH OF THE FOLLOWING PROVISIONS IS VOID AND UNENFORCEABLE IF CONTAINED IN ANY DOCUMENTS RELATING TO A FRANCHISE:

(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 BEFORE THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS 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 FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM

ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR’S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION .

(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.

* * * *

IF THE FRANCHISOR’S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE

OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATION, SECURITIES & COMMERCIAL LICENSING BUREAU, 2407 N. GRAND RIVER AVE., LANSING, MICHIGAN 48906.

* * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

**STATE OF MICHIGAN DEPARTMENT OF THE ATTORNEY GENERAL
G. MENNEN WILLIAMS BUILDING
525 WEST OTTAWA STREET
LANSING, MICHIGAN 48909
TELEPHONE NUMBER: (517) 335-7622**

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EXHIBITS

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this disclosure document “we” or “us” or “SAH” or “SAH Holdings” means SAH Holdings, LLC, the franchisor. Please note that this does not include our affiliate, Sushi Avenue, Incorporated. Sushi Avenue, Incorporated is also the sole owner of us. When we refer to that affiliate, we shall use its full name: Sushi Avenue, Incorporated or simply “Sushi Avenue.” “You” means you or the entity such as a corporation or limited liability company that buys the franchise and the shareholders of that corporation or members of that limited liability company. You may purchase or transition into a franchise without forming a limited liability company or corporation. “Franchise Business” shall mean your Sushi Bar or Sushi Bars (as defined below) and any Remote Store Site (defined below) that you may operate. Throughout this disclosure document whenever we refer to “company-operated” sushi bars we mean all sushi bars or sushi kiosks currently operated by our affiliate, Sushi Avenue, Incorporated.

We are a limited liability company organized under the laws of the State of Minnesota on March 10, 2023. We do business under the service marks and trade names “Sushi Avenue” and various other trademarks, service marks, and trade identifiers that we designate (“Proprietary Marks”). Our principal place of business is at 895 Blue Gentian Rd., #6, Eagan, MN 55121, and our telephone number is (651) 294-7000.

Agent for Service of Process

We authorize the respective agents for service of process as referenced in Exhibit G.

Our Parent Companies

We are a wholly owned subsidiary of Sushi Avenue. There are no other members of our limited liability company other than Sushi Avenue. Despite this ownership, we will refer to Sushi Avenue as an affiliate.

Our Predecessors and Affiliates

We do not have any predecessors.

From 2005 to the present, Sushi Avenue, Incorporated has owned and operated, and continues to operate, sushi bars similar to the franchised sushi bars being offered by this disclosure document. We or Sushi Avenue, Incorporated, have entered into a series of Master Agreements (each, a “Master Agreement”) with grocery stores, supermarkets, specialty stores and other locations owned and operated by third-party operators (each, a “Store”) that provide for sushi bars or kiosks as part of each location’s in-store vendors. The Master Agreements Sushi Avenue, Incorporated entered into have been assigned to us. Sushi Avenue, Incorporated has also entered into management or operating contracts with entities or individuals who operate as sushi chef operators (“Contract Chefs”) to prepare and sell sushi products in certain Stores under the Sushi Avenue Proprietary Marks, other brands, or an agreed upon house brand. Pursuant to the terms of their independent contractor agreements, Contract Chefs receive a negotiated percentage of total sales from the operation of the sushi bars. We or Sushi Avenue, Incorporated also have agreements with Stores whereby certain, agreed upon, sushi products are prepared in a central commissary and then stocked in

those locations as agreed upon by the parties (the “Remote Store Sites”). Some of these Remote Store Sites are supported by sushi bars operated by the Contract Chefs or our franchisees.

Each of Sushi Avenue, Incorporated’s agreements with Contract Chefs has a renewable, one-year term to operate a sushi bar in a location agreed to under the Master Agreements. Beginning in September 2023, Sushi Avenue, Incorporated generally discontinued offering operating contracts to Contract Chefs to operate sushi bars and/or Remote Store Sites, and discontinued extensions of any outstanding operating contracts with Contract Chefs upon the expiration of any existing operating agreement or upon an agreed termination of those contracts. Instead, since September 2023 we have been offering, and intend to continue offering, to each qualified Contract Chef the opportunity to become a franchisee in place of the operating agreement they had with Sushi Avenue, Incorporated. We also allow other interested parties the opportunity to qualify to become a franchisee.

Some of the sushi bars operated by Contract Chefs or our franchisees do so under the “Sushi Avenue” name. In some locations operated by Contract Chefs or our franchisees, the “Sushi Avenue” name is not permitted to be used as part of the arrangement with Stores in which the sushi bar operates, except to display the “Sushi Avenue” name on the packaging of the prepared sushi and related products. The sushi in these locations is offered under a house-brand name as required by the Store.

Sushi Avenue, Incorporated maintains its principal place of business at 895 Blue Gentian Rd., #6, Eagan, MN 55121. Sushi Avenue, Incorporated will be an approved food supplier to our franchisees. Sushi Avenue, Incorporated has never offered franchises in any line of business.

We have another affiliate, One Two Three Sushi Holding, LLC, a Minnesota limited liability company, that owns and operates two fast casual restaurants under the “One Two Three Sushi” name offering sushi and other similar offerings. We also have three affiliates, M, S & R, I, LLC, M, S & R, II, LLC and M, S & R, III, LLC, all Minnesota limited liability companies, that operate full-serve restaurants serving sushi and a variety of other Asian dishes under the name “Masu” or “Masu Sushi & Robata.”

Other than as provided above, neither we, nor our affiliates, are offering, and have never offered, franchises in any line of business. We have no other affiliates required to be disclosed in this disclosure document.

The Business We Offer

We offer for sale or grant franchisees the right to develop and operate sushi bars under the “Sushi Avenue” brand (“Sushi Bar” or “Sushi Bars”). In some instances, when operating in a Store that requires the use of the Store’s house brand, franchisees will operate under the Store’s house brand rather than under the name “Sushi Avenue.” We have offered Sushi Bars since September 8, 2023. We have not offered franchises in any other line of business, do not operate businesses similar to the type of business you will operate, and do not conduct any other kind of business. However, we reserve the right to own, operate, and expand Sushi Bars, either owned directly by us or our affiliate, Sushi Avenue, Incorporated. We do not maintain a sales office at any location other than our principal place of business and do not retain the services of any sales organization outside of us or our affiliates.

The franchise you purchase will be generally located in mainstream and upscale Stores which have entered into agreements or Master Agreements with us (or that have been assigned to us) to have Sushi Avenue sushi products offered for sale at sushi bar counters in the Store locations, where sushi is prepared on-site. This operation, as it relates to all Sushi Bars being offered to franchisees, is referred to as the “System.” Some of the features of our System include (a) the location of the Sushi Bar and the unique relationship with the Store they are located in, (b) the use of high-grade sushi and food components, (c)

specially prepared and pre-packaged condiments and methods of preparation and operation, (d) a training program utilizing special course instructions and manuals; and (e) distinctive trade dress, unique graphic presentations, marketing and promotional programs and materials. We may periodically change and improve the System.

The right to operate and, some but not all of, the terms of operation of a Sushi Bar are negotiated by us or Sushi Avenue, Incorporated directly with the Store. For example, we will negotiate in Master Agreements (or Sushi Avenue, Incorporated has negotiated, in Master Agreements assigned to us) the right to have/operate a Sushi Bar in a particular Store as well as certain other items such as cooler space for presentation of the product. Based on its own space restrictions and operations, the Store will design and build-out the Sushi Bar space. The hours of operation and other operational details will be specified by the Store. The products and pricing will be generally negotiated but will vary over time depending on the sales/promotion of the Sushi Bar and the preferences of each Store. All other matters will be operated/governed by you. Product order, presentation, promotions (with Store approval) and all other aspects of operation will be your responsibility. As an operator, you will be responsible for controlling your operation through the management of your product (e.g., ordering, inventory, and elimination of shrinkage or waste) and personnel.

When we franchise a Sushi Bar to you, you must comply with the requirements of the Store in all respects. Your right to operate a Sushi Bar is conditional upon your understanding and compliance with the Store's requirements and our right to operate a Sushi Bar in the Store. **If for any reason we lose the right to operate a location, you will also lose the right to operate a Sushi Bar at that location. If we lose the right to operate in a particular location, we do not compensate you for that loss nor do we guaranty or promise that we will find you another location. This may, in turn, lead to the loss of your franchise rights.**

We may offer you a single location or multiple locations now or over time. We may also offer you a Remote Store Site. If we offer you additional Sushi Bars you will be required to sign an addendum to your franchise agreement authorizing the operation of the additional Sushi Bars or Remote Store Site. We decide whether to offer you a Sushi Bar depending upon the suitability of the facility, available square footage, the characteristics of the Store's location and other factors.

Sushi Bars

Sushi Bars may require personnel to be present during all operating hours, or they may be part-time Sushi Bars that require personnel to be present in the Sushi Bar only 30 to 35 hours a week. The determination of whether a Sushi Bar is full time or part time is influenced by a number of factors: Store (and/or deli) hours, volume and opportunity (i.e. timing). It is also greatly influenced by your ability to manage and operate your Sushi Bar and your (or your employees') abilities as sushi chefs to efficiently and effectively meet the requirements of your Sushi Bar. In most instances, hours will be set by the Store, but in some instances, you may have an opportunity to work directly with the Store on setting hours, based on their preferences, your abilities to manage your operations, and Store characteristics.

As a franchisee, you will offer high quality, freshly prepared sushi products which are for sale at competitive prices as carry-out items typically for off-premises consumption or on-premises consumption depending upon the seating availability of the Store location. Sushi Avenue, Incorporated also offers for sale various packaged retail products such as bottled water, branded sauces, dried seaweed, wasabi and gari.

The Franchise Agreement

You may purchase a franchise through either a corporation or a limited liability company, but you are not required to do so. You may individually purchase a franchise.

Under our franchise program, you will sign a Franchise Agreement (the "Franchise Agreement"), which grants you the right to establish and operate a Sushi Bar at a Store location as agreed upon in the Franchise Agreement.

Under our satellite program, your Franchise Agreement will also grant you the right (and, at times, the obligation) to operate a Remote Store Site, and you will sign an addendum to your Franchise Agreement designating the Remote Store Site.

Under our franchise program you may purchase an existing company-operated sushi bar under which you will acquire one or more Sushi Bars by agreement with us, together with the rights to operate a Remote Store Site.

We, through our affiliate Sushi Avenue, Incorporated, have cultivated and established unique relationships with vendors to procure and ship only the highest-grade sushi products. These vendors must comply with numerous restrictions and disclosures about how these products are secured and handled. This process is crucial to ensure compliance with various local, state, and general industry (best practices) guidelines. We have developed our own recipes, processes, and procedures associated with the preparation of its sushi products or have licensed with Sushi Avenue, Incorporated to use those recipes it has developed.

We have established a training program that you (together with your owners and management if you are an entity) may be obligated to attend and complete prior to operating your Sushi Bar. We have developed (and borrowed from our affiliate) a series of manuals, reflecting the processes and procedures required to operate a Sushi Bar, all of which will be provided to you. Each of these will, over time, continue to be evaluated and improved as need be and will be provided to you for your use in operating the Sushi Bar.

All training, however, is and will be dependent on your particular skill and prior training. The greater the experience, the less training that may be required. Some franchisees, in fact, may be exempt from the training program (depending upon the skill and experience), including qualified existing Contract Chefs.

Your Sushi Bar will be located within a Store location, typically located in an urban or suburban area, with proximity to residential areas or near or in commercial areas. We will have an agreement with the Store that provides a license or other right to operate a Sushi Bar within the Store. We will give you access to the Store location as part of your Franchise Agreement.

The sushi products will be purchased through the Store's cash register or point of sale systems. The amounts you receive are referred to as Franchise Commissions and the formula for determining your Franchise Commission will be stated in your Franchise Agreement. After the Store retains its portion of the gross sales originated from the sale of sushi products, which percentage will be pre-negotiated under the license or agreement with the Store to operate the Sushi Bar, the remaining sales will be submitted to us. We will then retain and deduct from your Franchise Commissions any amounts that you owe under the terms of your Franchise Agreement, plus any amounts you owe for fees (see Item 6), financing costs (see Item 10), plus any amounts you owe us or Sushi Avenue, Incorporated for purchases of food, supplies, and other matters, as well as any other monetary obligations that you have to us or Sushi Avenue, Incorporated.

All amounts that we or Sushi Avenue, Incorporated are owed will be retained or deducted from your Franchise Commissions. We will then remit to you the remainder of your Franchise Commissions.

If there is a negative balance of your Franchise Commissions after all deductions, then your negative balance will be carried forward to the next month and be deducted from your next month's Franchise Commissions. We are not required to remit any funds to you until the Store remits those funds to us and we have an opportunity to calculate and deduct the amounts that are due to us or Sushi Avenue, Incorporated. If occupancy costs or other costs imposed by the Store are increased, this may also result in a reduction of your Franchise Commissions.

You will not pay rent for the Sushi Bar space or any other space being utilized by your operations including but not limited to, display cases for the products or freezer or other space for the ingredients. You also will not have any build-out costs for your space and all utilities are included in the amounts paid to the Store. Thus, other than your product, supplies, equipment, and personnel costs, and the fees that we charge, you generally will not have any other expenses or costs.

While your Sushi Bar will be fairly standard in its size and composition, it is subject to the Store and its preferences. For example, a standard Sushi Bar may be as large as 300 square feet, which will include display cases, refrigeration, work areas, and other equipment necessary for the preparation and presentation of the sushi. In addition to refrigerated display cases that are typically offered by the Store, the Store will also offer designated refrigeration and/or freezer space away from the sushi bar location where other items can be stored in bulk. The sushi offered in the Store locations typically is meant for offsite consumption or carry-away by the client or customer but, at times, the Store may offer a separate and distinct eating area for the sushi or other products it may offer as part of its delicatessen operations.

The sushi business, in general, is highly competitive and dependent upon the eating habits of the public, in general, and the clientele of the Store, in particular. It is also highly dependent upon a number of different economic conditions both nationally and internationally. The principal basis of the competition and the industry is the quality of products served, the price of the food products offered, as well as the name identification and other factors associated with the brand identification of the same. Your competition will include other sushi bars, retail chains of sushi bars and restaurants that offer and specialize in sushi (including some that are offered by us or an affiliate), some of which may be located close to your kiosk. Sales of sushi are seasonally affected and may be affected generally by weather conditions and in some areas seasonal traffic, for example, vacation areas.

If you are an entity, each individual who owns an interest in your corporation or limited liability company must sign the Franchise Agreement in his/her individual capacity as well as a guaranty agreeing to be bound by all the terms and conditions of the Franchise Agreement including any amendments. Those parties will also be obligated to unconditionally guarantee the payment of all liabilities incurred by you, as franchisee, at any time as well as the performance of all other obligations.

We are sometimes required to open additional Remote Store Sites in new locations in Stores as a condition of our operating any Sushi Bars with a particular Store chain. If you own a Sushi Bar and we obtain or are offered the right to operate another Remote Store Site within twenty (20) miles of one of your Sushi Bars, we may require you to take and operate the newly offered Remote Store Site, which will not require the payment of any additional fee and will be governed by your then current Franchise Agreement. We will not require you to operate any additional Remote Store Site if it is unprofitable after six months' time.

Note that your Sushi Bar, if acquired as a franchise, is subject to any Master Agreement in place. Any modification, termination or expiration of that Master Agreement may impact your right to operate that particular Sushi Bar, including the loss of the right to do so.

Industry-Specific Regulations

Without exception, the most important part of your business will be food safety. Most, if not all, of our training, inspection, and franchise manual involves food safety in one form or another. Each Sushi Bar will be subject to federal, state, and local health inspection authorities which govern the handling of food, temperatures and other health considerations. Federal law and regulation impose specific requirements on the handling of fresh fish products under the Hazard Analysis Critical Control Points (HACCP) program. Federal law also requires chain retail food establishments with more than twenty locations to disclose the number of calories of each standard menu item on the menu and menu boards, make additional written nutritional information available to customers on request and provide a statement on menu boards about the availability of additional information. In some states or municipalities or other political subdivisions there may be local regulations that limit foods offered for sale, or that require posting of calorie content or other nutritional information.

ITEM 2

BUSINESS EXPERIENCE

Manager, President/CEO: Nay Hla.

Mr. Nay Hla has served as the Manager and Chief Executive Officer since the inception of SAH Holdings, LLC in March 2023. He is also the President and Chief Executive Officer of Sushi Avenue, Incorporated and has held that position since 2004. He also serves as the Manager of each of our affiliates known as M, S & R, I, LLC, M, S & R, II, LLC and M, S & R, III, LLC, and has held those positions since each were formed in October 2010, August 2011, and November 2014, respectively. He serves in his current capacities in the Minneapolis, Minnesota area.

Chief Operating Officer: Nay Lin.

Mr. Nay Lin has served as a Chief Operating Officer since SAH Holdings, LLC was first formed in March 2023. He has also served, and continues to serve, as Chief Operating Officer of Sushi Avenue, Incorporated. He has held that position since 2004. He has also served as an officer in each of our affiliates known as M, S & R, I, LLC, M, S & R, II, LLC and M, S & R, III, LLC, and has held those positions since each were formed in October 2010, August 2011, and November 2014, respectively. He serves in his current capacities in the Minneapolis, Minnesota area.

Senior Vice President: H. J. Kim.

Mr. Kim has served as the Senior Vice President since our inception in March 2023. He has also served, and continues to serve, in that capacity of our affiliate Sushi Avenue, Incorporated, and has done so since 2016. Prior to that, from 2006 to 2016, Mr. Kim served as Director of Supply Chain at Sushi Avenue, Incorporated. He serves in his current capacities in the Minneapolis, Minnesota area.

ITEM 3

LITIGATION

Except for the actions described below, there is no litigation information required to be disclosed in this Item.

In a civil action entitled *Assurance Company of America, a New York Corporation v. Sushi Avenue, Incorporated*, Court File No.: 19HA-CV-15-4082, State of Minnesota, District Court, Dakota County, Plaintiff alleged breach of contract and unjust enrichment associated with certain insurance provided to Defendant. Defendant, in turn, alleged breach of contract and disputed the amounts purportedly unpaid. On June 6, 2016, the parties reached a confidential settlement agreement and mutual release whereby all claims were dismissed without costs or disbursements.

In a civil action entitled *Michael Khing and MKS Sushi Inc. v. Nay Lin, Nay Hla, and Sushi Avenue Incorporated*, Court File No.: 1:14-cv-04004-SJ-RLM, Superior District Court, State of New York, Plaintiffs sued Defendants alleging breach of contract, and unjust enrichment, among other claims. Defendants alleged breach of contract, tortious interference with contract and a violation of Plaintiffs' non-compete. Plaintiffs were a former independent contractor of Sushi Avenue, Incorporated whose performance, according to Defendants, led to the loss of certain stores. Plaintiffs alleged that Mr. Khing had not been paid amounts due and owing to him and, as such, was entitled to such payments. On December 22, 2015, the parties reached a confidential settlement agreement and mutual release, and the case was dismissed with prejudice and without costs and disbursements to either party.

In a civil action filed on November 13, 2015 entitled *Peerless Indemnity Insurance Company v. Sushi Avenue, Inc.*, Civil No.: 15-cv-4112-ADM/LIB.U.S, United States District Court, District of Minnesota, Plaintiff sued alleging breach of contract against Defendant for certain additional proceeds owed as insurance premiums. Defendant disputed that any amounts are due and owing and that Plaintiff failed to comply with its own contract and underwriting guidelines. The parties reached a confidential settlement agreement and mutual release, and the case was dismissed with prejudice and without costs and disbursements to either party.

In a civil action filed June 13, 2014, against Sushi Avenue, Incorporated, entitled *Sushi Avenue, Incorporated, a Minnesota corporation v. Supervalu, Inc.*, Court File Number 27-cv-14-9814, State of Minnesota, District Court, Hennepin County, Plaintiff filed an action alleging breach of contract, unjust enrichment, and declaratory judgment seeking to terminate the agreement to provide certain services at various stores controlled by the Plaintiff. Defendant counter-claimed alleging that the termination was a breach of contract and that the Plaintiff failed to make certain payments due and owing under the same. On December 22, 2014, the parties agreed to settle their differences pursuant to the terms of a confidential settlement agreement and mutual release with all claims being dismissed against each other with prejudice.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Franchise Fee – First Sushi Bar

You must pay an initial franchise fee upon execution of the Franchise Agreement for the first Sushi Bar you franchise from us. The franchise fee for a Sushi Bar is generally \$20,000. However, we will waive the entire initial franchise fee for all existing Sushi Bars that are being operated by qualified Contract Chefs

under an agreement with Sushi Avenue, Incorporated. There is no initial franchise fee for a Remote Store Site.

Additionally, we may discount the initial franchise fee based on other factors, including the type of Store your Sushi Bar will be located in, the Store's requirements for your Sushi Bar's operating hours, and the anticipated sales volume of the Sushi Bar based on Store characteristics. If you acquire an existing Sushi Bar from us or our affiliate, and if the combined total of the Gross Sales of the Sushi Bar is less than \$2,000 per week based on the preceding 12-month average Gross Sales, then we may waive the franchise fee for that particular Sushi Bar. In all instances, your initial franchise fee will be calculated before you sign the Franchise Agreement.

Franchise Fee – Additional Sushi Bars

If you acquire other Sushi Bars from us later, the length of the term granted for subsequent Sushi Bars will match the length of the term remaining on your first Sushi Bars. The initial franchise fee for any additional Sushi Bars after the first Sushi Bar depends on the term remaining on your Franchise Agreement as follows:

Between 25 and 36 months remaining: Initial franchise fee of \$0 to \$10,000.

Between 13 to 24 months remaining: Initial franchise fee of \$0 to \$6,750.

Less than 13 months remaining: Initial franchise fee of \$0 to \$5,000.

Remote Store Site has no franchise fee.

The actual franchise fee you will pay for additional Sushi Bars will vary within the ranges shown above, depending on a number of factors, including the type of Store your Sushi Bar will be located in, the Store's requirements for your Sushi Bar's operating hours, and the anticipated sales volume of the Sushi Bar based on Store characteristics. In these instances, your initial franchise fee will be calculated before you sign the Franchise Agreement. Additionally, if any Sushi Bar you are acquiring was also in operation by a Contract Chef under contract with Sushi Avenue, Incorporated, then we will not charge any initial or partial franchise fee.

If you acquire an existing Sushi Bar from another franchisee, which shall be subject to our approval, you may be required to pay either a prorated franchise fee for the remaining term under the Franchise Agreement, or a full franchise fee for each acquired Sushi Avenue Sushi Bar for which you receive a new Franchise Agreement with a three (3) year term.

If you operate an existing Sushi Bar under contract from our affiliate, Sushi Avenue, Incorporated and you qualify as a franchisee, we will add time to the term of your Franchise Agreement equal to the length of time remaining on your contract agreement with Sushi Avenue, Incorporated.

All franchise fees are fully earned and non-refundable when paid. We may, at our option, agree to finance (see Item 10), delay or waive any initial franchise fee.

In our last fiscal year ended December 31, 2023, as all of our sales of franchises were to qualified existing Contract Chefs, we did not collect any initial franchise fees.

Initial Training Fees

If you are a qualified existing Contract Chef, we will waive the initial training requirements and you will not be required to pay a training fee. If you are not a qualified existing Contract Chef, before opening you will be required to complete our initial training program. We estimate the range of initial

training fees will be from \$0 (if the training requirement is waived) to \$3,500, which would cover the initial training fee for two people, the ServSafe training fee for two people, and the fee for our elongated sushi chef training for one person.

Equipment and Smallwares

Before opening, you generally will be required to purchase, from Sushi Avenue, Incorporated, equipment and smallwares necessary to operate your Sushi Bar. If you are a qualified existing Contract Chef operating an existing location of Sushi Avenue, Incorporated, you will use your existing equipment and smallwares and will not need to purchase additional equipment and smallwares. We estimate the range of these cost to be \$0 (if you are a qualified existing Contract Chef using your existing equipment and smallwares) to \$10,000.

Initial Food and Supply Inventory: Uniforms

Before opening, you generally will be required to purchase, from Sushi Avenue, Incorporated, an initial inventory of food and supplies. You also may be required to purchase uniforms from Sushi Avenue, Incorporated. If you are a qualified existing Contract Chef purchasing a location currently operated by Sushi Avenue, Incorporated, you may not be required to purchase food, supplies, or uniforms and will use what you have on hand. We estimate the range of these costs to be \$0 (if you are a qualified existing Contract Chef and will use inventory, supplies and uniforms already on hand) to \$20,000.

Point of Sale Marketing Materials

Before opening, you generally will be required to purchase, from us and/or from Sushi Avenue, Incorporated, an initial supply of point of sale and other marketing materials including signs, banners, cards, and other materials to promote your Sushi Bar and our brand. If you are purchasing a location currently operated by our affiliate, Sushi Avenue, Incorporated, these materials may already be on hand and it may not be necessary for you to purchase them, and, accordingly, we estimate the range of these costs to be \$0 to \$2,000. If you are purchasing a new location, we estimate the costs of this initial supply to range from \$1,000 to \$2,000.

Background Check

Prior to accepting you as a franchisee, we require you to submit to background check, which includes drug testing and a criminal and credit check. Your results must be acceptable to us. You must reimburse us our cost in obtaining these tests and checks, estimated at \$250. Qualified existing Contract Chefs will not incur this fee as we do not require a background check for them.

None of the above fees are refundable.

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ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Compensation to Stores and Franchisor. ¹	Varies by location and Store. Typically, 0% to 40% of Gross Sales to Store and 0% to 25% of Gross Sales of your Sushi Bar to us but amounts may vary widely. ²	Monthly on Gross Sales for the previous month. Will be deducted directly from your Franchise Commissions. Timing will vary and be dependent upon payment from the stores.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed but will vary by location. • Imposed by Franchisor/Stores (third-party), pursuant to Master Agreement.
National Marketing Fund. ³	Up to 1.5% of total monthly Gross Sales. Not currently assessed.	Monthly on Gross Sales for the previous month. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor (once implemented).
Local Marketing Program. ⁴	1% of total monthly Gross Sales. Not currently required.	As incurred, in connection with approved local marketing programs that you choose. Monthly on Gross Sales for the previous month once activated.	<ul style="list-style-type: none"> • Payable to your local marketing vendors. • Non-refundable. • We have the right to spend these funds on your behalf and collect from you should you fail to do so.
Sales Inquiry Fee. ⁵	\$100 per month for which sales or other financial information is requested by you.	Each time a sales report is requested by you. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Food, Equipment, Uniform and Supply Purchases. ⁶	Varies depending upon sales volume of the Sushi Bar and the requirements of the various Stores.	Payable when you buy the franchise or in monthly payments if we finance part of the cost. May be deducted directly from your Franchise Commissions. Food, product, and other such consumables, such as serving trays and other items are ordered by you and deducted from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Sushi Avenue.

Transfer. ⁷	\$1,500 per location transferred, plus our fees and costs incurred.	Payable prior to approval of transfer. May be deducted from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed based on volume. • Imposed by Franchisor, in its discretion.
Renewal. ⁸	Up to 50% of the amount of our then current franchise fee at the time of renewal.	Payable upon signing of Renewal of Franchise Agreement. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor, in its discretion.
Lab Test to Examine Food. ⁹	\$0.00 - \$250 per food item test.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Request for Approval of Vendor or Product. ¹⁰	\$0.00 - \$500 per requested product, supplier, or vendor plus our out-of-pocket expenses for investigation expenses per product item, supplier, or vendor.	On demand. May be deducted from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Initial Loan Fee for Franchise Manual. ¹¹	\$150 for each Sushi Bar if not returned to us.	To be deducted directly from your last month's Franchise Commissions, if not returned to us.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Local License and Permits. ¹²	\$0 to \$5,000 per location.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Vary with Store. • Collected by local municipalities.
Point of Sale Marketing Materials. ¹³	Up to \$2,000 per year per location.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor/Store.

Customer Satisfaction Fee. ¹⁴	\$0.00 to \$500 per incident plus our costs of travel to remedy.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Non-Compliance Fee. ¹⁵	\$0.00 to \$500 per incident.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Not uniformly imposed. • Imposed by Franchisor.
Special On Site Support. ¹⁶	\$0.00 to \$500 per day plus our cost of travel.	On demand after on-site visit or training. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Initial Training Fees. ¹⁷	Up to \$500 per person per training program.	Prior to training before your approval as a franchisee.	<ul style="list-style-type: none"> • Non-refundable. • Not uniformly imposed. • Imposed by Franchisor.
ServSafe Training and Testing. ¹⁸	\$250 per person plus \$50 per person for re-testing if necessary.	Prior to training.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed when required. • Imposed by Franchisor.
Lost or Replaced Franchise Manual. ¹⁹	\$500.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.

Additional Training Session. ²⁰	\$200 per person per day.	On demand after training provided. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Not uniformly imposed. • Imposed by Franchisor.
Fee for failure to attend Additional Training Sessions. ²¹	\$250 per trainee per day.	On demand. May be deducted from directly your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Additional Mandatory Training for Default. ²²	\$500 per day plus our representative's travel, food and lodging cost.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Administration/ Web Fee. ²³	\$100 per month.	Each month. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Background check, credit check and drug test. ²⁴	\$250 per owner, shareholder, or member.	On demand after application is made, and prior to approval.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed when required. • Imposed by Franchisor.
Interest on Unpaid or Past Due Amounts Owed. ²⁵	8% annual interest or the highest rate permitted by law if lower.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.

Sushi Bar Drop Fee. ²⁶	\$2,500 per Sushi Bar discontinued by you with our approval.	Upon approval by us to discontinue operations of a Sushi Bar. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Early Termination Fee. ²⁷	\$5,000 per Sushi Bar that is terminated early because of your default, plus damages, costs and expenses incurred by Us.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Sampling Services. ²⁸	\$0-\$180 per day.	On demand when service is provided. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Transfer to New Entity. ²⁹	\$250.	Upon your request to transfer. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Garnishment/Levy Fee. ³⁰	\$100 for each receipt of notice of garnishment or levy.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed. • Imposed by Franchisor.
Insurance Service Fee. ³¹	1% of Monthly Gross Sales for one year, plus the cost of insurance.	On demand. May be deducted directly from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • Uniformly imposed.
Product liability insurance. ³²	Currently ranges from \$250 to \$900 or more monthly, depending on your sales volume and the number of Sushi Bars and Remote Store Sites you operate.	Will be deducted from your Franchise Commissions.	<ul style="list-style-type: none"> • Non-refundable. • We will cover product liability insurance for your Sushi Bar under our group insurance policy. • Uniformly imposed based on volume.

Late Ordering Fee. ³³	\$300 to \$1,000.	On demand. May be deducted from your Franchise Commissions.	• Uniformly imposed.
Administrative Fee. ³⁴	\$125 per Franchise Commission payment.	Will be deducted from your Franchise Commissions.	• Imposed by Franchisor.

¹ You do not receive direct payment for the sales of goods and services from your Sushi Bar. Those payments will be made to the Store where the Sushi Bar is located through the cash registers of the Store. As used in this disclosure document, "Gross Sales" includes all revenue from the sale of all services and products related to the Franchise Business, whether for cash or credit and regardless of collection in the case of credit; except that "Gross Sales" does not include any sales taxes or other taxes collected from customers for transmittal to the appropriate taxing authority. Those taxes, if any, will be collected and remitted to appropriate accountants by the Stores.

The percentage of sales that the Store may retain as its share of Gross Sales (the "Service Commission") is negotiated directly by us or Sushi Avenue, Incorporated with the Stores and may vary among Sushi Bars. The Service Commission varies by Store and location. It is typically 25% but may range from 0% to 40% of Gross Sales. The amount remaining from Gross Sales after deduction of the Store's Service Commission is referred to as the Franchise Commission. Any additional charges or changes in cost made by the Store will be passed along to you and will be deducted from your Franchise Commissions.

When we receive the Franchise Commissions from the Store, we will remit it to you, but only after first deducting from your Franchise Commissions (i) all amounts owed to us and our affiliates, including all fees listed in this Item 6 payable to us; (ii) all amounts you owe to Sushi Avenue and affiliated suppliers for food and supplies and other purchases made by Franchisee, and (iii) any other amounts owed arising from loans, financings, advances, credits or deferrals made to you by us or our affiliates. After all deductions, we will remit any remainder of your Franchise Commissions to you. If after all deductions from the Franchise Commission there remains a negative balance, then the negative balance will be carried forward to the next month, and if necessary, additional subsequent months, and the negative balance shall be deducted from your next month's Franchise Commission. You will not be entitled to payment except in the amount of the Franchise Commissions after all deductions. The amounts typically paid to franchisees for Franchise Commissions vary from 60% to 75% of Gross Sales before amounts are deducted for sums owed to us and Sushi Avenue for food, supplies, fees, and charges. Unless otherwise noted, all fees listed in the table above are non-refundable.

² The amounts retained, after payment of all amounts owed to us, Sushi Avenue and any other vendors, and after amounts owed for fees and other charges varies, but typically ranges from 0% to 25% of Gross Sales. We will deduct all amounts owed to us and Sushi Avenue before payment of your Franchise Commissions.

Typically, the Stores will be required to make payments of Franchise Commissions monthly, but the payment terms may vary from two-week intervals up to three-months between payments from the Stores. If we do not receive a monthly report from the Stores and the amount of Gross Sales is unknown, we may estimate the amount of the Gross Sales for that reporting period and note on your account the amounts you owe us. Upon receipt of payment from the Stores we will withhold those amounts you owe us for previous month's payments. **We are not required to pay you your Franchise Commissions at any time until the Store pays us, and we deduct your expenses and fees. Any debits or reductions made by the Store, which may include under-payments from previous reporting periods, will also be deducted from your Franchise Commissions.**

³ Contributions to the National Marketing Fund are used for advertising and promotion of the SAH Holdings System and the "Sushi Avenue" brand, including, indirectly, your franchise, and to pay for reasonable administrative expenses and overhead, if any, that we incur in activities reasonably related to the administration or direction of marketing. See Item 11 for a detailed description of advertising fees and expenditures. This fee is non-refundable. We have not implemented this fee as of the date of this disclosure document, although we reserve the right to implement it upon notice to you.

Typically, the Stores will be required to make monthly Franchise Commission payments to us, but the payment terms may vary from two-week intervals up to three-months between payments from the Stores. If we do not receive a monthly Franchise Commission payment from the Stores, we will note on your account the amounts you owe us for the National Marketing Fund. If we do not receive a monthly report from the Stores and the amount of Gross Sales is unknown, we will estimate the amount of the Gross Sales for that reporting period and note on your account the amounts you owe us for the National Marketing Fund. Upon receipt of payment from the Stores, we will withhold those amounts you owe us for previous months, first correcting any and all estimates we made.

⁴ You must spend this local advertising requirement in compliance with our current policies. We have the right to require you to provide proof that these funds were spent, and spend them on your behalf should you fail to do so. We may require that some or all of this spending requirement be made by participation with other franchisees in local or regional advertising cooperative organizations or programs. We are not, as of the date of this disclosure document, enforcing this requirement.

⁵ In remitting your Franchise Commission to you, we will provide you with an itemization of the amounts that have been deducted from the Gross Sales amount, including the Service Commission paid to the Store. If you ask for an accounting or evidence of amounts received from the Store, or other information more detailed than that provided to you in your monthly report, we will charge you \$100 per month for which you request additional sales or other information. Therefore, if you ask for evidence of amounts we received from a Store for a three-month period, your fee will be \$300 (\$100 per month). Likewise, if you operate 3 Sushi Bars and want additional sales information for each Store for one month, we will charge you \$100 per Store or \$300 total.

⁶ Food purchased, supplies, condiments and the cost of freight are imposed by and payable to our affiliate Sushi Avenue, Incorporated (See Item 7) and are not refundable. On an ongoing basis you may independently buy produce for your own Sushi Bar. On occasion, at our discretion, we may maintain an account at the Stores or other supplier of produce from which you may order. If you order on our account, you will be required to re-pay us, and these amounts owed may be deducted by us from your Franchise Commissions. With few exceptions, you will be required to purchase the fish and other new sushi products from us or our affiliate, Sushi Avenue, Incorporated. The primary reason is to ensure quality control and an identifiable trail of sourcing for the product.

Initial equipment and smallwares required for each Sushi Bar are purchased from and payable to Sushi Avenue, Incorporated and are not otherwise collected on behalf of, nor paid to any third party. Any amounts paid to Sushi Avenue, Incorporated are in all cases non-refundable. The initial cost of equipment and smallwares are estimated to be between \$3,000 and \$10,000 for each Sushi Bar and up to \$2,000 for each Remote Store Site. In most cases the Stores may provide some of the equipment required.

You will also be required to purchase labels. These labels' costs will vary but generally cost (.05) each.

Uniforms are purchased from our affiliate, Sushi Avenue, Incorporated; provided, however, that all uniforms will be subject to the requirements of the Store. Any Sushi Bar owner and its employees may be required to purchase and use those uniforms required by the Store. (See Item 7).

For inventory, we suggest that you maintain (and routinely rotate) up to 25% of your total weekly volume. The amount of inventory you maintain is, of course, in your discretion. But additional fees will apply for expedited delivery if you fail to properly manage your inventory.

⁷ Payable when a request for transfer is made, alone or together with other previous, simultaneous, or proposed transfers, that would have the effect of transferring a controlling interest in your corporation or limited liability company or your Franchise Agreement. In addition to the transfer fee, we reserve the right to charge you for our reasonable legal expenses related to the transfer and our reasonable costs of travel, lodging and meals associated with a transfer. We do not allow transfer of control of your franchise entity or your Sushi Bar until you have operated the Sushi Bar for at least one (1) year. In no case may you transfer less than all Sushi Bars that you own, and in all cases transfer is subject to our approval. If you are selling your Sushi Bar(s) we reserve the right to purchase it/them on the same terms and conditions that are presented to us for approval. We also reserve the right to waive these fees if you have operated a Sushi Bar as a Contract Chef.

⁸ This fee will be in the amount up to 50% of our then-current franchise fee for a Sushi Bar.

⁹ To ensure food safety, we or our designated agent may laboratory-test your food for safety on occasion in our discretion. Our cost to do so with an outside laboratory may be more or less than the amount we charge you, but we will charge you between \$0.00 and \$250 per food item. All fees are nonrefundable.

¹⁰ If you ask us to consider or review a new product as part of your Sushi Bar offering, or request that we approve a vendor, supplier or manufacturer that is not currently approved, we will charge between \$0.00 and \$500 per request plus any out-of-pocket costs for investigation and review. Out-of-pocket expenses will include the cost of travel of our representatives including costs of international travel if the food vendor is located or ships from a location outside the United States. (See Item 8).

¹¹ One copy of a Confidential Franchise Manual will be provided to you. All materials are given on loan and remain our property. There is no annual fee. Periodically you will receive updates to the Franchise Manual. The Franchise Manual may be in the future available only in an electronic format. You will be required to return the Franchise Manual to us upon expiration or termination of your Franchise Contract. The Franchise Manual includes a SSOP/HACCP (Sanitation Standard Operating Procedures/Hazard Analysis Critical Control) Food Safety Plan section and contains materials from vendors assuring the safety of food items as required by federal food regulation. The Food Safety Plan is in addition to and not as a substitute for, any Store's specific food safety plans in place or for any local or state requirements. A fee is imposed if the Franchise Manual is not returned to us.

¹² State or local governments may impose various business and license fees including health inspection fees or other charges. For some Sushi Bars, that fee has already been paid by the Store as part of its deli operations. If paid by the Store, then you must ensure that you can operate under its license. If not or if no license has been obtained (or a special license is required), you are responsible for paying all those fees and complying with any requirements imposed. If you do not pay those fees, we may pay those fees and, if we do, we will charge you those fees as they are incurred. If any other related fees are charged by business permit authorities or local health department authorities, we may pay these amounts and deduct the fees from your Franchise Commissions. The business permits are renewed annually as required. All fees are non-refundable.

¹³ Subject to the preferences of the Stores, and our own System promotions, we may require you to purchase promotional and other marketing materials from us and/or Sushi Avenue, Incorporated, including signs, banners, cards and other materials or marketing services provided to you to promote your Sushi Bar and brand. These estimated amounts will be paid to us and/or Sushi Avenue, Incorporated as these materials are created and cost of services provided to you and will be deducted from your Franchise Commissions. We estimate up to \$2,000 per Sushi Bar in marketing materials will be provided to you during each year of operation. Costs incurred in our provision of marketing materials and services are separate from and are in addition to your contributions to the National Marketing Fund and your required expenditures through the Local Marketing Program. These fees are imposed as needed and incurred.

¹⁴ This charge is intended to compensate us for our efforts in addressing and resolving customer complaints about your franchise by the Stores or your customers. As part of your operations, this complaint resolution will be your responsibility. But if we are required to get involved, will impose a fee. This fee is imposed by and payable to us and is intended to cover the cost of compensation for steps taken to satisfy customers or the Stores, plus our cost of travel if necessary, and other steps we may take, is not collected on behalf of nor paid to any third party and is non-refundable. The travel expenses that you will have to pay include our costs of transportation, lodging, meals and any other costs incidental to the travel. This fee is non-refundable.

¹⁵ This fee is charged, in our discretion, for each incident of noncompliance of your operational obligations under the requirements, procedures or policies of the Franchise Agreement or Franchise Manual and is due upon notice to Franchisee, whether or not you are entitled to cure the deficiency under the Franchise Agreement.

¹⁶ If either at your request or at the request of the Stores, you or an employee fail to be present as required, we may, as may be necessary to support your Sushi Bar, provide on-site assistance.

¹⁷ Initial training programs may be required and provided in the amount up to \$500 per person for each equity owner of the franchise. If you own multiple Sushi Bars, then an initial training program may be required for at least the lead manager of each Sushi Bar. You may be required to successfully complete our initial training program before you are approved as a franchisee or approved to acquire a franchise from us. See Item 11 for discussion of training

programs provided. This fee will vary depending upon your experience and will be waived for qualified existing Contract Chefs.

¹⁸ This fee is payable to us and is not collected on behalf of nor paid to any other third party and is non-refundable, although we pay a portion of these fees to those organizations that offer these services. You may, at your option, arrange for your own ServSafe Certification for you and your employees. However, if you do so, you must provide us with proof of compliance. Our estimates of your pre-opening expenses include this fee for up to two trainees. See Items 5 and 7.

¹⁹ This fee is non-refundable.

²⁰ Additional training will be required and provided up to four sessions per year for one or two days each. The Principal Operating Officer or Partner and the lead manager for each Sushi Bar will be required to attend these sessions. See Item 11 for discussion of training programs provided.

²¹ We provide mandatory, additional, and ongoing training. If you fail to attend required training sessions after you begin operating your Sushi Bar, you will be required to pay this fee.

²² If we have been notified of a default of operating procedures or requirements under the Franchise Agreement or Franchise Manual (including the SSOP/HACCP Food Safety Plan), and you have failed to fully cure the operating default within the time specified in the notice of default, we may require you, your Principal Operating Officer or Partner or your lead employees to take additional training for a one or two day program. This fee is charged for the daily training session and not on a per person basis. We may also mandate this as part of the cure required for the breach.

²³ This fee is paid to us for our maintenance of our web site, other web services and email system and for the cost of providing you an email address.

²⁴ This fee is collected at the time you give consent to a background check and drug test and must be paid by each owner or shareholder of the franchise. We will use a portion of this fee to pay for the cost of the background checks, credit check and drug testing and the fee is non-refundable. This fee is waived for qualified existing Contract Chefs.

²⁵ This fee is non-refundable.

²⁶ This fee is payable when you seek to discontinue a particular Sushi Bar with our approval. You do not have the right to discontinue operations of your Sushi Bar, but if you request the right to discontinue operations or "drop" the Sushi Bar, and if we are able to locate a franchisee to operate the dropped Sushi Bar or we take over its operations, and permit you to "drop" it, then you may be required to pay the Sushi Bar Drop Fee. If you discontinue operations without consent this fee will not apply. Instead, the damages under the Franchise Agreement (and at common law) will apply as described below.

²⁷ This fee is payable if your Franchise Agreement is terminated before expiration of the term of your Franchise Agreement as a result of your default of the Franchise Agreement, or if you abandon or refuse to operate any Sushi Bar before the end of the term provided in your Franchise Agreement. You do not have the right to discontinue operations of your Sushi Bar without our approval before the end of the term of your Franchise Agreement or any renewal of the same. If you do discontinue or abandon your operation, or if your franchise right to operate your Sushi Bar is terminated, we may charge you this fee for each Sushi Bar that is affected. In addition to this fee, you may also be required to compensate us for our damages that include travel expenses, labor, and employee cost to operate the Sushi Bar, food products removed and unpaid and other expenses to operate the Stores.

²⁸ This fee is payable based upon our cost of providing food sampling services at your location in the event you fail to meet the sampling requirements of the Stores. You may be required by the Store you operate your Sushi Bar in to provide food samples. If you fail to follow the requirements of that Store, we will send third party contractors to meet this demand. If we send third-party contractors, we will charge you a fee which will include our

hourly costs to pay our employee or a third party, plus an additional charge of \$3.00 per hour per person for this service.

²⁹ This fee is payable upon your request to transfer or assign an interest between shareholders or members but that transfer does not constitute a change of control, if you seek a name change of a Franchisee entity, or if you transfer your interest to another Franchisee entity that is wholly owned by you, all of which requirements and amounts may be modified by posting in the Franchise Manual.

³⁰ This fee is payable upon each request we receive from a third-party levying or garnishing amounts you owe to third parties.

³¹ If you fail to obtain the required insurance coverages, we may, at our option, purchase the insurance for you. If we purchase the insurance for you, we will charge you an Insurance Service Fee, plus the cost to us to obtain the insurance plus the Insurance Service Fee. The Insurance Service Fee will be one percent (1%) of your monthly Gross Sales for one year. Each time we purchase insurance for you, you will be charged the Insurance Service Fee.

³² We will cover product liability insurance for your Sushi Bar under our group insurance policy, then deduct your portion of our premium costs calculated based on sales, but we may revise the rate from time to time as we determine. Your portion of the premium will be deducted before payment of your Franchise Commissions. You are responsible for securing commercial general liability insurance, commercial workers' compensation/employer's liability (to the extent you have employees), and other insurance to meet any statutory requirements. The chart below summarizes the monthly costs, as of the date of this disclosure document, for product liability insurance based on your sales volume:

Average Weekly Sales	First Sushi Bar	Each Additional Sushi Bar	Each Remote Store Site
< \$3,499	\$250	\$100	\$75
\$3,500 - \$4,999	\$295	\$150	\$75
\$5,000 - \$9,999	\$325	\$200	\$75
\$10,000 - \$19,999	\$395	\$200	\$75
\$20,000 - \$29,999	\$450	\$200	\$75
\$30,000 - \$39,999	\$550	\$200	\$75
>\$40,000	\$625	\$200	\$75

³³ If you fail to order inventory and supplies before Monday at 3:00 p.m. you will be charged a rush order shipping fee as follows: \$300 for orders made after Monday at 3 p.m. and before Tuesday at 3 p.m.; \$600 for orders made after Tuesday at 3 p.m. and before Wednesday at 3 p.m.; \$1,000 for orders made after Wednesday at 3:00 p.m.

³⁴ This is a fee for the management and administration of your Franchise Commissions. This includes but is not limited to, the receipt and reconciliation of the Gross Sales, the Store Commissions, and all other costs associated with the operations of your franchise. We will prepare and provide you with an itemized statement as well as the final amount remaining over from your Franchise Commissions.

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ITEM 7

ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT FOR THE PURCHASE OF AN EXISTING
LOCATION OPERATED BY A CONTRACT CHEF**

Type of expenditure	Estimated Low Amount	Estimated High Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee. ¹	\$0.	\$0.	N/A	N/A	If you are purchasing a location currently operated by a Contract Chef of our affiliate, we will not charge an initial franchise fee.
Insurance. ²	\$500.	\$5,000.	As arranged.	As incurred.	Insurers.
Initial Training Fees, travel, living expenses during initial training. ³	\$0.	\$9,720.	Lump sum and as incurred.	Prior to training and expenses during training.	Us, Third Party Providers (airline, hotel, meals, etc.).
Professional Advisors. ⁴	\$1,000.	\$5,000.	As arranged.	As incurred.	Attorneys and Accountants.
Point of Sale Marketing Materials. ⁵	\$0.	\$2,000.	Generally deducted as an expense before we pay amounts owed to you.	Upon delivery to you.	Us, Sushi Avenue, Incorporated.

Equipment, smallwares, and computer. ⁶	\$0.	\$11,000.	As arranged.	As incurred.	Sushi Avenue, Incorporated, Suppliers.
Initial food inventory, uniform and supply purchases. ⁷	\$0.	\$20,000.	As arranged.	As incurred.	Sushi Avenue, Incorporated.
Local business license fees and permits. ⁸	\$100.	\$5,000.	As arranged.	As incurred.	Local Governmental Agencies.
Background Check, Credit Check and Drug Test. ⁹	\$0.	\$250.	As arranged.	Upon application approval.	Us.
Additional funds ¹⁰ (3 months initial phase).	\$5,000.	\$25,000.	As arranged.	As incurred.	Sushi Avenue, Incorporated, Third Party Providers, Your Employees, and Approved suppliers.
Total:	\$6,600.	\$82,970.			

YOUR ESTIMATED INITIAL INVESTMENT FOR A NEW LOCATION

Type of expenditure	Estimated Low Amount	Estimated High Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee. ¹	\$0.	\$20,000.	Lump Sum.	At signing of Franchise Agreement.	Us.
Insurance. ²	\$500.	\$5,000.	As arranged.	As incurred.	Insurers.

Initial Training Fees, travel, living expenses during initial training. ³	\$0.	\$9,720.	Lump sum and as incurred.	Prior to training and expenses during training.	Us, Third Party Providers (airline, hotel, meals, etc.).
Professional Advisors. ⁴	\$1,000.	\$5,000.	As arranged.	As incurred.	Attorneys and Accountants.
Point of Sale Marketing Materials. ⁵	\$1,000.	\$2,000.	Generally deducted as an expense before we pay amounts owed to you.	Upon delivery to you.	Us, Sushi Avenue, Incorporated.
Equipment, smallwares, and computer. ⁶	\$3,000.	\$11,000.	As arranged.	As incurred.	Sushi Avenue, Incorporated, Suppliers.
Initial food inventory, uniform and supply purchases. ⁷	\$20,000	\$20,000.	As arranged.	As incurred.	Sushi Avenue, Incorporated.
Local business license fees and permits. ⁸	\$100.	\$5,000.	As arranged.	As incurred.	Local Governmental Agencies.
Background Check, Credit Check and Drug Test. ⁹	\$250.	\$250.	As arranged.	Upon application approval.	Us.
Additional funds ¹⁰ (3 months initial phase).	\$5,000.	\$25,000.	As arranged.	As incurred.	Sushi Avenue, Incorporated, Third Party Providers, Your Employees, and Approved suppliers.

Total:	\$30,850.	\$102,970.			
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The first chart above summarizes your estimated initial investment if you are purchasing a location currently being operated by a Contract Chef of our affiliate, Sushi Avenue, Incorporated, including, for example, if you are the Contract Chef currently operating that location. The second chart above summarizes your initial investment if you are purchasing a new location. All amounts are non-refundable unless otherwise noted.

Notes for both charts:

¹ If you are purchasing a location currently operated by a Contract Chef of our affiliate, Sushi Avenue, Incorporated, we will not charge an initial franchise fee. If you open a new location, the franchise fee will range from \$0 to \$20,000, depending on a number of factors, including the type of Store your Sushi Bar will be located in, the Store’s requirements for your Sushi Bar’s operating hours, and the anticipated sales volume of the Sushi Bar based on Store characteristics. In these instances, your initial franchise fee will be calculated before you sign the Franchise Agreement. Franchise Fees for second and subsequent Sushi Bars are prorated depending upon the length of term remaining under your first Sushi Bar. There is no additional initial franchise fee for Remote Store Sites. The initial franchise fees are discussed in Item 5.

² The insurance figures in the chart are estimated annual expenses for a single Sushi Bar. In some cases, you may be required to pay the entire annual premium initially. Costs may vary among different underwriters and may be based on variables including types of coverage, amounts of coverage, how long you have been in business, your financial condition, your prior risks, and location of your Sushi Bars. We will cover product liability insurance under our group insurance policy, then deduct your portion of our premium costs calculated based on sales. Your portion of the premium will be deducted before payment of your Franchise Commissions and thus will be incurred after you open. You are responsible for securing commercial general liability insurance, workers’ compensation/employer’s liability (to the extent you have employees), and other insurance to meet any statutory requirements. You must obtain in advance general liability insurance in the amount of \$1 million per occurrence limit, and \$1 million personal injury and advertising limit; \$2 million general aggregate, \$2 million umbrella liability; \$1 million business auto liability; workers compensation/employers liability as needed. Insurance requirements may change and may be changed in the Franchise Manual. If you fail to maintain the required insurance coverages, we may obtain the insurance and deduct it from your Franchise Commissions.

³ If you are a qualified existing Contract Chef, we will waive the initial training requirements and you will not incur any training expenses. If you are not a qualified existing Contract Chef, you will incur expenses associated with our initial training program.

The training fees and costs shown are for a single Sushi Bar. For this training program, we provide instructors and instructional materials for a fee of up to \$500 per person plus costs. These costs include transportation, food and lodging for yourself and any employees to be trained in our training location at our headquarters in Eagan, Minnesota.

Initial training programs are required for each equity owner of the franchise. If you own multiple Sushi Bars, then training is required for at least the lead manager of each Sushi Bar. See Item 11 for discussion of training programs provided. All equity owners of the franchisee must take the full training program at our headquarters. If lead employees, other than the equity owners of the franchise, have substantial sushi chef experience, then those individuals, at our discretion, may take a shortened training program in their area where available or elsewhere where there is a program available. The cost for the modified program will vary but will not include the cost of travel, food and lodging of our training representative, and the cost of travel, food, and lodging of the trainee.

If any of the equity owners of the franchisee or any of the lead managers do not have sufficient sushi chef experience, he/she must have additional sushi chef training for 5 to 20 days at a place we designate. The fee for such an elongated program shall be an additional \$2,000 per person plus the cost of your accommodations, food, and travel. The estimated cost of travel, lodging and food for 20 days is \$2,500.

The ServSafe food safety training and testing is required at the cost of \$250 per person for any trained person not previously certified. Each sushi bar is required to have at least one ServSafe certified person on duty at all times.

There is a \$50 per person re-testing fee if a trainee fails to pass the ServSafe test. You may, at your own cost, obtain the ServSafe training but will be required to provide proof of the same.

The cost of all training programs will depend on the number of people trained, and the travel costs which will vary by the type of accommodations you choose. In addition, you must pay any wages due employees during training. Any and all training may be waived based on prior experience.

The low range of the estimate in both charts assumes you are not required to undergo any training. The high range of both charts assumes that two people travel to training, both require the additional ServSafe training, that you pay one person wages during the initial training, and that one person requires the elongated program for additional sushi chef training.

⁴ You may need to hire an attorney to organize your entity and seek advice from an accountant to organize your business.

⁵ You will be required to purchase point of sale and other marketing materials including signs, banners, cards, and other materials to promote your Sushi Bar and our brand. The amounts shown here are the estimated amounts of the initial point of sale marketing materials that you must purchase prior to opening a single Sushi Bar. If you are purchasing a location currently operated by our affiliate, Sushi Avenue, Incorporated, these materials may already be on hand and so it may not be necessary for you to purchase them, and, accordingly, we estimate you will spend between \$0 and \$2,000. If you are purchasing a new location, we estimate the costs of this initial supply to be \$1,000 to \$2,000.

⁶ The initial cost of equipment, computer, and smallwares are estimated to be between \$3,000 and \$11,000 for each Sushi Bar. You If you are a qualified existing Contract Chef operating an existing location of Sushi Avenue, Incorporated, you will use your existing equipment, computer, and smallwares and will not need to purchase additional equipment and smallwares.

In most cases the Store may provide some of the equipment required. In some cases, you may purchase some smallwares directly from third party vendors and not from us. All labels must be purchased from us. We will charge you up to (.05) per label.

⁷ If you are a qualified existing Contract Chef purchasing a location currently operated by our affiliate, Sushi Avenue, Incorporated, you may not be required to purchase products and will use what you have on hand. If you purchase your initial food inventory and supplies, we estimate that your initial food and supply purchases will be sufficient to cover the opening of the Sushi Bar and up to one month of operations. You may not open a Remote Store Site without a Sushi Bar. The amount of food you will need to purchase will vary depending upon the volume of sales each Sushi Bar or Remote Store Site you obtain.

You may buy produce for your own account. On occasion, at our discretion, we may maintain an account at the Store or other supplier of produce from which you may order. If you order on our account, you will be required to re-pay us, and these amounts owed may be deducted by us from your Franchise Commissions.

Uniforms, as required or necessary, are purchased from our affiliate, Sushi Avenue, Incorporated. You may also be required to acquire them from the Store's vendors. If you are a qualified existing Contract Chef purchasing a location currently operated by our affiliate, Sushi Avenue, Incorporated, you may use uniform(s) you have on hand.

⁸ The locality in which you operate your Sushi Bar may also require business licenses and food license permits which may require you to pay various local fees. You may also be able to operate under the license of the Store. The estimated fees shown are for a single Sushi Bar. You are responsible for those fees but if we pay these fees, we will charge you for the amount of the fee without additional costs attached.

⁹ After your application has been approved you will be required to pay \$250 per person for each owner or shareholder/member of your franchise entity for background and credit checks and drug tests. There is no application fee for qualified existing Contract Chefs.

¹⁰ You will need capital to support on-going and miscellaneous expenses to the extent these costs are not covered by sales revenue. New businesses often generate a negative cash flow for some period of time. We estimate that the amount shown will be sufficient to cover on-going expenses for a period of three months for a single Sushi Bar. The working capital needed for a Remote Store Site may be less, but you are eligible for a Remote Store Site

only if you have a Sushi Bar also. These are only estimates, however, and there is no assurance that additional working capital will not be necessary during the first three months or thereafter.

We relied upon the experience of our affiliate, Sushi Avenue, Incorporated and its sushi bars and knowledge of others' practices in the industry. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We may in our discretion offer financing of a portion or all of the purchase price if you buy a Franchise Business from us or our affiliate, the initial food inventory purchase, initial equipment and smallware purchases and limited loan advances all as shown in Item 10.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Unless otherwise specified, you must purchase all food items, ingredients, equipment, furnishings, supplies, materials, and other items used or offered for sale at your Sushi Bar solely from suppliers (including manufacturers, distributors, and other sources) that are approved by us in writing.

We provide you with a list of approved manufacturers, suppliers, and distributors ("Approved Suppliers List") and approved food products, inventory products, equipment, consumables, marketing materials, supplies and other items or services necessary to operate your Sushi Bar ("Approved Supplies List"). The Approved Supplies List may specify the specific manufacturer of a specific product or piece of equipment. These lists, which may be incorporated in the Franchise Manual or provided to you in multiple communications from us, also may include other specific products without reference to a particular manufacturer, or they may set forth the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List by written notification to you. We give you the approved lists as we deem advisable. We determine the standards and specifications for food and packaging products, sometimes in consultation with suppliers but in all cases in consultation with (and at the direction of) the Store, to assure the desired quality of ingredients, size, flavor, and appearance for each product. We, an affiliate, or a third-party vendor or supplier may be the only approved supplier for certain products or services. For example, as of the date of this disclosure document, our affiliate, Sushi Avenue, Incorporated, is the only approved supplier of all food (other than fresh produce), consumables, branded point-of-sale marketing materials, and other supplies needed for operation of your Sushi Bar. Sushi Avenue, Incorporated is also the only approved supplier for uniforms, although some Stores may require you to use uniforms bearing their Store brand. You will pay the then-current price in effect for all purchases you make from us or our affiliates, and we or our affiliates expect to earn a profit on all products and services that we or our affiliates sell to you. Other than these items, we and our affiliates are not currently the approved suppliers for any items, but we and our affiliates have the right to be an approved supplier of additional items in the future. Our Manager and Chief Executive Officer, together with our Chief Operating Officer, own an interest in our affiliate, Sushi Avenue, Incorporated. None of our officers own an interest any of our other suppliers.

Except for products and services that are available from a single source, we may permit you to contract with alternative suppliers if they meet our criteria. If you desire to purchase products (other than fresh produce) from other than approved suppliers or distributors, you must submit or have the proposed supplier submit a written request for approval together with such evidence of conformity with our specifications as we may reasonably require. We will have sole discretion to determine whether the proposed supplier meets our criteria and will be approved.

We will have the right to require that our representatives or agents be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. You or the supplier must pay a charge of up to \$500 per product

item plus our out-of-pocket costs for evaluation and testing. Out-of-pocket costs include costs of travel to review and assess the quality of the product, the production facilities, and to investigate financial capability, credit, and reputation within the United States. If the supplier has facilities or imports food from outside the United States, the cost of international travel will be greater. If the review involves product testing, the cost will be increased as third-party fees are incurred. We estimate the time necessary to approve a supplier after receipt of all necessary information to be thirty (30) to sixty (60) days. You must not sell or offer for sale any products of the proposed supplier until you receive our written approval of the proposed supplier. You must use products purchased from approved suppliers solely for the purpose of operating your franchised Sushi Bar and not for any other purpose. When a supplier is approved, we may require annual or more frequent reviews of the supplier, their facilities, processes, and finances.

Our criteria for supplier approval include (a) adequate quality controls assuring ability to consistently produce product of desired quality in flavor, size, appearance and texture, (b) sufficiently high sanitation rating of facility producing product, (c) financial stability, (d) ability to consistently and promptly produce desired quality and quantity of product, (e) full compliance with all government regulations and specifications, (f) positive reputation in the community and ethical operation of organization and (g) competitive pricing. Since many of the Stores, including the Store that you may operate your Sushi Bar in, require this “downstream” analysis and proof of source, quality, safety, and environmental and humane production, our review and approval of all suppliers and vendors is required in order to meet these standards. This is especially important since one of the primary ingredients used is raw fish. Responsible sourcing and quality control, and food safety, cannot be compromised. A failure by you, or us, to responsibly source product as required by the Store may result in a loss of that business and of your Sushi Bar.

You must permit us or our agent, at any reasonable time, to remove samples of food or non-food items from your inventory, or from your Sushi Bar or Remote Store Site, without payment to you, in amounts reasonably necessary for testing by us in independent laboratories, to determine whether the samples meet our then-current standards and specifications. You must bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications.

We may from time to time, by notifying you in writing, revoke our approval of particular products or suppliers when we determine in our sole discretion that those products or suppliers no longer meet our standards. Upon your receipt of notice of such revocation, you must stop selling any disapproved products and stop purchasing from any disapproved supplier.

Typically, we provide you the location of your Sushi Bar which we or our affiliate have secured by agreement with your Store. The Store is usually a retail or grocery store location in which the Sushi Bar is located. If you obtain your own location, you must obtain our written approval of the site as well as the terms of any lease or other agreement for which the proposed Sushi Bar is to be developed including approval of layout and design. If you obtain your own location, and it is approved by us, the lease must be assignable to us and upon approval of the site we will permit you by agreement to operate a Sushi Bar from the approved location. The documents must provide, in form and substance satisfactory to us, including provisions for quiet enjoyment. Leases must be bona fide and provide financial terms consistent with those prevalent in the area.

If our or our affiliate's rights expire or are terminated for the Store in which your Sushi Bar is located, for any reason, your right to operate a Sushi Bar will also terminate. If your rights are terminated, we do not have any obligation to replace your location or to franchise another Sushi Bar to you.

Since most of the items you will purchase to begin operating your Sushi Bar must meet our specifications, we estimate that the items you purchase that must meet our specifications will represent approximately 95% of the total purchases you will make to begin operations. Once you begin operating,

we estimate that these items will represent approximately 95% of your operating expenses. We and our affiliates have the right to receive payments or other benefits like rebates, discounts and allowances from approved suppliers based upon their dealings with you and other franchisees. These payments will usually be based upon an amount per unit or percentage rebate, and generally range from 2% to 8% of the purchases you make from the vendor. We do not provide any material benefits to you, such as the grant of additional franchises and/or territories, based on your use of designated or approved suppliers.

During our last fiscal year (a) we did not receive any revenue as the result of required purchases or leases by our franchisees, and (b) our affiliate, Sushi Avenue, Incorporated, received \$23,950,192 in revenues as the result of required purchases of products and services by franchisees and by Contract Chefs operating Sushi Bars not yet operating as franchised locations.

You are not required to use a particular computer hardware or software system, except you are required to use an Excel spreadsheet program to make your food and supply orders. If you opt not to make your orders electronically you may complete your order forms and fax them to us or Sushi Avenue. You will be required to receive communication from us on a variety of subjects on an on-going basis by e-mail. We provide you an email address in our system which you must use and which we will use to communicate with you.

You must purchase insurance in accordance with our standards as described in the Operations Manual. As of the date of this disclosure document, we will cover product liability insurance for your Sushi Bar under our group insurance policy, then deduct your portion of our premium costs calculated based on sales before payment of your Franchise Commissions. You are responsible for securing commercial general liability insurance, workers' compensation/employer's liability (to the extent you have employees), and other insurance to meet any statutory requirements.

There are no purchasing or distribution cooperatives in the System. However, we may negotiate certain terms, including prices, with certain vendors.

We consider a variety of factors when determining whether to renew or grant additional franchises. Among the factors we consider is compliance with the requirements described above.

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. Please note this is only a reference guide and you are encouraged to read all of the documents provided to you so you fully understand your rights.

	Obligation	Section in Agreement	Item in Disclosure Document
a.	Site selection / acquisition lease	Franchise Agreement Section V. A., B. and D.	Items 7, 8, 10, 11 and 12
b.	Pre-opening purchase/ leases	Franchise Agreement Sections VI. A.; VII. A., B., D., H.-K., and O.	Items 7 and 8

	Obligation	Section in Agreement	Item in Disclosure Document
c.	Site development and other pre-opening requirements	Franchise Agreement Sections VII. B. and D.; Section XIV B. (2).	Items 7, 8 and 11
d.	Initial and ongoing training	Franchise Agreement Sections II. B. (9); III. A.; IV. E (6); VII. D. and F.; X. B.; XIV. B(1) and (3); Training and Confidentiality Agreement.	Items 7 and 11
e.	Opening	Franchise Agreement Section VII.	Item 11
f.	Fees	Franchise Agreement Sections II. B. (1) and (7); III. A., IV.; VII. H. (5), J. and N.; XII. A., D. and E.; XIII. B.; XIV. B. (2)(f) and (j); XV. F.; XVI. E. and F.; XVII. F.; XX. C.; XXV. E.; Training and Confidentiality Agreement. Non-Compete Agreement.	Items 5, 6, 7 and 11
g.	Compliance with standards and policies/operating manual	Franchise Agreement Sections II. B. (3); III. A. and E.; IV. E.; V. A.; VII D. (1) and (2), G. — J., and N.; VIII. A. and B.; IX.; XI. A. and D.; XII. F.; XIII. B.; XIV. E.; XV. B.; and, XVI. C.	Items 8, 11 and 14
h.	Trademarks and proprietary information	Franchise Agreement Sections VII. K.; VIII.; IX. A.; X. A. and B.; XV. B. (2) and (6) and C.(5); XVI. B - D.; and, XVII A.(1) (a).	Items 8, 13 and 14
i.	Restrictions on products/services offered	Franchise Agreement Section VII., H.(3) and J.	Items 8, 15 and 16
j.	Warranty and customer service requirements	Franchise Agreement Sections VII., XXI.B. and XXVI.A.	Item 11
k.	Territorial development and sales quotas	Franchise Agreement Sections I and V.	Item 12
l.	Ongoing product/service purchases	Franchise Agreement Section VII. E.- 0.	Items 8, 11 and 16
m.	Maintenance, appearance and remodeling requirements	Franchise Agreement Sections II. B. (3); VII. H. (1) and (6), and L. - M.; XIV. B. (2) (g); XV. C.(3), and D.	Items 6, 7 and 8
n.	Insurance	Franchise Agreement Section XIII.	Item 7
o.	Advertising	Franchise Agreement Sections III. C. and D.; IV. C. and D; VII. K.; VIII. B. (2) and (3); and, XII.	Items 6, 7 and 11

	Obligation	Section in Agreement	Item in Disclosure Document
p.	Indemnification	Franchise Agreement Section XX.C.	None
q.	Owner's participation/ management/staffing	Franchise Agreement Sections VII. C., D. and F.; XVII. A. (1) (b); and, XXIV. B.	Items 11 and 15
r.	Records/reports	Franchise Agreement Sections XI.; XII.; and, XV. B. (5).	Items 6 and 11
s.	Inspections and audits	Franchise Agreement Sections III. F.; IV. E. (12) and (13); VII. J. and N.; and, XI. C. and D.	Items 6 and 11
t.	Transfer	Franchise Agreement Sections VI. A. (5); XIV.; and, XV. B. (3).	Items 6 and 17
u.	Renewal	Franchise Agreement Section II. B.	Items 6 and 17
v.	Post-termination obligations	Franchise Agreement Sections VIII. B. (5); X. B.; and, XVI. Training and Confidentiality Agreement; Non-Compete Agreement.	Item 17
w.	Non-competition covenants	Franchise Agreement Section XVII. Training and Confidentiality Agreement. Non-Compete Agreement.	Items 14 and 17
x.	Dispute resolution	Franchise Agreement Sections VIII. B. (9) and D.; X. C.; XIV. E.; XIX. B. and D.; and, XXV. Training and Confidentiality Agreement, Section 11.	Item 17
y.	Taxes, permits and indebtedness	Franchise Agreement Section XIX.	Item 6
z.	Requirements to exercise right of first refusal	None.	None
aa.	Releases	Franchise Agreement Sections II. B. (8); XIV. B. (2) (c); and, XVII. E. Training and Confidentiality Agreement, Section 5.	None
bb.	Use of premises	Franchise Agreement Sections V. A.; VII. E.; XV. B. (8), and E.; and, XVI. A.	Items 7, 8, 10 and 16
cc.	Independent contractor	Franchise Agreement Section XX.	None

	Obligation	Section in Agreement	Item in Disclosure Document
dd.	Shareholder or member guarantee obligations	Guarantee of Franchise Agreement.	Item 15

ITEM 10

FINANCING

We do not offer direct or indirect financing except as described below, and then solely in our discretion.

As part of our franchise package, we provide the location for your Sushi Bar and we will undertake certain contractual obligations with the Store in order to secure the location in which you will operate your Franchise Business. As part of this, you will not pay rent, or be required to build-out your Sushi Bar utilities. Other storage fees are also covered.

We then offer you the right to operate your franchise at that location. You do not pay us or our affiliate lease payments, but you pay us other fees that are described in Item 5 (Franchise Fee), Item 6 (Other Fees), and the Franchise Agreement. The Franchise Agreement must be signed and joined by each of your shareholders or members, and obligations under the Franchise Agreement must be guaranteed by each of your shareholders or members in the form shown in Exhibit A to this disclosure document.

In our discretion to assist you with your operations, we and/or Sushi Avenue, Incorporated may offer financing for some or all of the following:

Item Financed	Amount Financed	Cash Down Payment	Term	Annual Percentage Rate (as of date of this FDD)
Loan Advance ¹	From \$1,000 to \$2,500	N/A	3 Months	None
Initial Food Inventory and Point of Sale Materials Purchase ²	Up to \$20,000	N/A	2-6 months	None
Initial Equipment & Smallwares ³	Up to \$20,000	N/A	2-6 months	None
Franchise Fee, Purchase Price ⁴	Up to - 100% of Purchase Price	N/A	2-6 months	None

¹ In our discretion, we or our affiliate may provide a loan advance for up to three months after you have commenced operations of your Sushi Bar. To be eligible for a loan advance you must be operating for at least 60 days and the sales of all your Sushi Bars must be at least \$2,500 per week. We will deduct from your Franchise Commissions all amounts owed to us or our affiliate. This Loan Advance is different than, and in addition to, the draw on Commission Fees that are available to all franchisees as set out under Item 11.

² In our discretion we may arrange for payment of part of your initial food inventory (See Item 7) purchased from our affiliate, Sushi Avenue, Incorporated for up to six months in varying amounts, but no greater than \$20,000, per Sushi Bar. Any financing of initial food inventory is at our sole discretion. We will deduct from your Franchise Commissions all amounts owed to us or to Sushi Avenue, Incorporated.

³We may permit you to pay part of your initial equipment and smallwares cost which is owed to us or our affiliate (See Item 6 and 7) up to six months after you commence operating your Franchise Business, but not in an amount greater than \$20,000. Any financing of equipment and smallwares is solely at our discretion. We will deduct from your Franchise Commissions all amounts owed to us or to Sushi Avenue, Incorporated. On occasion, if payments are late from the Store, we may forward some or all of your estimated Franchise Commissions until such time we receive funds from the Store. Any advance we make is entirely at our discretion.

⁴ In all cases, financing is entirely at our discretion. Either with the Franchise Fee or the purchase of an existing Sushi Bar, we may offer financing of the sale price up to - 100% of the purchase price. You may be required to sign a promissory note in the form of the attached Exhibit D ("Promissory Note") for any amounts financed. As of the date of this disclosure document, we do not charge interest if we extend financing in connection with the purchase of a franchise for an existing Sushi Bar. The Promissory Note must be signed by you as franchisee and must be personally co-signed or guaranteed by each of your shareholders or members. Payments must be made monthly. If you fail to pay any loaned, advanced, or deferred amounts or payments for any financing, your obligations under each promissory note may be accelerated on default and be declared to be due and owing in full, and may result in the default and termination of your Franchise Agreement. We will also, upon default, charge a default interest rate of 8% as provided. Your obligations include the obligation to pay costs and attorney's fees upon default. All deferred or advanced obligations shall be cross-defaulted with each other (the Promissory Note, if any, and to your obligations under the Franchise Agreement). The Promissory Note(s) require all signors to waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest, and all other sums due under this Promissory Note. You may pre-pay any amount in whole or in part that are owed under any Promissory Note to us, without penalty.

We, through Sushi Avenue, may extend credit to you on a month-to-month basis for the purchase of food, inventory, supplies or items of equipment as part of your ongoing operations under the terms of your Franchise Agreement, and may not create a Promissory Note. At all times we have the right to withhold any amounts owed from your Franchise Commissions whether or not we use a Promissory Note if you owe or we have advanced your materials. If, after the deduction of all amounts owed to the Store, to our affiliate supplier, Sushi Avenue, Incorporated and to us for various fees and costs, or if we forward to you some of your Franchise Commissions that we have not yet received from the Store, you may have a negative balance of amounts you owe us. Any negative balance that is carried by us may be carried forward to future months and deducted from future Franchise Commissions, but any negative balance is indebtedness to us and is payable on demand by us.

All amounts owed to us or our affiliate, Sushi Avenue, Incorporated, will be paid to us from proceeds we receive from the Store that are generated by your Sushi Bar, including any of your obligations that arise from acceleration of advanced, loaned, or deferred amounts. If there is any deficiency, you will be personally responsible for those accounts.

It is not our practice or intent to sell, assign or discount to third parties all or part of financed or deferred amounts, although the form of Promissory Note is a negotiable instrument, and we reserve the right to do so as well as use the same as collateral on any financing we may have.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

We may provide any of the services described in this Item 11 through our employees/agents or through our affiliate, Sushi Avenue, Incorporated and its employees/agents. We also reserve the right to use any third-party vendor to complete any of these services set forth below:

Pre-Opening Obligations

Before you open your Sushi Bar, we will:

1. With respect to a location under our control, offer you a specific franchised location, subject to all requirements and terms of the Store (Franchise Agreement, Section V. A.). We typically have obtained a conditional right to operate a Sushi Bar within a Store location and extend the right to you to operate your Sushi Bar as part of your Franchise Agreement. Under our agreement with the Store, the Store receives a negotiated percentage of proceeds from the Sushi Bar, known as the Service Commission, and remits the remainder to us, known as the Franchise Commission. We then apply a portion of these proceeds to the amounts you owe us for fees and financed costs, and any other items, and to our affiliate Sushi Avenue, Incorporated and other approved vendors for food and supplies you have purchased. The remainder is then remitted to you. (Franchise Agreement, Section IV. B.)

2. With respect to a location not under our control, we may permit you to seek a location. If you submit a site to us and we approve the site, you must assign the lease to us upon the occurrence of certain conditions or at its onset, in our discretion. We must approve or disapprove your proposed site within sixty (60) days, and approve or disprove of your lease (a copy of which must be provided no later than thirty (30) days after we approve the site) with comments as to any disapproval within twenty (20) days of our receipt of a copy of it. (Franchise Agreement, Sections V. B., V. C., and V. D.). We do not provide plans or specifications under the Franchise Agreement. If approved, you must open the Sushi Bar in a timely manner and thereafter your operations will mirror that of any other Sushi Bar.

3. Provide an initial training program as described below to instruct you as to the procedures and techniques to be used in the Franchise Business (Franchise Agreement, Section III. A.). The initial training program generally is approximately five (5) days in duration consisting of classroom instruction and on-the-job training for all equity owners of your franchise and at least one lead employee for each Sushi Bar. However, this training may be extended for those without sufficient experience up to an additional twenty (20) days. At our discretion, this training program may be shortened or waived based on your experience and/or if you operated a sushi bar for our affiliate, Sushi Avenue, Incorporated.

4. Provide a copy of written Franchise Manual (the "Manual" or "Franchise Manual") on loan (Franchise Agreement, Section IX. A.). The Franchise Manual may be provided to you by physical written copy or electronic version. There are additional publications and memoranda that may be provided in written form by us that are considered part of the Franchise Manual.

5. Provide to you advice and consultation in connection with the operation of the Sushi Bars and new developments, techniques, and improvements in areas of Sushi Bar management, operations, sales promotion, and service which may be provided by us by sending our employees or representatives to the Sushi Bar, or by providing publications, other written materials, audio or video recordings, or by conducting meetings or seminars as they may be developed (Franchise Agreement, Section III. B.).

We are not obligated by the Franchise Agreement, or any other agreement, to provide any other supervision, assistance, or services prior to the opening of the franchised Sushi Bars.

Continuing Obligations

During the operation of each franchised Sushi Bar, we will:

1. Provide such training programs from time to time as we may deem appropriate (Franchise Agreement, Section VII. D.). These training programs are offered from time to time through the year and are required.

2. Provide to you advice and consultation in connection with the operation of the Sushi Bars and new developments, techniques, and improvements in areas of Sushi Bar management, operations, sales promotion, and service which may be provided by us by sending our employees or representatives to the Franchise Business, or by providing publications, other written or electronic materials, audio or video recordings, or by conducting meetings or seminars as they may be developed. Some or all of these publications or programs may be provided electronically by Franchisor and not by printed or physical documents (Franchise Agreement, Section III. B.). We determine the menu, types of sushi offered, condiments and the development of new food offerings (Franchise Agreement, Section VII. H. 3.).

3. Provide to you advice and assistance in local marketing, from time to time, and, at your expense, promotional materials for local advertising (Franchise Agreement, Sections III. C. and XII. C.). Much of our advice and assistance in local marketing will be in the area of labeling, presentation, sushi bar specific materials, and brand identification within the Store location, subject to any requirements or limitations imposed by the Store. In some cases, no trademark or brand identification may be permitted by the Store except for labeling and presentation of Sushi Avenue products.

4. Once implemented, develop advertising materials and direct advertising programs for the National Marketing Fund (“Fund”) with sole discretion over the creative concepts, materials, and media used in such programs (Franchise Agreement, Sections III. D. and XII. D.).

5. Provide, as we deem advisable, periodical revisions of the Approved Suppliers and Approved Supplies Lists, contents of the Franchise Manual and written operating materials (Franchise Agreement, Sections VII. H. (e), VII. J., and IX. D.). The Franchise Manual is currently 211 pages. The table of contents is attached to this disclosure document as Exhibit J.

6. Perform, as we deem advisable, inspections of the Sushi Bars, and evaluations of products sold and services rendered (Franchise Agreement, III. F.).

7. Provide services at your expense, as we determine necessary, with respect to onsite assistance, and the resolution of customer complaints and operating problems, including complaints from the Store (Franchise Agreement, Section IV. E. 7 and 8).

We are not obligated by the Franchise Agreement or any other agreement to provide any supervision, assistance, or services in connection with the on-going operation of the franchised Sushi Bar other than as stated herein.

Site Selection

The Franchise Agreement grants you an assigned location for the establishment and operation of a Sushi Bar under the System. If you are a Contract Chef at the time you sign the Franchise Agreement, in most instances, the location will be the same as the one you currently operate in.

While we do not generally own the premises and lease it to you, if we provide you the location, we will enter into an agreement with the Store and it shall be entitled to receive its Service Commission in the form of a percent of Gross Sales, which is a negotiated percentage of the revenues of your Sushi Bar. We will franchise the location to you giving you the right to operate the Sushi Bar under the Franchise Agreement. If our right to the location of your Sushi Bar expires or is terminated for any reason, then your right to operate your Sushi Bar and your franchise shall be terminated. If your Franchise Agreement is terminated, we do not have an obligation to replace your Sushi Bar, to refund any fees or other funds to you, or to franchise another Sushi Bar to you.

If we locate a suitable location for a Remote Store Site in your market area that is within twenty (20) miles of your Sushi Bar, we may, in our discretion, offer the Remote Store Site to you. If we offer the Remote Store Site to you, you must take the location and operate it as your own. However, we will not require you to operate a Remote Store Site that is not profitable after six months' time. If you fail to accept and operate the Remote Store Site, your Franchise Agreement for your Sushi Bar will be in default and you may lose your right to operate your Sushi Bar. If you agree to operate the offered Remote Store Site, you will sign an addendum to your Franchise Agreement and your Franchise Commission rate will not be less than the highest Franchise Commission rate you receive from your Sushi Bar.

Generally, we grant the right to operate a Sushi Bar in a location we control and have obtained from the Store. Typically, you will not be asked or required to find locations for a Sushi Bar, but in the event you pursue this possibility there are procedures you must follow. If you obtain a location, you must propose the site for our approval, including layout and design, before your acquisition by lease or purchase of any site for a Sushi Bar. You may submit a site to us only after you have carefully evaluated the site, determined that it meets the criteria for Sushi Bar sites which we have communicated to you, and determined that you may acquire or lease it. If we do not approve a site you submit, you will not be permitted to develop a Sushi Bar on the site. We will review your application for site approval and, within sixty (60) days of our receipt of your application, we will either approve the proposed site or reject the site in our sole discretion with comments concerning the reasons for rejection. If we need more time or information to evaluate a site that you submit, we will contact you within thirty (30) days of your submission of the site. The factors which we consider in approving any proposed site include, but are not limited to, population, demographics, traffic counts, revenues, if applicable, signage available, visibility of the location and square footage. There may be other considerations including restrictions on certain locations and other approvals required and restrictions that we may have with Stores.

After a Franchise Agreement is executed, it typically takes approximately sixty (60) to ninety (90) days before a franchised Sushi Bar is ready to open for business if an acceptable site has been identified at the time the Franchise Agreement is executed. If an acceptable site has not yet been identified at the time the Franchise Agreement is executed, it typically takes three (3) to five (5) months from the signing of the Franchise Agreement until the franchised Sushi Bar is ready to open for business. The factors that will affect opening time include how quickly you are able to select a site that we approve, our ability to negotiate an agreement with a Store, the scope of any leasehold improvements by the Store that are necessary for a Sushi Bar and a variety of factors relating to the construction of those improvements, shortages, and delays in installation of equipment, fixtures, and signs, and your ability to comply with all local regulatory requirements. At times you may be offered a Sushi Bar that is already operating. In offerings such as this, there should be no delay between the time you sign a Franchise Agreement and when you commence operating your Sushi Bar, except for the time necessary to complete your training requirements, if any.

Computer Hardware and Software

For the typical Sushi Bar, you are not required to buy an electronic cash register or point of sale computer system since sales are made through the Store register or point of sale system. You will need to buy a computer with basic capability to connect to the internet, receive and send emails using Microsoft Office word processing and spread sheet capability, only for purposes of operating your business generally. We estimate the cost of this computer and required software to be \$1,000. Neither we nor our affiliates nor any third party have any obligation to provide any ongoing maintenance, repairs, upgrades or updates. We do not anticipate that you will be required to upgrade or update your computer during the term of the franchise. If you operate a Sushi Bar outside of a Store location, and require an electronic cash register or point of sale computer system, we do not have a specific requirement, but we must approve your cash

register and computer system to determine it is adequate for our requirements. To order supplies and food through the internet you will need to use an Excel spreadsheet system, although at this time you are permitted to prepare these documents by hand and fax them.

Training

You must designate an individual to serve as your Principal Operating Officer, if franchisee is a corporation, or Principal Operating Partner if franchisee is a limited liability company. For the qualifications required of a Principal Operating Officer or Partner, see Item 15. Before the opening of your Sushi Bar, the Principal Operating Officer or Partner, if they have not previously attended our initial training program, and all other equity owners of your franchise, and at a minimum a manager or lead employee of the Sushi Bar (and for each Sushi Bar, if you have multiple locations), must attend, complete, and perform satisfactorily in the initial training program that we offer. After the opening of your Sushi Bar, any person employed by you in the position of Sushi Bar manager, and any replacement Principal Operating Officer or Partner, if they have not already attended our initial training program, must attend and complete the initial training program.

If you have multiple Sushi Bars, at least one manager or lead employee per Sushi Bar must satisfactorily complete the initial training program, but if a manager or lead employee has substantial sushi experience, then that employee may take an abbreviated program in their region or where one is available or, if you or your manager or lead employee is acquiring an existing sushi bar, then portions of the training requirements may be waived.

We offer an initial training program for the Sushi Bar that generally takes place over a period of approximately 5 days. If you (or the Principal Operating Officer or Partner) are a qualified existing Contract Chef or otherwise have extensive sushi experience, then you (or the Principal Operating Officer or Partner) may, in our discretion, be exempt from completing the initial training program. If you or the Principal Operating Officer or Partner do not have substantial sushi experience, then, in our discretion we may require additional on-the-job training of up to 20 days.

The training fee that you must pay to us for the initial training program is up to \$500 per person. For a lead employee with extensive sushi experience who qualifies for the abbreviated program, the initial training program fee, in our discretion, may be lowered or waived. There is an additional training fee of up to \$2,000 if we require additional, initial training of an inexperienced Principal Operating Officer, Partner, or equity owner.

Included within the training fee is the cost of instructors and training materials for all required training programs. Either you or your employees will be responsible for all other expenses incurred by them in connection with any training programs, including the cost of transportation, lodging, and meals.

The Principal Operating Officer or Partner, your Sushi Bar lead employees, and other Sushi Bar employees must also attend such training programs and seminars as we may require, and such optional training programs that we may offer from time to time. You must pay to us, for each person attending such a program, the training fee then charged by us. If any training fee is imposed by us, the training fee will be in addition to any other expenses incurred by the people attending training.

We currently provide training at our headquarters which is currently located in Eagan, Minnesota, on a rolling, as-needed basis. We may provide some training regionally in selected Sushi Bars or other locations. The location of training is at our discretion. The initial training program will be approximately 5 days in duration. An additional component, consisting of on-the-job training requiring an additional 5-20 days, is conducted on an as-needed basis for trainees without advanced sushi preparation experience.

You may be required to pay for and successfully complete our initial training program as a condition of our offering a franchise to you. If you do not complete the initial training program successfully, as we determine in our sole discretion, you will not be offered a franchise, and we will not refund any fees you paid for the initial training. If you do complete the training successfully, we are not required to offer you a franchise. In no event will we refund any fees you paid for your initial training.

If you or your lead employees do not have Food Safety Certifications required by the State, they will be required to take the Food Safety Course & Certification training for an additional 12 hours (ServSafe). The fee for this course is \$250 per trainee. If the trainee is required to re-take the test, there will be an additional \$50 for each test re-taken. You must have at least one manager on duty at all times with food safety certification at each Sushi Bar. You may, at your option, obtain your certification from another qualified trainer or training facility. You must provide us with proof of compliance.

Some state regulations require additional food safety certificates that are specific to their states. You may be required to take an additional certification course and test from the local authorities. Proof of certification will need to be provided to us and kept on-site as required by local ordinance or code. At least one lead employee at each Sushi Bar must have a Food Safety Certification on duty at all times. You will need to ensure your employee obtains the certification at their local authority agency.

Training should be scheduled so that your trainees graduate from the initial training program approximately four (4) weeks before the Sushi Bar opens, if it is not already operating. For trainees without advance experience in sushi preparation, additional on-the-job training may be required for a period of 5 to 20 days in a Sushi Bar as selected by us, and this on-the-job training should be completed prior to trainee being permitted to operate a Sushi Bar. The fee for this extended training is up to \$2,000 per person trained. You must bear the cost of travel, upkeep and wages of any employee or trainee. Each trainee must complete the training program to our satisfaction in order to be certified as a Sushi Bar manager.

If your Principal Operating Officer or Partner does not satisfactorily complete training within ninety (90) days of the execution of a Franchise Agreement, we have the right to terminate the Franchise Agreement.

[Remainder of page intentionally left blank.]

The subjects covered in our training program are described below:

SUSHI AVENUE TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction, Policies & Procedures, Accounting	4	n/a	Corporate Headquarters, Regional Locations and/or designated Sushi Bar
Logistics, Inventory Ordering, Label Machine	2	n/a	Corporate Headquarters, Regional Locations and/or designated Sushi Bar
Operations Management & Quality Compliance	4	n/a	Corporate Headquarters, Regional Locations and/or designated Sushi Bar
Marketing, Customer Service, Sales Success	2	n/a	Corporate Headquarters, Regional Locations and/or designated Sushi Bar
Food Safety Review, Compliance, Record keeping	8	n/a	Corporate Headquarters, Regional Locations and/or designated Sushi Bar
Food Preparations, Production, Packaging	4	24	Corporate Headquarters, Regional Locations and/or designated Sushi Bar
Total Hours	24 Hours	24 Hours	
Food Safety & Certification Testing, Compliance and Record Keeping (ServSafe); required only for trainees without previous certification	12	n/a	Corporate Headquarters
Additional Advanced Sushi Preparation: required only for trainees without advanced sushi preparation	n/a	5-20 days	A company-operated location designated by us

Training will be under the direction of Jordan Lisowski, who has been employed by Sushi Avenue for more than 14 years and has experience in all aspects of sushi bar operations, including all subjects taught as part of our initial training program. The training that we provide is subject to change and may be offered by the personnel described above or by such qualified employees of our as we may designate from time to time.

We are not required to send personnel to your Sushi Bar as part of our training or ongoing support obligations. The level of support as to the number of personnel, the length of time those personnel remain, the number of Sushi Bar openings requiring the presence of our personnel or the per person cost of additional support may change at our discretion. Our standard training charges may change, and if so, will be stated in the Franchise Manual.

We will provide from time-to-time, no more than two (2) times per year, additional mandatory training classes at our headquarters currently located in Eagan, Minnesota, or in various regional locations. Our current additional training fees are in the amount of \$200 per trainee per day. Our standard training charges may change, and, if so, will be stated in the Franchise Manual. These must be attended at your own

expense including the cost of travel, upkeep and wages for any managers or employees that are sent to training. For these additional mandatory training classes, if you or required employees fail to attend you will be charged \$250 per person per training day.

For special on-site support requiring us to send personnel to your Sushi Bar, you will be charged \$500 per day. If you are notified of an operational default under the Franchise Agreement or the Franchise Manual (including the SSOP/HACCP Food Safety Plan), and if you fail to cure the default within the time allowed, we may require that you attend special mandatory training. The fee for this training is \$500 per training day plus the cost of travel, food, and accommodations for our training representative.

We may, in our sole discretion, waive some or all of these training requirements based on your personal experience as a sushi chef, in general, and your current or past operation of a Sushi Avenue Sushi Bar that is being converted to a franchise.

Advertising

Local Marketing Program

Advertising, and the standardization of System advertising, is important to the goodwill and the public image of the System. Although it is not required as of the date of this disclosure document, we reserve the right to require you to spend at least 1% of Gross Sales annually on a "Local Marketing Program" on expenditures such as marketing, promotions, publicity, charity events, loyalty cards, and sampling for special events. Once implemented, we have the right to require that you provide us with proof that these funds were spent, and in the event that you fail to spend the minimum amount in any calendar month, we have the right to, at our option, spend it on your behalf and deduct the amount before payment of your Franchise Commissions. Certain criteria will apply to any local advertising and promotion that you conduct. All of your local advertising and promotion must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You must follow the procedures provided in the Franchise Manual with respect to all advertising and promotional requirements. Once implemented, the Local Marketing Program may be required in a particular Sushi Bar, a particular market, or group of Sushi Bars, or Sushi Bars within a particular Store, such as a supermarket chain. We may offer periodically to provide, upon your request and at your expense, approved local advertising and promotional plans and materials.

We may require that some or all of this spending be made in conjunction with us or other franchisees in regional advertising cooperative organizations or programs.

National Marketing Fund

Franchisees may be required to contribute an amount equal to up to one and one-half percent (1.5%) of the Gross Sales to the National Marketing Fund (the "Fund") for advertising and promotional purposes. As of the date of this disclosure document, we have not implemented the Fund, although we reserve the right to do so. We have no obligation to conduct advertising, except through the Fund. The National Marketing Fund contribution is separate from and in addition to the Local Market Expenditure requirement. We may withhold any payments you are required to make from your Franchise Commissions (together with any other amounts you owe us or our affiliate) for the Fund. Any payments made to us that are not spent during the fiscal year received may and shall be carried forward for use in the next or future fiscal years. You may receive an annual accounting of payments made directly to us at the following address: SAH Holdings, LLC, 895 Blue Gentian Rd, #6, Eagan, MN 55121. Payment must be made monthly based upon sales of the prior month. Sushi bars operated by us or our affiliates are not required to contribute to the Fund or to any co-operative advertising group.

The Fund will be maintained and administered by us or our designee as follows:

1. We will direct the creation of all advertising programs, with sole discretion over the creative concepts, materials, and media used in such programs. The Fund is intended to maximize general public recognition and acceptance of the trade names, trademarks, and service marks which are designated as part of the System for the benefit of the System. We are not obligated, in administering the Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that you or any particular franchisee benefits directly or pro rata from Fund expenditures.

2. All contributions to the Fund will be used for advertising and promotion of the System (including the cost of preparing and conducting art work, print, and other advertising and campaigns of various media and other public relations activities; conducting research; employing advertising agencies and other specialists to assist in those activities; preparing and providing promotional materials and other point of purchase marketing materials to franchisees in the System; and system-wide, regional or market promotions). We may use the Fund to defray some of our operating expenses for such reasonable administrative expenses, salaries and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs, promotions, marketing activities and including conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund. We will not use any of the Fund for the primary purpose of helping us sell franchises, although we may use contributions to update our website or other web pages, social media or social networking sites, which may also advertise for franchisees.

3. We are not required to spend all fees contributed to the Fund in the fiscal year in which they accrue. However, any funds accrued and not spent in the fiscal year received shall be carried forward for use as provided in Paragraph 2 and are not returned to franchisees.

4. We do not maintain separate bookkeeping accounts for the Fund, and the Fund is not audited separately. The Fund will be reviewed as part of our annual audit. Audited financial statements are not prepared separately for the fund, but upon written request, we will provide you with information about contributions and expenses of the Fund.

Sushi Bar Specific, Marketing Materials

We may require you to purchase additional Store and/or Sushi Bar specific point of sale marketing materials from us and/or Sushi Avenue, Incorporated in an amount of up to \$2,000 per Sushi Bar annually (see Item 6) for use in your Sushi Bars, separate from and in addition to any money paid to the National Marketing Fund or required to be spent through the Local Marketing Program.

All advertising by you in any medium, including electronic media and internet advertising, must be conducted in a dignified manner and shall conform to such standards and requirements as we may specify periodically in writing and be in conformity with the Store's requirements. You must submit to us (electronically), for our prior written approval, samples of all advertising and promotional plans and materials that you desire to use and that have not been prepared or previously approved by us. You shall not use any advertising or promotional plans and materials that have not received our prior written approval.

The coverage of the media in which advertising is distributed is local and regional in scope and is limited to those locales and regions where we or our franchisees operate Sushi Bars. We do not have a national or regional advertising program at this time. The source of all marketing activity is created in-house by us or may be prepared by third party vendors. We may retain consultants or advertising agencies

in the future. Currently, there is no advertising council composed of franchisees that advises us on advertising policies.

We have the right to require you to participate along with other franchisees in regional cooperative advertising organizations or programs established currently or in the future by us or other franchisees for the purpose of advertising and promoting the System. Co-operative advertising groups may be organized by market and region if there is more than one franchisee in the region. As of the date of this disclosure document, we have not established any local or regional advertising cooperatives.

Advance on Franchise Commissions

During the time that you are training, and then during the time you are working to establish your Sushi Bar or, in the alternative, during the time that you are not yet paid for the products and services provided, we may provide you an advance on your Franchise Commission. That advance will be an estimate by us on the amounts that you would receive as your Franchise Commissions following the deduction of the Store Commission and all other costs and fees that we deduct after receiving the same from the Store. This advance on Franchise Commission shall not be memorialized by a note or earn interest but only shall be an advance based on future anticipated Franchise Commissions. This advance, which shall be made totally in our discretion, shall not go longer than ninety (90) days and is available only at the start of your Franchise Business. This will include, but not be limited to, the original Sushi Bar, any Sushi Bar or Remote Store Site that is added. The advance on Franchise Commissions shall not be available to you after your Sushi Bar and/or Remote Store Site is operating and the Store has remitted to us, and we have deducted, the costs, fees, and expenses for the operation of your Franchise Business. Again, for clarity, it is only available during the time that your Sushi Bar and/or Remote Store Site has opened and the time that the Store remits the Franchise Commission to us.

NO OTHER SUPERVISION, ASSISTANCE, OR SERVICES ARE PROVIDED BY US OR ANY PARENT OR AFFILIATE FOR THE ESTABLISHMENT OR OPERATION OF A FRANCHISED SUSHI BAR.

ITEM 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we control. The franchise of your Sushi Bar is for a specific location approved by us. You will not have any minimum territory. The location of your Sushi Bar will be based upon relevant factors and typically set within an existing market or grocery store or other retail outlet. We consider the size of the sushi bar, the sales volume of the Store, the presence and sales volume of the deli operations within a Store market and other characteristics.

We enter into an agreement with a Store under which we agree to pay the Store a negotiated percentage of the revenues of your Sushi Bar. We will grant you the right to operate your Sushi Bar at the Store under the Franchise Agreement. If we lose our right to operate a sushi bar in the location then your right to operate the Sushi Bar expires, and we are under no further obligation to you. We have no obligation to offer you another location or Sushi Bar or otherwise reimburse you. If your Franchise Agreement is terminated, we do not have an obligation to replace your Sushi Bar or to franchise another Sushi Bar to you or to pay you any compensation.

In all cases, you will operate from the specific location designated in each of your Franchise Agreement(s) and you must receive our prior written permission before relocating any of those designated Sushi Bars. Relocation of your Sushi Bar is only at our discretion. If we approve a new location, a franchise is granted for that specific location only, and we will sign an addendum to your existing Franchise Agreement for that location. Our approval will be based upon a variety of factors including the viability of the then-current location, whether the proposed location is near your Sushi Bar, and the characteristics relating to the proposed location and the proximity of other Sushi Bars to the proposed location. When we grant you a franchise for a Sushi Bar, we do not grant options, rights of first refusal or similar rights to acquire additional franchises.

If we locate a suitable location for a sushi bar or a Remote Store Site in your market area that is within twenty (20) miles of one your Sushi Bars, we may, in our discretion, offer the location to you. If we offer the location to you, you must take the location and operate it as your own. If you fail to accept and operate the newly offered Sushi Bar or Remote Store Site, your Franchise Agreement for your other Sushi Bars shall be in default and you may lose your right to operate all of your Sushi Bars. If you agree to operate the offered Sushi Bar or Remote Store Site, you will sign an addendum to your Franchise Agreement and your Franchise Commission rate will not be less than the highest Franchise Commission rate you receive from any of your Sushi Bars. If we require your Remote Store Site to convert to a Sushi Bar, and you fail to do so, then your Franchise Agreement for all Sushi Bars shall be in default, and you may lose your right to operate all Sushi Bars.

We retain the right, among others, on any terms and conditions we deem advisable, and without granting you any rights therein, to establish and operate and license others to establish and operate Sushi Bars at any location in all areas we deem advisable.

In all cases, we and our affiliates retain the right to offer for sale similar products and services in connection with the Proprietary Marks through alternate channels of distribution. These alternate channels of distribution may include sales of products or services through grocery stores, restaurants, other retail outlets and other types of retail outlets, catalogs, direct marketing sales or through the Internet. Neither we nor our affiliates are required to compensate you for any sales that we or our affiliates make through these other methods. Except as described in this disclosure document, neither we nor any of our affiliates have established other sushi bars or alternate channels of distribution for the sale of similar products or services under a different trade name or trademark, but we reserve the right to do so. We and our affiliates also reserve the right to open and operate, and continue to operate those already in existence, company-owned sushi bars that may compete with yours.

You may only solicit sales and orders, fulfill orders, and prepare and sell food from your franchised locations, and you may sell food only to customers at your franchised locations. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Sushi Bar location and any Remote Store Site(s). However, you are not restricted from advertising outside your location if all sales are made from your franchised locations. We and other franchisees are not restricted from soliciting sales in market areas in which you operate a Franchise Business.

In the event that our or our affiliate's Master Agreement with a Store is terminated, amended, or expires, this may have a material impact on your right to continue to operate your Sushi Bar.

ITEM 13

TRADEMARKS

All of our Proprietary Marks are owned by our affiliate, Sushi Avenue, Incorporated, and licensed to us pursuant to a Trademark License Agreement dated September 8, 2023 (the “Trademark License”). The length of the Trademark License is indefinite and by its stated terms is intended to run as long as we have a franchise operation in existence. The Trademark License requires us to maintain the goodwill of the Proprietary Marks and meet general quality standards. Sushi Avenue, Incorporated may only terminate the Trademark License for cause, such as if we do not meet quality standards, engage in illegal or other harmful behavior that damages the reputation of the Proprietary Marks, or file for bankruptcy. If the Trademark License were terminated, you would have to stop using the Proprietary Marks.

The Franchise Agreement grants you the right to use the Proprietary Marks designated by us only in a manner authorized and permitted by us, and, in all instances, only for the operation of the franchised Sushi Bar at the location or locations authorized in the Franchise Agreement or in advertising for the franchised Sushi Bars. Under the terms of the Franchise Agreement, you must not use the Proprietary Marks as part of your corporate or other legal name.

Sushi Avenue, Incorporated holds the following registrations for the Proprietary Marks:

Name	Federal Registration Number	Date of Registration	Register	Renewed
SUSHI AVENUE FRESHLY ROLLED WITH A SMILE OOO	3862702	October 19, 2010	Principal	November 13, 2019
SUSHI AVENUE FRESHLY ROLLED WITH A SMILE OOO	3862703	October 19, 2010	Principal	October 16, 2020
SUSHI AVENUE FRESHLY ROLLED WITH A SMILE OOO	3862704	October 19, 2010	Principal	November 13, 2019

We have filed or intend to file all required affidavits and renewals for the principal Proprietary Marks.

We do not have a federal registration for our principal trademark. Therefore, this trademark does not have any legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

In some instances, Stores may require you to use their house brand instead of, or in addition to, the “Sushi Avenue” brand.

There are no agreements currently in effect which significantly limit our right to use or license others to use our Proprietary Marks that are material to any franchise. Sushi Avenue, Incorporated has the right to use the Proprietary Marks with regard to its own operating sushi bars.

In the event that litigation involving the principal trademarks is instituted or threatened against you, you must promptly notify us. If we are promptly notified, we will conduct the defense and bear the expense of such litigation, and will be entitled to settle or otherwise dispose of the litigation on terms which, in our sole discretion, we may decide. You must cooperate fully with us in defending or settling such litigation.

The right to use the principal trademarks granted in the Franchise Agreement is non-exclusive. We, therefore, have and retain the rights, among others:

1. To use the principal trademarks in connection with selling products and services;
2. To grant other licenses for the principal trademarks, in addition to those licenses already granted to existing franchisees; and
3. To develop and establish other systems using the same or similar principal trademarks, or any other principal trademarks, and to grant licenses or franchises thereto without providing any rights therein to you.

There is no currently effective determination of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the trademarks, service marks, trade names, logotypes, or other commercial symbols which are relevant to their use in the state in which any Sushi Bar is to be located or elsewhere.

There are no superior prior rights or infringing uses actually known to us that could materially affect your use of the principal trademarks in the state in which any Sushi Bar is to be located or elsewhere. We will take all steps reasonably necessary to preserve and protect our ownership in and validity of the principal trademarks.

You must promptly notify us about the use of, or claims of rights to, a trademark identical to or confusingly similar to the principal trademarks. We are not required to take affirmative action when notified of such claims, although we will take action we think appropriate. We have the sole right to direct and control any administrative proceeding or litigation involving the principal trademarks, including any settlement.

We reserve the right to modify or discontinue principal trademarks or substitute different principal trademarks for use in identifying the System and the businesses operating under it at our sole discretion and will have no obligation or liability to you as a result of any modification, discontinuance, or substitution. We and Sushi Avenue reserve the right to license others to use the Proprietary Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Except as disclosed below, we do not own rights in, or licenses to, patents or copyrights that are material to the franchise.

We have no patents pending.

Although we have not filed applications for copyright registrations for all items, we claim a copyright in our confidential Franchise Manual, advertising material, specifications, training handbooks, and a variety of forms and programs. The information contained in these items is proprietary and they may be used only with our permission, and at our direction. You must operate the franchised Sushi Bar in

accordance with the Franchise Manual. The Franchise Manual may be provided to you by physical, written copy and in future, may be available electronically. You must treat the Franchise Manual, any other manuals created for or approved for use in the operation of franchised Sushi Bars, and the information contained in them, as confidential, and must use reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. We may periodically revise the contents of the Franchise Manual, and you must comply with each new or changed standard. You must ensure that the Franchise Manual is kept current at all times. In the event of any dispute as to the contents of the Franchise Manual, the terms of the master copy of the Franchise Manual maintained by us at the corporate office shall be controlling.

You must notify us immediately if you learn about an infringement on our or your use of any item that may be copyrighted by us. However, we are not obligated by the Franchise Agreement, nor otherwise, to protect any rights that may be granted to you or to protect you against claims of infringement or unfair competition with respect to them.

In the event that litigation involving any items that may be copyrighted is instituted or threatened against you, you must promptly notify us. We will conduct the defense and bear the expense of such litigation and will be entitled to settle or otherwise dispose of the litigation on terms which, in our sole discretion, we may decide. You must cooperate fully with us in defending or settling such litigation.

If we decide to add, modify or discontinue the use of a proprietary item, whether or not we claim a copyright in such item, you must also do so, and we will have no obligation or liability to you as a result of any addition, modification or discontinuance of the use of a proprietary item.

Confidential Information

During the term of the Franchise Agreement, or at any time after its termination, you may not communicate, divulge, or use for the benefit of yourself or of any other person, partnership, association, or corporation, any confidential information, knowledge, or know-how concerning the methods of operation of our operations which may be communicated to you, including techniques, recipes, formulas, processes, procedures, designs, financial information and information contained in the Franchise Manual, or of which you may be apprised by virtue of your Franchise under the terms of such Agreements (including information, knowledge or know-how concerning any recipes or formulas). We will disclose proprietary recipes and preparation methods to you necessary to operate your Sushi Bar, but we are not required to disclose contents of proprietary seasonings, ingredients and mixes that are purchased from approved suppliers. You may divulge confidential information only to those of your employees who must have access to it in order to operate the franchised Sushi Bars, and you must take such precautions as we deem necessary to ensure that your employees keep such information in confidence. Any and all information, knowledge, know-how, and techniques which we designate as confidential will be deemed confidential, except information which you can demonstrate came to your attention before our disclosure of it, or which, at the time of our disclosure to you, had become a part of the public domain, through publication or communication by others, or which, after our disclosure to you, becomes a part of the public domain, through publication or communication by others.

You, your Principal Operating Officer or Partner, manager and other employees will be required to enter into an agreement not to compete with Sushi Bars under the System and an agreement not to reveal confidential information obtained in the course of their employment with you. You must not use any proprietary or confidential information or proprietary marks, including any processes, procedures, recipes, and formulas, for any purpose other than the operation of your Sushi Bar and must take all steps necessary to prevent any other use of them.

ITEM 15

OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You may sign the Franchise Agreement as a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies, or any other legal entities. You may also obtain a franchise individually. You must designate an individual to serve as your Principal Operating Officer if a franchisee is a corporation or Principal Operating Partner if franchisee is a limited liability company. The Principal Operating Officer or Partner must meet the following qualifications:

1. Devote his or her best efforts to the supervision and conduct of the Sushi Bars which you developed and operate.
2. Successfully complete our initial training program, if so required.
3. Own a majority of the equity interest in the corporation or limited liability company during the entire period he or she serves as Principal Operating Officer or Partner.
4. Execute the Franchise Agreement and/or such other documents, in their capacity as the Principal Operating Officer or Partner.
5. Be approved by us.

If a Principal Operating Officer or Partner is unable or elects not to continue to meet their obligations as Principal Operating Officer or Partner, or if, in our sole discretion, a Principal Operating Officer or Partner no longer qualifies to act as such, you must promptly designate another Principal Operating Officer or Partner. The same individual may serve as your Principal Operating Officer or Partner and of all the franchised Sushi Bars controlled by you.

You must take such precautions as we deem necessary to ensure that your Principal Operating Officer or Partner maintains confidentiality of the information described in Item 14 and conforms with the covenants not to compete set forth below.

You and the shareholders or members of your company must have no involvement in any Competing Business during the term of the Franchise Agreement and for two (2) years after expiration or termination of your Franchise Agreement, or any Renewal of the same. "Competing Business" shall mean any sushi bar, or a shop, retail counter or restaurant that features sushi, or any other products that are offered at our Sushi Bar during the term of the Franchise Agreement. Subject to state law, this prohibition shall extend to any state where a Sushi Bar is operating, to twenty (20) miles from any Sushi Bar, and to any other Store where the common ownership as is otherwise associated/affiliated with the Store you operated a Sushi Bar in, regardless of the distance between the Stores.

The Principal Operating Officer or Partner, manager and other employees may also be required to enter into an agreement not to compete with Sushi Bars under the System and an agreement not to reveal confidential information obtained in the course of their employment with you. We do not require that you personally supervise the Franchise Business but we recommend that you do.

The franchised Sushi Bars must at all times be under the direct, on premises supervision of a manager who has satisfactorily completed our initial training program, if required, and is Safe-Serv

certified. You must also maintain a competent, conscientious, trained staff, including a fully-trained manager, co-managers or staff as may be necessary to properly operate your Sushi Bars. We impose no limitations as to whom you may hire as the Sushi Bar managers, but do expect (and demand) that you comply with all applicable laws and not harm the goodwill associated with the System and the Proprietary Marks (this requirement may affect who you hire as your manager). If you are a business entity, your manager need not own any equity interest in you.

Each individual who owns an interest in your corporation or limited liability company must sign the Franchise Agreement in his/her individual capacity and a guaranty agreeing to be bound by all the terms and conditions of the Franchise Agreement, including any amendments, and to unconditionally guarantee the payment of all liabilities incurred by you, as franchisee, at any time and must sign as additional signatories the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only products and services which are part of the System, or products and services specifically developed for the Store or your Sushi Bar, and all services and products we incorporate into the System in the future. You may not use the Proprietary Marks for any other business. You must use your Sushi Bar premises solely for the operation of the Franchise Business and keep the Sushi Bar open and in normal operation for such minimum hours and days as is required by the Store. You must not use, or permit the use of, the premises for any other purpose or activity at any time without first obtaining our written consent.

You must meet and maintain the highest health standards and ratings applicable to the operation of the Sushi Bar. To ensure that the highest degree of quality, cleanliness, appearance, and service is maintained, you must operate the Sushi Bar in strict conformity with such methods, standards, and specifications required by the local and state authorities, the Store and those set out in the Franchise Manual or otherwise in writing. You must also maintain in sufficient supply and use at all times only such ingredients, products, materials, supplies, and packaging as conform to our standards and specifications, and you must not deviate from those standards and specifications by the use or offer of non-conforming items, without our prior written consent.

You may sell or offer for sale only those products that directly relate to your Franchise Business and such items, products and services as we have expressly approved for sale in writing. You may not deviate from our standards and specifications without our prior written consent. You must discontinue selling and offering for sale any items, products, or services, which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized menu items, goods and services, and there are no limits on our rights to make changes.

You must offer all services that we may require including all System promotions, local marketing, contests and other System services and activities. At this time, Sushi Avenue, Incorporated is our sole approved supplier of our food (except for fresh produce) and supplies.

You must operate the franchised Sushi Bar in strict conformity with all applicable federal, state, and local laws, ordinances, and regulations. Such laws, ordinances and regulations vary from jurisdiction to jurisdiction and are amendable or may be implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all laws, ordinances, and regulations applicable to the then-current implementation or integration of them.

For a description of your restrictions on some purchases, see Item 8 of this disclosure document.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreements	Summary
a. Length of the franchise term.	Section I. E; and II. A. and B.	The term expires earlier of 3 years from the date of Franchise Agreement or upon expiration or termination of Franchisor’s or its affiliate’s right to remain in or operate the location of your Sushi Bar. All Sushi Bars expire the same date as the first Sushi Bar.
b. Renewal or extension of the term.	Section II. B.	One additional consecutive term of 3 years, subject to contractual requirements.
c. Requirements for franchisee to renew or extend.	Section II. B.	<p>You must:</p> <ol style="list-style-type: none"> 1. Pay a renewal fee in the amount of 50% of Franchisor’s then current Franchise Fee; 2. Provide written notice not less than 6 months prior to the end of the term; 3. Renovate and modernize Sushi Bar; 4. Be in full compliance, not in defaults under any of the agreements with us; 5. Have satisfied all monetary obligations; 6. Retain the right to remain in possession of the Sushi Bar premises for the renewal term; 7. Execute then current form of franchise agreement; 8. Execute a general release in a form prescribed by us; and, 9. Comply with our then-current qualification and training requirements, if required. <p>You may be asked to sign an agreement with materially different terms and conditions than your original agreement.</p>
d. Termination by franchisee.	None.	Not Applicable. Franchisee may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by franchisor without cause.	Sections I. E.; V. A.; and, XV. E.	If for any reason we lose the right to operate a Sushi Bar in the franchised location, your franchise will be terminated. We will not be obligated to refund any monies, offer you another Sushi Bar, or otherwise compensate you.

f. Termination by franchisor with cause.	Sections I. C.; and XV. A., B., and E.	We can terminate your franchise if you default under the Franchise Agreement or if for any reason, we or our affiliate loses the right to operate a Sushi Bar in the franchised location; if we offer you a Remote Store Site and if you refuse to accept it, your franchise may be terminated.
g. “Cause” defined — curable defaults.	Section XV. C.	You have fifteen (15) days after receipt of written notice of default from us (or such longer period as applicable law may require) to cure: non-payment of monies due us or others or failure to give required financial or other information; sanitation problems; failure to observe standards or procedures, failure to obtain required consents; use of confusingly similar proprietary marks; use of our trade dress other than in connection with the Sushi Bars; use of our products, procedures or methods in any operation not authorized by us.

<p>h. “Cause” defined – non-curable defaults.</p>	<p>Section XV. A. and B.</p>	<p>Non-curable defaults¹: bankruptcy, insolvency, general assignment for benefit of creditors, filing of petition in bankruptcy unopposed by you; bill in equity or other proceeding for appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; a court of competent jurisdiction appoints a receiver or other custodian of any of your assets or property; proceedings for a composition with creditors under any state or federal law are instituted by or against you. The following defaults are non-curable at our option: failure to operate your Sushi Bar immediately with regard to an existing Sushi Bar, or on our designated opening date if the Sushi Bar is not yet operating; failure of you and/or your personnel to satisfactorily complete required initial training prior to the required opening date; transfer of any of rights or obligations under the Franchise Agreement or any interest in you to a third party without our consent; disclosure or unauthorized use of confidential information; knowingly maintaining false books or records or submitting any false reports to us; unauthorized use of any of our Proprietary Marks; premature termination of your rights to or possession of the Sushi Bar location; material default under any lease or mortgage on the Sushi Bar property; if you cease to operate or abandon the Sushi Bar or attempt such; if you agree or attempt to sell or sell the real property where the Sushi Bar is located or substantially all interest in the Sushi Bar or real property lease or substantially all of your assets of the Sushi Bar without our prior written consent; your default and resulting termination of any other Franchise Agreement with us; committing same previously cured default within 180 days of previous default; repeated defaults for failure to comply with Agreement; if for any reason Franchisor’s right of possession or to operate the Sushi Bar expires or is terminated; if you engage in any practice that threatens the health of any of Franchisee’s customers; if you refuse to accept and operate an offered Sushi Bar and/or Remote Store Site when we offer it to you; failure to comply with interim non-competition covenants of the Franchise Agreement; seeking to employ our employees or our affiliates’ or other franchisees’ employees; final judgment against you remains unsatisfied or of record for at least 30 days (unless a supersedeas bond is filed); your dissolution; execution is levied against your business or property; suit to foreclose any lien or mortgage against the franchised Sushi Bar or equipment in it is instituted against you and not dismissed or bonded off within 60 days; the real or personal property of the franchised Sushi Bar is sold after levy on it by any sheriff, marshal or constable; if you operate in violation of food safety requirements imposed by state or local authorities, the Store or us, if you deny us the right to inspect; if you hire or induce employees to leave another franchisee; if a final judgment is left unsatisfied or if execution or foreclosure is instituted against you.</p>
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i. Franchisee’s obligations on termination/ non-renewal.	Sections XV. D. and F.; XVI. A.-H.; and, XVII.	Obligations include: cease operations and representing yourself as present or former franchisee; allow us to enter, take possession of and operate Sushi Bars; cease to use confidential information and Proprietary Marks and trade dress, complete de-identification; payment of amounts due; return of all correspondence, records and all other materials related to operating the Sushi Bar; payment of our costs in enforcing obligations after termination; and, with respect to the Franchise Agreement, leave all furniture, fixtures, signs and equipment on the Sushi Bar premises.
j. Assignment of contract by franchisor.	Section XIV. A.	No restriction on our right to assign.
k. “Transfer” by franchisee – definition.	Section XIV. B.	Includes transfer of interest (including mortgage or grant of security interest) in Sushi Bar, Franchise Agreement, or franchise or license rights or obligations thereunder or in you.
l. Franchisor approval of transfer by franchisee.	Section XIV. B.	We have the right to approve all transfers but will not unreasonably withhold approval, except we have sole discretion to require you to meet certain conditions before our approval of transfer of a controlling interest in a Sushi Bar, Franchise Agreement or franchise or license rights or obligations thereunder or in you.
m. Conditions for franchisor approval of transfer.	Section XIV. B. and C.	<p>Transfer is subject, where applicable, to our option to purchase and is subject to terms of other agreements, if any. Transfer of controlling interest is subject to any or all of the following conditions at our sole discretion: satisfaction of all monetary obligations; no defaults; you sign release and agree to remain liable for specified period; assumption of your obligations and obligations of any transferor who is a guarantor of your obligations; new franchisee qualifies; current agreements signed by new franchisee and guarantee of such agreements signed by shareholders or members of transferee; transferee to upgrade Sushi Bar to then-current standards; your continued liability for obligations prior to transfer; completion of training programs by transferee’s Principal Operating Officer or Partner and managers; payment of the applicable Sushi Bar transfer fee.</p> <p>We may at our discretion require a transferee to sign our current form of Franchise Agreement with new terms and provisions with the payment of a prorated Franchise Fee for the time remaining under the term of the Franchise or with payment of a full Franchise Fee with the grant of a new three-year term</p>
n. Franchisor’s right of first refusal to acquire franchisee’s business.	Section XIV. C.	We can match any offer to purchase a controlling interest in a Sushi Bar or Franchise Agreement.

o. Franchisor's option to purchase franchisee's business.	Section XIV. C. and D.	We can match any offer to purchase a controlling interest in a Sushi Bar or Franchise Agreement. We can purchase your interest if there is a transfer after death and approval of the new owner is not completed in stated period.
p. Death or disability of franchisee.	Section XIV. F	Upon the death or mental incapacity of any person with a controlling direct or indirect interest in the Franchise Agreement or in you, we are permitted to take possession of the Sushi Bars and operate it for our own account.
q. Non-competition covenants during the term of the franchise.	Section XVII.	Franchise Agreement and its exhibits provide no diversion of business, customers or employees to any competitor; no injury of our goodwill; no involvement in (a) a sushi bar, or a shop or restaurant that features sushi, or other business offering any items which are menu items or items produced in any Sushi Bar, located (i) within 20 miles of any Sushi Bar or (ii) in any state with an operating Sushi Bar, or (b) a sushi bar in an affiliate of the Store you operated a Sushi Bar in. Subject to state law.
r. Non-competition covenants after the franchise is terminated or expires.	Section XVII.	Franchise Agreement and its exhibits provide, for two (2) years following termination, no involvement in (a) a sushi bar, or a shop or restaurant that features sushi, or other business offering any items which are menu items or items produced in any Sushi Bar, located (i) within 20 miles of any Sushi Bar or (ii) in any state with an operating Sushi Bar, or (b) a sushi bar in an affiliate of the Store you operated a Sushi Bar in. Subject to state law.
s. Modification of the agreement.	Sections XVII. C. and D; XXIII.; and, XXIV. A. and C.	No modifications unless agreed to and executed by the parties to the original agreement. If a court determines any provisions unreasonable and unenforceable, those specific provisions shall be replaced by the maximum duty permitted by law. Any invalid provision of the Franchise Agreement shall be severed from the Franchise Agreement.
t. Integration/merger clause.	Section XXIII.	Only the terms of Franchise Agreement, the documents referred to therein, and the exhibits thereto are binding. Any other promises may not be enforceable. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation.	Section XIV. G.	May be elected by us or you to determine fair market value of Sushi Bar to be sold to us after death or mental incapacity.
v. Choice of forum.	Section XXV. B.	Litigation must be in Minnesota (subject to state laws).

w. Choice of law.	Section XXV. A.	Minnesota law applies, except laws of state of your principal place of business apply to provisions that are not enforceable under Minnesota law, and the Minnesota Franchise Act and other franchise-specific laws and regulations of the State of Minnesota generally do not apply to Sushi Bars located outside of Minnesota.
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¹Any provision in the Agreements that provides for termination of the franchise upon bankruptcy may not be enforceable under federal bankruptcy law.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-operated 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 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 Nay Hla at 895 Blue Gentian Rd., #6, Eagan, MN 55121 (651) 294-7000, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20

OUTLET AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For years 2021, 2022 and 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	214	+214
Company-Owned or Affiliate-Owned	2021	296	321	+25
	2022	321	349	+28
	2023	349	109	-240
Total Outlets	2021	296	321	+25
	2022	321	349	+28
	2023	349	323	-26

**Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021, 2022 and 2023**

State	Year	Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

[Remainder of page intentionally left blank.]

Table 3
Status of Franchised Outlets
For years 2021, 2022 and 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Arizona	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
California	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	17	0	0	0	0	17
Colorado	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Connecticut	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	6	0	0	0	0	6
Florida	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	6	0	0	0	0	6
Idaho	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Indiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Kansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Missouri	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	6	0	0	0	0	6
Montana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Nevada	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	45	0	0	0	0	45
New Jersey	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	5	0	0	0	0	5
New Mexico	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	16	0	0	0	0	16
Ohio	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	7	0	0	0	0	7
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	9	0	0	0	0	9
Texas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	15	0	0	0	0	15
Utah	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	64	0	0	0	0	64
Wisconsin	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Wyoming	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
TOTAL	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	214	0	0	0	0	214

Table No. 4
Status of Company-Owned or Affiliate-Owned Outlets
For years 2021, 2022 and 2023

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
Alabama	2021	4	0	0	0	0	4
	2022	4	0	0	2	0	2
	2023	2	0	0	0	2	0
Arizona	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	2	0
California	2021	40	8	0	0	0	48
	2022	48	5	0	0	0	53
	2023	53	0	0	36	17	0
Colorado	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	1	1	0
Connecticut	2021	7	0	0	0	0	7
	2022	7	1	0	0	0	8
	2023	8	0	0	0	6	2
Delaware	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	3	0	0	0	3
Florida	2021	5	0	0	0	0	5
	2022	5	1	0	0	0	6
	2023	6	0	0	0	6	0
Idaho	2021	0	0	0	0	0	0

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
	2022	0	0	0	0	0	0
	2023	0	1	0	0	1	0
Illinois	2021	10	0	0	0	0	10
	2022	10	1	0	1	0	10
	2023	10	0	0	0	0	10
Indiana	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	2	0
Kansas	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	3	1
Maryland	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Minnesota	2021	61	13	0	0	0	74
	2022	74	2	0	0	0	76
	2023	76	4	0	0	0	80
Mississippi	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
Missouri	2021	10	0	0	0	0	10
	2022	10	1	0	0	0	11
	2023	11	0	0	0	6	5
Montana	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	2	1
Nevada	2021	42	1	0	0	0	43
	2022	43	1	0	0	0	44
	2023	44	1	0	0	45	0
New Jersey	2021	3	3	0	2	0	4
	2022	4	1	0	0	0	5
	2023	5	0	0	0	5	0
New Mexico	2021	15	0	0	0	0	15

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
	2022	15	0	0	0	0	15
	2023	15	1	0	0	16	0
New York	2021	2	0	0	2	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Ohio	2021	5	1	0	0	0	6
	2022	6	1	0	0	0	7
	2023	7	0	0	0	7	0
Pennsylvania	2021	7	0	0	0	0	7
	2022	7	1	0	0	0	8
	2023	8	1	0	0	9	0
Texas	2021	0	0	0	0	0	0
	2022	0	15	0	0	0	15
	2023	15	0	0	0	15	0
Utah	2021	65	0	0	0	0	65
	2022	65	0	0	0	0	65
	2023	65	0	0	1	64	0
Washington	2021	2	3	0	0	0	5
	2022	5	1	0	0	0	6
	2023	6	0	0	0	0	6
Wisconsin	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
Wyoming	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	3	0
TOTAL	2021	296	29	0	4	0	321
	2022	321	31	0	3	0	349
	2023	349	12	0	38	214	109

[Remainder of page intentionally left blank.]

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned or Affiliate-Owned Outlets in the Next Fiscal Year
Alabama	0	0	0
Arizona	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	2	0
Delaware	0	3	0
Florida	0	0	0
Illinois	0	10	0
Indiana	0	0	0
Kansas	0	1	0
Louisiana	0	1	0
Maryland	0	1	0
Minnesota	0	80	0
Mississippi	0	0	0
Missouri	0	5	0
Montana	0	1	0
Nevada	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
Ohio	0	0	0
Pennsylvania	0	0	0
Texas	0	0	0
Utah	0	0	0
Washington	0	6	0
Wisconsin	0	0	0
Wyoming	0	0	0
Total	0	110	0

All numbers are as of December 31st for each year.

Exhibit I-1 to this disclosure document sets forth the names of all franchisees as of December 31, 2023, and the addresses and telephones numbers of their franchises.

Exhibit I-2 to this disclosure document sets forth the name, city and state, and current telephone number of all franchisees who have had an outlet terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year, or who have not communicated with us in within 10 weeks of the date of this disclosure document.

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

During the last three fiscal years, we have not signed confidentiality clauses with any of our current or former franchisees. Our affiliate, Sushi Avenue, Incorporated, has entered into confidentiality agreements with all Contract Chefs, many of whom have become franchisees or whom we expect to become franchisees. You may wish to speak with current or former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit H are an initial audit report and audited financial statements for the period ended December 31, 2023, and for the period from our inception to June 30, 2023. We have only been in existence since March 2023. Therefore, we do not yet have any audited financial statements or financial statements for any other periods or years. Our fiscal year end is December 31st. We are also attaching our interim balance sheet as of March 31, 2024. THE INTERIM BALANCE SHEET IS PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THE CONTENT OR FORM.

ITEM 22

CONTRACTS

The contracts following this item are listed in the order in which they appear.

- Exhibit A. Franchise Agreement including the following attachment
 - Guarantee
- Exhibit B. Training and Confidentiality Agreement.
- Exhibit C. Statement of Ownership.
- Exhibit D. Promissory Note.
- Exhibit E. Non-Compete/Non-Solicitation Agreement.
- Exhibit L. General Release

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are attached as Exhibit M. Please return one copy to us and retain the other for your records.

EXHIBIT A TO FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

SAH HOLDINGS, LLC
FRANCHISE AGREEMENT

THIS AGREEMENT made as of the _____ day of _____

by and between:

SAH HOLDINGS, LLC

("Franchisor")

and

("Franchisee")

**SAH HOLDINGS, LLC
FRANCHISE AGREEMENT**

This Franchise Agreement ("Agreement") is made and entered into as of _____, between, SAH Holdings, LLC, a Minnesota limited liability company ("Franchisor," "we," "us" or "our"), and _____, a _____ corporation (or a _____ limited liability company) ("Franchisee" or "you"). Franchisor and Franchisee shall collectively be referred to as the "Parties" and individually as a "Party."

WHEREAS, Franchisor, through its affiliate Sushi Avenue, Incorporated ("Sushi Avenue"), has developed and cultivated a number of relationships (hereinafter the "System") relating to the establishment and operation of sushi bars;

WHEREAS, the distinguishing characteristics of the System include, without limitation, the location of the sushi bars and the unique relationship with the stores/facilities they are located in; the use of high grade sushi and food components; specially prepared and pre-packaged condiments and methods of preparation and operation, which may be changed from time to time; other features including a training program utilizing special course instructions and manuals; and unique trade dress, graphic presentations, marketing and promotional programs and materials; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark "Sushi Avenue" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the System (hereinafter referred to as "Proprietary Marks");

WHEREAS, Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder, and to represent the System's high standards of quality, cleanliness, appearance, and service;

WHEREAS, Franchisor has obtained and seeks to obtain locations in which to place sushi bars operating under the System ("Sushi Bars") and other food retail locations that typically are contained within third-party retail or grocery outlets (each, a "Store");

WHEREAS, Franchisee desires to obtain a franchise from Franchisor to operate one or more Sushi Bars, as well as to receive the training and other assistance provided by Franchisor in connection therewith, if so required; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised hereunder in conformity with specific standards and specifications, especially since the operation must meet specific health code regulations and standards.

NOW, THEREFORE, the Parties, in consideration of the undertakings and commitments of each Party to the other Party set forth herein, hereby agree as follows:

I. GRANT

A. Franchisor hereby grants to Franchisee, upon the terms and conditions set forth in this Agreement, the right and franchise, to operate one or more Sushi Bars and/or remote store sites, which offer sushi products but do not have a facility to make the same on-site ("Remote Store Site"), (collectively the Sushi Bar and Remote Store Site shall be referred to as the "Franchise Business") and to use solely in connection therewith the Proprietary Marks and the System, as they may be changed, improved, and further developed. The Franchise Business may be operated by Franchisee only at the locations and of a type and subject to any special terms, as set forth in Attachment "A" hereto. Any reference in this Agreement to Attachment "A" shall include all sub-parts (such as Attachment A-1, Attachment A-2) and amendments (referred to as Addenda) to Attachment "A."

B. If Franchisor grants the right for additional Sushi Bars and/or Remote Store Sites, then this Agreement will be amended with particular addenda stating the location, amount of Franchise Commission (as defined below), to be paid by the Franchisee for each additional Sushi Bar and/or Remote Store Site, and other applicable terms relating to each of them. The operation of the Franchise Business, now existing or later expanded, is made subject to the terms of this Agreement and each Addendum to this Agreement.

C. Franchisor and Franchisee agree that (i) if Franchisor opens or obtains the right to operate a Remote Store Site, and (ii) if Franchisee operates its Sushi Bar within twenty (20) miles of the new proposed Remote Store Site, and (iii) if the new proposed Remote Store Site is offered by Franchisor to Franchisee, then Franchisee shall agree to take and operate such Remote Store Site as its own in compliance with all terms of this Agreement and the Franchise Manual. Franchisee shall execute an addendum specifying the new location and the terms of operation of the offered Remote Store Site, including any Franchise Commission, as defined below. Franchisor and Franchisee further agree that upon notice by Franchisor to Franchisee that a Remote Store Site operated by Franchisee is being converted to a Sushi Bar, at Franchisor's request Franchisee shall operate such site as a Sushi Bar in compliance with all terms of this Agreement and the Franchise Manual and execute an addendum specifying the terms of operation of such Sushi Bar, including any Franchise Commissions.

D. Franchisor and Franchisee agree that nothing in this Agreement requires Franchisor to offer rights to operate additional Sushi Bars or Remote Store Sites. Franchisee acknowledges that this franchise is non-exclusive, and is granted subject to the terms of Paragraph VIII. C. (6) hereof.

E. All grants of right to franchise and operate a Sushi Bar or Remote Store Site are subject to the ongoing right of Franchisor or Sushi Avenue to continue to operate at the location provided by the Store. If a Store terminates or fails to renew an agreement to operate a Sushi Bar or Remote Store Site operated by Franchisee, then the Franchisee's right to operate that Sushi Bar or Remote Store Site will terminate without penalty or payment by Franchisor and there shall be no requirement to replace or transfer Franchisee's franchise or to provide an alternative or substitute location to operate a Sushi Bar and/or Remote Store Site.

II. TERM AND RENEWAL

A. Except as otherwise provided herein or in Attachment "A", the initial term of this Agreement and each Sushi Bar or Remote Store Site shown in the Attachment "A" shall expire three (3) years from the date of this Agreement ("Initial Term") so that the term of each Sushi Bar or Remote Store Site shall expire on the same date even if Franchisee commenced operating its Franchise Business on different dates; provided, however, this Agreement shall terminate prior to the expiration of the three (3)

year term upon expiration or termination of Franchisor's right (or the right of Franchisor's affiliate as the case may be) to remain and operate a Sushi Bar or Remote Store Site at the designated location provided by a Store.

B. Franchisee may, at its option, renew this Agreement for all but not less than all Sushi Bars or Remote Store Sites under this Agreement, as shown in Attachment "A", for one (1) additional consecutive term of three (3) years ("Renewal Term"), provided that prior to the end of the then-current term:

(1) Franchisee has paid to Franchisor a renewal fee in an amount of up to Fifty Percent (50%) of Franchisor's then current Franchise Fee, as identified in Paragraph IV hereof, for each Sushi Bar renewed;

(2) Franchisee has given Franchisor written notice of its election to renew not less than six (6) months prior to the end of the applicable term;

(3) Franchisee has made or has provided for the renovation and modernization of the Sushi Bar in a manner satisfactory to Franchisor, and in all instances consistent with the policies and direction of the Store, which shall govern such renovation and modernization of the Sushi Bar as Franchisor may reasonably require, including, without limitation, renovation of signs, furnishings, equipment, fixtures, and decor, to reflect the then-current standards and image of the System as designated in the Confidential Franchise Manual ("Confidential Franchise Manual" or "Franchise Manual"), described in Paragraph IX hereof;

(4) Franchisee is not in default and has not previously been in default resulting in written notice of the default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates;

(5) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates;

(6) Franchisor or its affiliate has maintained the continued right to remain in the location under the terms of its agreement with its Store's location;

(7) Franchisee, if required, shall have executed Franchisor's then-current form of franchise agreement, which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee, Service Commission (as defined below), and advertising contribution, other additional or increased fees and costs;

(8) Franchisee shall execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its parents, subsidiaries and affiliates, and their respective officers, directors, agents, and employees; and

(9) Franchisee shall comply with Franchisor's then-current qualification and training requirements.

(10) Franchisee shall renew all Sushi Bars/Remote Store Sites under this Agreement at the same time this Agreement is renewed. Any notice of renewal received shall be deemed notice of

renewal of all Sushi Bars/Remote Store Sites of Franchisee under the Agreement. The failure to renew any Sushi Bar/Remote Store Site shall be deemed a failure to renew all Sushi Bars/Remote Store Sites by Franchisee. The renewal term shall expire on the same date for each of the Sushi Bars/Remote Store Sites operated under the Agreement.

Notwithstanding anything to the contrary, Franchisor may waive any and all obligations to pay a renewal fee.

III. DUTIES OF FRANCHISOR

A. Franchisor shall provide an initial training program to instruct Franchisee and other Franchisees as to the procedures and techniques to be utilized at the Sushi Bar in order to ensure that Franchisee becomes completely familiar with the System, and shall make available such other training, including but not limited to ongoing training programs as it deems appropriate. Franchisee shall pay Franchisor its then current training fees as set forth in this Agreement and in the Franchise Manual both with respect to the initial training program and later training programs. All training provided by Franchisor shall be subject to the terms set forth in Paragraph VII. D. of this Agreement.

B. Franchisor shall advise and consult with Franchisee in connection with the operation of the Sushi Bar and any new developments, techniques and improvements in areas of management, food preparation, promotion and service. Franchisor may provide the foregoing assistance by sending its employees or representatives to the Sushi Bar, by providing publications, other written materials, DVD's, streaming videos, or by conducting meetings or seminars. Some or all of these publications or programs may be provided by electronic access by Franchisor and not by printed or physical documents.

C. Notwithstanding anything to the contrary, Franchisor, in all cases, may make available, from time to time, advice and assistance in local advertising and, at Franchisee's expense, promotional materials for local advertising by Franchisee. Franchisor shall have the right to review and approve or disapprove all advertising and promotional materials which Franchisee proposes to use, pursuant to Paragraph XII. hereof.

D. Franchisor may develop advertising materials in its discretion, as appropriate to the franchised location, under the terms of Paragraph XII. hereof.

E. Franchisor shall provide to Franchisee, on loan, either one printed copy of the Franchise Manual as more fully described in Paragraph IX. hereof, or provide Franchisee with electronic access to the Franchise Manual.

F. In the interest of maintaining high standards of quality, cleanliness, appearance, and service, Franchisor shall conduct, as it deems advisable, inspections of the Sushi Bar(s) and/or Remote Store Site(s), and evaluations of the products sold and services rendered at the Sushi Bar(s) and/or Remote Store Site(s).

IV. FEES AND COMPENSATION

A. Franchisee shall pay to Franchisor a Franchise Fee at the time this Agreement is executed an amount up to \$20,000. The initial Franchise Fee for Franchisee's first Sushi Bar is set forth in Attachment "A". During the term of this Agreement, an additional Franchise Fee shall be paid with respect to each additional Sushi Bar or franchise granted by Franchisor in a pro-rated

amount as follows (except that Franchisee shall not be required to pay a Franchise Fee for a Remote Store Site as defined by Franchisor):

For any additional Sushi Bar franchised during the term of the Agreement, (i) if there is between 25 to 36 months remaining on the term of this Agreement, then the additional Franchise Fee for that additional Sushi Bar shall be between \$0 and \$10,000; (ii) if there is between 13 to 24 months remaining on the term of this Agreement, then the additional Franchise Fee for that additional Sushi Bar shall be between \$0 and \$6,750; and (iii) if there is less than 13 months remaining on the term of this Agreement, then the additional Franchise Fee for that additional Sushi Bar shall be between \$0 and \$5,000. All sums paid shall be deemed fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise to others.

Notwithstanding anything to the contrary, if the Franchise Business being granted hereunder was a site that was operated by a sushi chef under contract with Sushi Avenue, all Franchise Fees shall be waived.

B. Franchisee acknowledges and agrees that under the System's structure:

(1) Franchisee shall not receive payments for the sales of goods and services from its Sushi Bar(s) and/or Remote Store Site(s) to clients or customers and that those payments will be made directly to the Store(s) where the Sushi Bar(s) and/or Remote Store Site(s) are located. Franchisee further acknowledges and agrees that all sales will be made through cash registers of the Store(s) and that Franchisee shall not make any sales through Franchisee's cash registers. Franchisor shall have the right to unilaterally modify this payment structure at any time.

(2) As used in this Agreement, "Gross Sales" shall include all revenue from the sale of all services and products related to the Franchise Business, whether for cash or credit and regardless of collection in the case of credit; provided, however, that "Gross Sales" shall not include any sales taxes or other taxes collected from customers of Franchisee for transmittal to the appropriate taxing authority.

(3) The percentage of sales that a Store may retain as its share of Gross Sales ("Service Commission") is negotiated directly by Franchisor or Franchisor's affiliate with the Store and may vary among Sushi Bars and/or Remote Store Sites. The amount remaining from Gross Sales after deduction of the Store's Service Commission is referred to as the "Franchise Commission."

(4) Upon receipt of the Franchise Commission from the Store, Franchisor, after first deducting from Franchise Commissions (i) all amounts owed of every type and nature by Franchisee to Franchisor or its affiliates including all fees and other sums owed under this Paragraph IV, (ii) all amounts owed by Franchisee to Franchisor's affiliated suppliers for food and supplies and other purchases made by Franchisee, and (iii) any other amounts owed to Franchisor or its affiliated parties arising from loans, financings, advances, credits or deferrals made to Franchisee by Franchisor or its affiliates, shall remit the remaining amount of the Franchise Commission. If after all deductions from the Franchise Commission there remains a negative balance, then the negative balance will be carried forward to the next month, and if necessary, additional subsequent months, and the negative balance shall be deducted from Franchisee's next months' Franchise Commissions.

(5) Franchisor does not guaranty payment by the Store, and Franchisor shall have no obligation to pay Franchisee its Franchise Commissions until Franchisor first receives remittance of the Franchise Commission from the Store. If from time-to-time Franchisor chooses in its discretion to

advance commissions to Franchisee prior to Franchisor's receipt of the Franchise Commission from the Store, Franchisee agrees that such amounts shall become indebtedness of Franchisee to Franchisor and shall be carried forward by Franchisor as a negative balance owed by Franchisee. Any negative balance carried forward may be withheld from future Franchise Commissions otherwise due Franchisee, but any negative balance shall constitute indebtedness of Franchisee due on demand by Franchisor at any time. Franchisor does not guaranty payment to any of Franchisee's vendors or suppliers. Notwithstanding anything to the contrary, Franchisee shall not be entitled to any Gross Sales except in the amount of the Franchise Commissions after all deductions described in this Agreement.

C. Upon activation by Franchisor, Franchisee shall pay to Franchisor a monthly advertising contribution, to be deducted from Franchisee's Franchise Commissions, for use by the National Marketing Development Fund established by Franchisor, as provided in Paragraph XII.D. hereof, an amount equal to up to one and one half percent (1.5%), as Franchisor may specify from time to time, of the Gross Sales of each Sushi Bar and/or Remote Store Site.

D. Intentionally omitted.

E. In addition, Franchisee shall pay to Franchisor or its affiliate(s) the following fees and costs:

(1) An Administration/Web fee of \$100 per month, which amounts or requirements may be modified by posting in the Franchise Manual;

(2) Background check, credit check and drug test fees in the amount of \$250 per owner, member or shareholder, which amounts or requirements may be modified by posting in the Franchise Manual;

(3) Payment or reimbursement to Franchisor for the cost of any local licenses and permits obtained by Franchisor, if any, required to operate the Sushi Bar or Remote Store Site;

(4) Payment for point-of-sale marketing materials provided by Franchisor required as part of the opening package for the Sushi Bar and as updated or replaced;

(5) Document Loan and Replacement Fees as follows: (i) an initial loan fee for the Franchise Manual in the amount of \$150 if the Franchise Manual is not returned to Franchisor upon termination or expiration of this Agreement; and (ii) a replacement fee for the Franchise Manual in the amount of \$500 per Sushi Bar. The amounts and requirements of any of the Document Loan and Replacement Fees may be modified by posting in the Franchise Manual;

(6) Training fees, for the training deemed necessary by Franchisor, for (i) initial training and ongoing training, (ii) for failure to attend training sessions by Franchisee's Principal Operating Officer/Partner or other of Franchisee's employees who are required by Franchisor to attend mandatory training classes, (iii) additional training sessions, (iv) ServSafe training and testing or other food safety classes required by Franchisor (with the option to obtain such certification from other sources (with proof of compliance)), and (v) additional mandatory, remedial training in the event of Franchisee's default under the requirements of the Franchise Manual or this Agreement, all as set forth in Paragraph VII.D. or in the Franchise Manual, all of which fees and requirements may be modified by posting in the Franchise Manual;

(7) For special on-site support, as needed and as determined by Franchisor, Franchisor shall provide on-site operating support in an amount of up to \$500 per day, plus the cost of travel of Franchisor's representatives, which requirements and amounts may be modified by posting in the Franchise Manual;

(8) Customer Satisfaction Fee in an amount of up to \$500 plus Franchisor's travel, lodging and meal costs, if any, for each incident requiring, in Franchisor's sole discretion, Franchisor's involvement to resolve any issue with a Store or customers of the Franchise Business arising from Franchisee's unsatisfactory performance or operations, or non-compliance with Store's policies, Franchisor's policies, or provisions of the Franchise Manual, which requirements and amounts may be modified by posting in the Franchise Manual;

(9) Garnishment or levy fee in the amount of \$100, for any such notice that Franchisor receives, which requirements and amounts may be modified by posting in the Franchise Manual;

(10) Sales inquiry fee of \$100 which is incurred for each month that Franchisee requests additional information beyond Franchisor's monthly report, which requirements and amounts may be modified by posting in the Franchise Manual;

(11) Fees for Franchisor's providing food sampling services on site or in your market, as incurred, and as set forth in the Franchise Manual;

(12) Fees for laboratory tests to examine food samples from the Sushi Bar or Remote Store Site, taken in Franchisor's discretion, in the amount of up to \$250 per tested item plus Franchisor's out-of-pocket expenses for investigation expenses; which requirements and amounts may be modified by posting in the Franchise Manual;

(13) Fees for request for approval of a new product, supplier or vendor, in an amount of up to \$500 per request as required in Paragraph VII.J of this Agreement, which requirements and amounts may be modified by posting in the Franchise Manual;

(14) Fees in the amount of \$2,500 for each Sushi Bar or Remote Store Site that you discontinue to operate with our approval prior to the end of the term, which requirements and amounts may be modified by posting in the Franchise Manual;

(15) Fees in the amount of \$5,000 for each Sushi Bar or Remote Store Site that you abandon or refuse to operate prior to the end of the term without our approval, or for which the Agreement is terminated prior to the end of the term, plus travel expenses, labor and employee cost of Franchisor to operate the Sushi Bar or Remote Store Site prior to the expiration of the term of your Agreement, and for removal of food products and payment of unpaid expenses and invoices, and other expenses Franchisor incurs to operate the Sushi Bar or Remote Store Site, all of which may be modified by posting in the Franchise Manual;

(16) Fees in the amount of \$250 per Sushi Bar if Franchisee (i) requests to transfer or assign an interest between shareholders or members that does not constitute a change of control, (ii) seeks a name change of a Franchisee entity, or (iii) if Franchisee seeks to transfer its interest to another Franchisee entity that is wholly owned by the transferring Franchisee or the transferring Franchisee's

shareholders or members, all of which requirements and amounts may be modified by posting in the Franchise Manual;

(17) A transfer fee of \$1,500 for each Sushi Bar for which Franchisee seeks to transfer, alone or together with other previous, simultaneous, or proposed transfers, that would have the effect of transferring a controlling interest in Franchisee, the Franchise Business or Franchise Agreement to another entity or person; or for which a franchise owner, or a shareholder or member of Franchisee seeks to transfer a controlling interest of Franchisee to another person, all of which requirements and amounts may be modified by posting in the Franchise Manual. Notwithstanding the payment of this fee, Franchisor retains the sole discretion to consent or refuse consent to any transfer of any interest. In no event may fewer than all Sushi Bar(s) and/or Remote Store Sites owned or under control of Franchisee be transferred, and in no event may transfer be permitted when all Sushi Bar(s) and/or Remote Store Site(s) have been operated by Franchisee for less than one year;

(18) If Franchisee fails to obtain the required insurance coverages as provided in this Agreement and in the Franchise Manual, Franchisor may at its option, purchase the insurance for Franchisee. If Franchisor purchases the insurance for Franchisee, Franchisee shall pay an Insurance Service Fee for each occasion Franchisor acquires insurance, plus the cost to Franchisor to obtain the insurance. The Insurance Service Fee shall be one percent (1%) of Franchisee's monthly Gross Sales for one year for each Sushi Bar(s) and/or Remote Store Site(s) for which Franchisor acquires insurance, the requirements and amounts of which may be modified by posting in the Franchise Manual;

(19) Fees in the amount of \$300 to \$1,000, depending on the degree of lateness, for late ordering of inventory and supplies as follows: \$300 for orders made after Monday at 3 p.m. but before Tuesday at 3:00 p.m.; \$600 for orders made after Tuesday at 3 p.m. but before Wednesday at 3 p.m., and \$1,000 for orders made after Wednesday at 3:00 p.m., which requirements and amounts may be modified by posting in the Franchise Manual;

(20) An administrative fee of \$125 per payment/processing of the Franchise Commission to defray the costs associated with processing the Franchise Commissions, which requirements and amounts may be modified by posting in the Franchise Manual.

(21) A non-compliance fee of up to \$500 for each incident of non-compliance of Franchisee's operational obligations under the requirements, procedures or policies of the Franchise Agreement or Franchise Manual (including the SSOP/HACCP Food Safety Plan), which requirements and amount may be modified by posting in the Franchise Manual; and

(22) Franchisor's then-current fee for product liability insurance, which at Franchisor's option shall be provided under Franchisor's group insurance policy.

F. All of the fees or other amounts owed by Franchisee, including all items set forth in Paragraph IV of this Agreement, shall be deducted directly from Franchisee's Franchise Commission arising from the sales generated by any of Franchisee's Sushi Bar(s) and/or Remote Store Site(s), less the Service Commission, and all such amounts shall be retained by Franchisor or its affiliates. The requirements and amounts of all fees described in Paragraph IV of this Agreement may be changed by Franchisor by posting in the Franchise Manual.

G. Notwithstanding anything in this Agreement to the contrary, Franchisor shall have no obligation to remit any sales proceeds from the Sushi Bar(s) and/or Remote Store Site(s) until

the Store has first remitted proceeds to Franchisor, and Franchisor has deducted any amounts owed by Franchisee to Franchisor and to Franchisor's affiliated suppliers as provided herein.

H. Any other payments required to be made by Franchisee to Franchisor or to Franchisor's affiliated suppliers that are not withheld or retained by Franchisor, are due upon demand. Franchisor reserves the right to require that all monthly payments required by this Paragraph IV be directly drafted by Franchisor from Franchisee's bank account. Any payment or report not actually received by Franchisor on or before the date due shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid at the equivalent of eight percent (8%) annually or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

I. Franchisee authorizes Franchisor at all times (i) to permit the Store to withhold its Service Commission from Gross Sales of the Sushi Bar(s) and/or Remote Store Site(s); (ii) to withhold from Franchise Commissions any and all amounts financed by Franchisor or its affiliate suppliers for equipment, food, supplies or any other items, plus any fees and obligations Franchisee shall owe Franchisor including but not limited to all those listed in this Paragraph IV; and, (iii) to withhold and pay from Franchise Commissions any of Franchisor's affiliated vendors for Franchisee's purchase of food, equipment, supplies and services. Franchisee agrees that this authorization is irrevocable during the term of this Agreement and during any time after expiration or termination of this Agreement in which Gross Sales have been generated and Franchise Commissions remain unpaid to Franchisee. Franchisee agrees that any purchases made from Sushi Avenue, Incorporated, a supplier and affiliated company of Franchisor, including any successors or assigns of Sushi Avenue, Incorporated, as an affiliated supplier of Franchisor, may be deducted from Franchise Commissions and paid directly to Sushi Avenue, Incorporated or other affiliated supplier by Franchisor.

J. Franchisee acknowledges and agrees that any negative balance resulting from the deduction of authorized amounts described in this Paragraph IV from Franchise Commissions may be carried forward and deducted from successive months' Franchise Commissions until all amounts owed Franchisor and its affiliated suppliers, including Sushi Avenue, Incorporated, are fully paid. Franchisee shall pay any of its other suppliers directly and promptly from its own funds, and Franchisor shall have no responsibility or requirement to pay any other supplier.

K. Franchisee further acknowledges and agrees that it is entitled to receive only Franchise Commissions as specified in the Attachment "A" to this Agreement less all fees, costs and expenses described in this Paragraph IV; and that all other remaining proceeds, if any, shall be retained by Franchisor.

L. Franchisor and Franchisee acknowledge and agree that some or all of Franchisor's obligations, and the exercise of any associated rights, may be fulfilled by an affiliate of Franchisor or a third party designated by Franchisor. To the extent any consent by Franchisee is required for this delegation, such consent is hereby provided.

V. SITE SELECTION AND CONTROL

A. If the location of the Franchise Business is under the control of Franchisor or Franchisor's affiliate, and obtained by Franchisor under the terms of an agreement with a Store or another third party, Franchisee will have the right to occupy the location under this Agreement for the purpose of operating the Franchise Business. There will be no fee charged for such location. Franchisee agrees to strictly

comply with all rules, policies, regulations and directives of the Store and Franchisor with respect to Store locations, which may vary from location to location.

If Franchisor's right to the location expires or is terminated for any reason, then Franchisee's right to possess and operate the franchised Sushi Bar(s) and/or Remote Store Site(s) shall be terminated; and in such an event, Franchisor shall have no further obligation or liability to Franchisee, including the obligation to find a replacement location for Franchisee, and Franchisee shall not be entitled to compensation for loss of the Sushi Bar and/or Remote Store Site(s).

B. With respect to any location not obtained by Franchisor from a Store, or not under the control of Franchisor, Franchisee shall,

(1) obtain the written approval of Franchisor for any site of the Franchise Business developed under this Agreement; propose sites for approval by Franchisor on forms or in the manner designated from time to time by Franchisor; submitted to Franchisor only after Franchisee has carefully evaluated the site, determined that it meets the criteria for Sushi Bar sites which Franchisor has communicated to Franchisee;

(2) obtain the written approval of Franchisor with respect to the terms of any lease with respect to the site to be developed as a Sushi Bar under this Agreement; and

(3) assign any lease to Franchisor or its designees upon the event of any triggering event.

C. With respect to a site submitted by Franchisee for approval, Franchisor shall review the application for site approval and, within sixty (60) days of Franchisor's receipt of the application, Franchisor shall approve the proposed site or reject the site with comments as to why it was rejected. Franchisor may, in its discretion, extend its consideration time for an additional thirty (30) days.

D. Within thirty (30) days after Franchisor's approval of a site, if the site is to be obtained by lease or agreement, provide Franchisor with a copy of the proposed lease or other agreement. Within twenty (20) days thereafter, Franchisor shall send notice of approval or notice of rejection of the proposed lease with comments, together with an exhibit or addendum that allows the Provisions to assume the lease upon certain events. Franchisee shall, as promptly as possible after receipt of approval, complete acquisition of the site.

E. Franchisee shall obtain, at its cost, the necessary permits required to operate the Sushi Bar and shall meet all other applicable requirements established by local statute, local ordinance or otherwise. Promptly after approval by Franchisor of Franchisee's final plans and specifications, Franchisee shall complete construction of the Sushi Bar and open for business within the time period prescribed in Paragraph VII. B. of this Agreement.

VI. FRANCHISEE ORGANIZATION AND CAPITAL STRUCTURE

A. Franchisee may be a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies or any other legal entities. If organized through a legal entity, Franchisee shall comply with the following requirements:

(1) Franchisee shall be organized and validly existing in good standing under the laws of the state of its incorporation or organization;

(2) Franchisee shall be qualified to do business in all states in which its business activities or the nature of the properties owned by it requires such qualification;

(3) Franchisee's Articles of Incorporation or Charter, or if Franchisee is a limited liability company, Franchisee's Articles of Organization and Operating Agreement shall at all times provide that Franchisee was organized and has authority only to develop, own and operate the Franchise Business; and that Franchisee shall not engage or invest in any business other than development, ownership and operation of the Franchise Business;

(4) If Franchisee is a corporation, copies of Franchisee's Articles of Incorporation or Charter, Bylaws, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

(5) If Franchisee is a limited liability company, copies of Franchisee's Articles of Organization, Operating Agreement, and other governing documents, and any amendments thereto, including the Consent of all limited liability company members authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

(6) Franchisee shall prohibit the transfer of any ownership interest on its records of any equity securities; and each stock certificate of Franchisee, or other evidence of ownership if Franchisee is a limited liability company, shall have the following legend conspicuously endorsed upon its face:

The shares represented by this certificate, or other evidence of ownership if Franchisee is a limited liability company, are subject to the terms of an agreement dated [date] between [name of issuing corporation or limited liability company] and SAH Holdings, LLC, which, *inter alia*, restricts transfer, restricts activities in which [name of issuing corporation or limited liability company] may engage, and imposes restrictions on shareholders or members.

(7) Franchisee shall maintain a current list of all owners of record, including all members if Franchisee is a limited liability company, and all beneficial owners of any class of securities of Franchisee and shall furnish the list to Franchisor at such time as Franchisor may request.

VII. DUTIES OF FRANCHISEE

A. Franchisee understands and acknowledges that every detail of the Franchise Business is important to Franchisee, Franchisor, Stores, and other franchisees of Franchisor, in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect Franchisor's reputation and goodwill.

B. If a Sushi Bar is already operating, then Franchisee shall commence operating the Sushi Bar as of the date of this Agreement. If a Sushi Bar is not already operating but a site for the Sushi Bar has been approved as of the date of this Agreement, Franchisee shall prepare and open a Sushi Bar within ninety (90) days of the execution of this Agreement or an earlier date if required by the Store. Time is of the essence. Prior to opening for business, Franchisee shall comply with all pre-opening requirements set forth in this Agreement and in the Franchise Manual.

C. Franchisee shall designate an individual to serve as the Principal Operating Officer (if a corporation) or Principal Operating Partner (if limited liability company) of Franchisee.

(1) The Principal Operating Officer/Partner shall own a majority of the equity interest in Franchisee during the entire period they serve as Principal Operating Officer/Partner;

(2) The Principal Operating Officer/Partner shall devote best efforts to the supervision and conduct of the Franchise Business;

(3) The Principal Operating Officer/Partner shall execute this Agreement, and shall be individually bound by all obligations of Franchisee hereunder together with all other owners, shareholders, or members (if a corporation or limited liability company);

(4) No person shall become a Principal Operating Officer/Partner unless approved by Franchisor;

(5) If the Principal Operating Officer/Partner is unable, or elects not, to continue to meet their obligations hereunder, or if, in Franchisor's sole discretion, the Principal Operating Officer/Partner no longer qualifies to act as such, Franchisee shall promptly designate another Principal Operating Officer/Partner subject to the same conditions and qualifications listed above; and

(6) At the discretion of Franchisor, the Principal Operating Officer/Partner shall complete successfully the initial training required by Franchisor, and other additional training as Franchisor may require.

D. Franchisee agrees that it is important to the operation of the System and the Franchise Business that Franchisee and Franchisee's employees receive such training as Franchisor may require, and to that end agrees as follows:

(1) Prior to the opening of the Franchise Business, the Principal Operating Officer/Partner, each equity owner (shareholder or member) of the Franchisee, and at least one Sushi Bar manager of each Sushi Bar (if Franchisee operates more than one Sushi Bar location), shall attend and complete, to Franchisor's satisfaction, the initial training program offered by Franchisor. Franchisee shall pay initial training fees of \$500 per person payable prior to training, plus \$250 per person for ServSafe Training and Testing. If any of Franchisee's equity owners or any lead managers do not have sufficient sushi chef experience, as determined in Franchisor's sole discretion, such individuals must also complete additional sushi chef training at Franchisor's then-current fees. The current training fees charged by Franchisor both for initial training, and subsequent training, may be modified by Franchisor when posted in the Franchise Manual. Franchisee and its employees shall be responsible for any and all other expenses incurred by them in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages. Franchisee's employees are not employees of Franchisor, and Franchisee agrees to pay at least minimum required wages and comply with all federal, state and local laws pertaining to wages and employment while Franchisee's employees are in training. Any person subsequently employed by Franchisee in the position of Sushi Bar manager and each subsequent Principal Operating Officer/Partner shall attend and complete, to Franchisor's satisfaction, such training programs as Franchisor may require. Failure of Franchisee's Principal Operating Officer/Partner, Franchisee's owners, and Franchisee's Sushi Bar manager of the Sushi Bars to satisfactorily complete the applicable initial training programs may result in termination of this Agreement. Training requirements and costs may be changed by posting in the Franchise Manual.

(2) At Franchisee's expense, the Principal Operating Officer/Partner and Franchisee's Sushi Bar manager and other employees shall also attend such courses, seminars, and other training programs as Franchisor may require from time to time. Franchisee shall also pay Franchisor's current training fees as stated in the Franchise Manual for special training sessions required by Franchisor from time to time through the year. Franchisee shall pay to Franchisor, for each person attending such a program, the training fee, then charged by Franchisor and posted in the Franchise Manual. If the Principal Operating Officer/Partner and/or Franchisee's Sushi Bar manager and/or other employees fail to attend such required training sessions, Franchisee shall pay Franchisor's current fee for failure to attend. If any such training fee is imposed by Franchisor, the training fee shall be in addition to any other expenses incurred by the persons attending training as provided in Paragraph VII.D.(I) hereof.

(3) If Franchisor has notified Franchisee of a default of operating procedures or requirements under the Franchise Agreement or the Franchise Manual (including the SSOP/HACCP Food Safety Plan), Franchisor may require Franchisee's Principal Operating Officer/Partner or other specified employees to take additional training for a one or two day program. The fee charged for this remedial, default training is \$500 per day plus the cost of travel, food, and lodging of our representative. This fee is charged for each daily training session required by Franchisor and not on a per person basis and may be changed by posting in the Manual.

E. Franchisee shall use the Sushi Bar(s) and/or Remote Store Site(s) premises solely for the operation of the Franchise Business; shall keep the Franchise Business open and in normal operation for such minimum hours and days the Store requires and shall refrain from using or permitting the use of the premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor, all in compliance with the requirements of the Store.

F. Franchisee shall maintain a competent, conscientious, trained staff, including at least one fully trained Sushi Bar manager on duty with food safety certification as required by Franchisor in its discretion, at the Sushi Bar at all times, in sufficient numbers so as to operate the Sushi Bar efficiently and effectively. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations, wear uniforms or designated clothes of such color, design and other specifications as the Store (or Franchisor) may designate from time to time, present a neat and clean appearance, and render competent and courteous service to its customers.

G. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Sushi Bar(s) and/or Remote Store Site(s); and shall comply with every aspect of federal, state and local law and regulation.

H. To insure that the highest degree of quality, cleanliness, appearance, and service is maintained, Franchisee shall operate the Store in strict conformity with such methods, standards, and specifications as the Store (or Franchisor) may from time to time prescribe in the Franchise Manual (which includes Franchisor's Sanitation Standard Operating Procedures/Hazard Analysis Critical Control Points (SSOP/HACCP)), and otherwise as Franchisor specifies. Franchisee agrees:

(1) To operate the Franchise Business in a clean, wholesome manner in compliance with Franchisor's prescribed standards of quality, cleanliness, appearance and service;

(2) To maintain in sufficient supply, and to use at all times, only such ingredients, products, materials, supplies, and goods as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by the use or offer of nonconforming items, without Franchisor's prior written consent;

(3) To sell or offer for sale only such food items, condiments, products, and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of food items, condiments, products, and services specified from time to time by Franchisor; to refrain from any deviation from Franchisor's standards and specifications, which Franchisor may update in writing from time to time, without Franchisor's prior written consent; and to discontinue selling and offering for sale any items, products, or services which Franchisor may, in its discretion, disapprove in writing at any time;

(4) To employ only those methods of food handling and preparation as Franchisor may specify in the Franchise Manual (including the SSOP/HACCP) or otherwise designate from time to time or as required by the Store or by local or state officials;

(5) To permit Franchisor or its agents, at any reasonable time, to remove samples of food or non-food items from Franchisee's inventory, or from the Sushi Bar(s) and/or Remote Store Site(s), without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisee shall pay Franchisor its then-current fee per food item test for the cost of such testing; and

(6) To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, decor, and signs as Franchisor may reasonably direct from time to time in the Franchise Manual or otherwise in writing, all as approved by the Store; and to refrain from installing or permitting to be installed on or about the Sushi Bar(s) and/or Remote Store Site(s) premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, or other items not previously approved as meeting Franchisor's standards and specifications, all consistent with the requirements of the Store.

I. Franchisee shall comply with all requirements of federal, state, and local laws, rules, and regulations.

J. Franchisee shall purchase all food items, ingredients, equipment, furnishings, supplies, materials, and other items used or offered for sale at the Sushi Bar(s) and/or Remote Store Site(s) solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor and not thereafter disapproved. Franchisee acknowledges exclusive designated supplier(s) may be Franchisor or an affiliate of Franchisor. If Franchisor designates itself or an affiliate as a supplier, Franchisor and/or such affiliate has the right to earn a profit on any items it supplies. If Franchisee desires to purchase any products from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so, and Franchisor, in its sole discretion, shall determine whether such supplier shall be approved. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered to Franchisor or to an independent laboratory designated by Franchisor for testing. Franchisee shall pay Franchisor its then-current fee per requested product shall be paid by Franchisee to Franchisor for any request submitted to Franchisor to consider a new product for sale or a new vendor whether for new or existing products, plus Franchisor's out of pocket expenses including the costs of testing and travel, including as necessary the cost of visiting international facilities and supply chain locations for items imported into the United States. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue

to meet any of Franchisor's then-current criteria. Franchisor and its affiliates may receive payments, discounts or other consideration from suppliers in consideration of such suppliers' dealings with Franchisee and/or the System, and may use all amounts received by it without restriction. Notwithstanding any other provisions of this Agreement, for purposes of making certain the customer experience is uniform, safe and of high quality, Franchisee agrees it shall purchase sushi fish and related products only from sources designated by Franchisor.

K. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods, packaging materials, (including disposable food containers, napkins, and menus), condiments, utensils and all forms and stationery used in the Franchise Business, and other items which may be designated by Franchisor to bear the Proprietary Marks and/or Store Marks (as applicable) in the form, color, location, and manner prescribed by Franchisor.

L. Franchisee shall maintain the Sushi Bar(s) in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but, if of a substantial nature, not without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, equipment, and decor in the manner and at the times which Franchisor may reasonably direct.

M. Franchisee shall, where applicable, keep the floor within the Sushi Bar area, any immediately surrounding area, and preparation area clean, dry and free of debris.

N. Franchisee shall grant Franchisor and its agents the right to enter without advance notice or consent, upon the Sushi Bar(s) and/or Remote Store Site(s) premises at any time for the purpose of conducting inspections; shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand. The foregoing shall be in addition to such other remedies as Franchisor may have.

O. Franchisee agrees that it shall perform and record its own tests of the products prepared and sold to the public and that it shall keep record of the same, in a form and manner, suitable to Franchisor and make the same available to Franchisor for review, all subject to the Store's requirements, if any, and all applicable local, state or national requirements or standards.

P. Franchisee agrees to utilize the e-mail address provided by Franchisor, and review its content regularly for purposes of receiving updates, notice of postings to the Franchise Manual or policy changes and other communications from Franchisor. All written memorandum related to the operations of Franchisee's Sushi Bars, whether delivered only by email, by first class mail, other forms of delivery or in person, shall be deemed part of the Franchise Manual.

Q. Franchisee shall comply with all other requirements set forth in this Agreement.

VIII. PROPRIETARY MARKS AND TRADE DRESS

A. Franchisor represents with respect to the Proprietary Marks that:

- (1) Franchisor is the licensee of the Proprietary Marks;
- (2) Franchisor has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks;
- (3) Franchisor will permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks;
- (4) There are licensees permitted to use the Proprietary Marks in connection with their franchise business; and
- (5) Franchisor reserves the right to use the Proprietary Marks in its own business operations and at any time modify the same.

B. With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

- (1) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor, *provided that*, as directed by Franchisor in Franchisor's sole discretion, Franchisee shall use in its operation, in place of or in addition to the Proprietary Marks (as directed by Franchisor), the trade name(s), trademark(s), and/or service mark(s) of the Store in which the Sushi Bar(s) and/or Remote Store Site(s) are located (the "Store Marks");
- (2) Franchisee shall use the Proprietary Marks and/or Store Marks (as applicable) only for the operation of the Franchise Business and only at the location authorized hereunder, or in advertising for the Franchise Business;
- (3) Unless otherwise authorized or required by Franchisor in writing, Franchisee shall operate and advertise the Franchise Business as specified by Franchisor, without prefix or suffix;
- (4) During the term of this Agreement, Franchisee shall identify itself as the owner of the Franchise Business in conjunction with any use of the Proprietary Marks and/or Store Marks (as applicable), including, but not limited to, uses on invoices, order forms, receipts, and contracts, and shall display a notice to that effect in such content and form and at such conspicuous locations on the premises of the Franchise Business as the Store will allow;
- (5) Franchisee's right to use the Proprietary Marks is limited to the term of this Agreement or any extension of the same and shall automatically cease upon the expiration or earlier termination of this Agreement and is also limited to such uses as are authorized under this Agreement. Any unauthorized use thereof, including, but not limited to, sublicensing a use of the Proprietary Marks, shall constitute an infringement of Franchisor's rights and a default under this Agreement. Franchisee's right, as applicable, to use the Store Mark(s) is limited to the term of this Agreement or any extension of the same and shall automatically cease upon the earlier of (i) the expiration or earlier termination of this Agreement, or (ii) written notice to Franchisee by Franchisor or Store to cease using such marks;
- (6) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(7) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks and/or Store Marks (as applicable) as part of its corporate or other legal name, though it may do business under the same;

(8) Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

(9) In the event that litigation involving the Proprietary Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation. Franchisee shall promptly notify Franchisor about a third party's use of, or claims of rights to, any trademark identical to or confusingly similar to any Proprietary Mark, *provided that*, Franchisor is not required to take affirmative action when notified of such uses or claims.

C. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the licensor of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

(2) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Proprietary Marks;

(4) Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest or rights in or to the Proprietary Marks, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit and the owner of the Proprietary Marks, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks; and

(6) The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor, as the owner of the Proprietary Marks, has and retains the rights, among others:

(a) To use the Proprietary Marks itself in connection with selling products and services;

(b) To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and

(c) To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

(7) Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder.

D. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph VIII. will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph VIII.

IX. CONFIDENTIAL FRANCHISE MANUAL

A. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Franchise Manual, one copy of which Franchisee acknowledges having received by electronic access or written copy on loan from Franchisor for the term of this Agreement. The Franchise Manual includes updates, memoranda and information that Franchisor may provide from time to time.

B. Franchisee shall at all times treat the Franchise Manual, any other manuals created for or approved for use in the operation of the Franchise Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The Franchise Manual shall at all times remain the sole property of Franchisor.

C. Franchisor may from time to time revise the contents of the Franchise Manual, and the Franchisee expressly agrees to comply with each new or changed standard.

D. Franchisee shall at all times maintain the Franchise Manual and ensure that the Franchise Manual is kept current and up to date; and, in the event of any dispute as to the contents of the Franchise Manual, the terms of the master copy of the Franchise Manual maintained by Franchisor at Franchisor's corporate office shall be controlling.

X. CONFIDENTIAL INFORMATION

A. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any of them or itself, any other person, persons, partnership, association, corporation or limited liability company any confidential information, knowledge, or know-how concerning the methods of operation of the Franchise Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement, except in operation of the Franchise Business. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchise Business and Franchisee shall take such precautions as Franchisor deems necessary to ensure that Franchisee's employees retain such information in confidence. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee,

had become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others and not through Franchisee.

B. Franchisee hereby acknowledges that pursuant to this Agreement, Franchisor will provide Franchisee with access to and training in processes and procedures of a proprietary nature and will provide Franchisee with access to and the right to use recipes and formulas, the Franchise Manual, logos, designs, trademarks, trade names and other proprietary information in connection with Franchisee's development and operation of the Franchise Business. Franchisee acknowledges and agrees that Franchisee shall not at any time, whether during the term of this Agreement or after its expiration or earlier termination, disclose any information obtained through such training or from any materials provided by Franchisor to Franchisee and pertaining to the System to any third party other than employees of Franchisee directly involved in the operations of the Franchise Business. Further, Franchisee agrees that during the term of this Agreement and after its expiration or earlier termination, it shall not use any of such information or Proprietary Marks and/or Store Marks (as applicable), including but not limited to any processes, procedures, recipes and formulas, for any purpose other than the operation of the Franchise Business and will take all steps necessary to prevent any other use of them. Without limiting the foregoing, Franchisee specifically agrees that it shall not during the term of this Agreement or after its expiration or earlier termination, offer for sale at any location other than the Sushi Bar(s) or Remote Store Site(s) specified in this Agreement (or any amendment to the same), any food products prepared using in whole or part the procedures, processes, techniques, recipes or formulas provided by Franchisor to Franchisee.

C. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph X. will cause irreparable injury to Franchisor, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph X.

XI. ACCOUNTING AND RECORDS

A. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least six (6) years from the dates of their preparation, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Franchise Manual or otherwise in writing.

B. Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, an unaudited balance sheet of the Franchise Business and a statement of profit or loss for the preceding quarter within thirty (30) days after the end of each quarter of Franchisee's fiscal year. Each such statement shall be signed by Franchisee's manager attesting that it is true and correct.

C. Franchisee shall, at Franchisee's expense, and in a form satisfactory to Franchisor, provide to Franchisor a statement of profit or loss and a year-end balance sheet, within ninety (90) days after the end of each fiscal year of the Franchise Business during the term hereof, showing the results of operations of the Franchise Business during said fiscal year. The Franchisee's manager shall attest that the financial statements present fairly the financial position of Franchisee and the results of operations of the Franchise Business during the period covered. Franchisor shall have the right, in its reasonable discretion, to require that Franchisee submit audited statements for any fiscal year or any period or periods of a fiscal year of Franchisee during the term of this Agreement, and to require Franchisee to cause its independent certified public accountant to consult with Franchisor, at Franchisee's expense, concerning the financial statements provided by Franchisee.

D. Franchisee and its owners, shareholders, and members shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Franchise Manual or otherwise in writing.

XII. ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the Parties agree as follows:

A. Franchisee agrees that, in addition to the contributions to the National Marketing Development Fund required under Sections IV.C. and XII.D., once such program is activated, it will spend such amount for local market marketing (e.g., advertising, marketing, promotions, publicity, charity events, loyalty cards, and sampling for special events) as determined by Franchisee but in no event less than one percent (1.0%) of Gross Sales monthly. Upon Franchisor's request, Franchisee shall provide to Franchisor for its review and approval a marketing plan for its local marketing program at least sixty (60) days prior to the end of each calendar year (or such annual period as Franchisor may require). Franchisee must provide proof of such local marketing expenditures upon Franchisor's request therefor. Local marketing expenditures shall not include incentive programs, including, without limitation, costs of honoring coupons and expenses and costs incurred in honoring sales promotions. If Franchisee fails to make advertising expenditures in accordance with this Section, Franchisor, at its option, may spend it on Franchisee's behalf and deduct such amount from Franchisee's Franchise Commissions. Failure to comply with this Section shall be deemed a material breach of this Agreement. Franchisee acknowledges that it must follow the procedures provided in the Franchise Manual or other written guidance from the Franchisor with respect to all advertising and promotional requirements, and it may not use any advertising or promotional plans that Franchisor has not approved in writing.

B. Recognizing the value of local and cooperative advertising and marketing, and the importance of standardizing such programs to further enhance the national goodwill and public image of the System, Franchisor reserves the right and may in its sole discretion require Franchisee to participate along with other franchisees in local and regional cooperative advertising organizations or programs for a variety of marketing activities on a local or regional level, established from time to time currently or in the future by Franchisor or by other franchisees for the purpose of advertising and promoting the System. The nature of regional, local or co-operative marketing may be periodic or ongoing in nature, and may be combined by Franchisor into groupings involving certain Store locations or regional market locations or in other funds and groupings as Franchisor shall determine in its discretion.

C. Franchisor may offer from time to time to provide, upon Franchisee's request and at Franchisee's expense, approved local advertising and promotional plans and materials.

D. Franchisee agrees to make contributions to the National Marketing Development Fund (hereinafter "Fund") as required under Paragraph IV. C. hereof, once the Fund and program is active. The Fund shall be maintained and administered by Franchisor or its designee, as follows:

(1) Franchisor shall direct the creation of all advertising programs, with sole discretion over the creative concepts, materials, and media used in such programs. Franchisee agrees and acknowledges that the Fund is intended to maximize general public recognition and acceptance of the trade names, trademarks, and service marks which are designated as part of the System for the benefit of the System through research and the creation of marketing materials; and that Franchisor and its designee undertake no obligation, in administering the Fund, to make expenditures which are equivalent or

proportionate to a franchisee's contribution, or to insure that any particular franchisee benefits directly or pro rata from Fund expenditures. Franchisee is aware that there may be some franchisees operating under different forms of agreement and who may not be required to make payments into the Fund equivalent to Franchisee's payments.

(2) All contributions to the Fund shall be used for advertising and promotion of the System (including, without limitation, the cost of preparing and conducting television, radio, print, and billboard advertising campaigns and other public relations activities; conducting research; employing advertising agencies and other specialists to assist therein; and preparing and providing promotional brochures and other point of purchase marketing materials to franchisees in the System). Contributions to the Fund may be used by Franchisor to defray Franchisor's reasonable administrative expenses and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs, including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

E. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify from time to time in writing. Franchisee shall submit to Franchisor (through the mail, return receipt requested), for its prior written approval, samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Franchisee shall not use any advertising or promotional plans and materials that have not received Franchisor's prior written approval.

F. Activation of the local advertising requirement described in Paragraph XII. A. and activation of the National Marketing Development Fund described in Paragraph XII. D. may occur by written notice by Franchisor to Franchisee of the activation. Upon written notice by Franchisor to Franchisee all obligations of Franchisee to meet the local advertising requirement and to make contributions to the National Marketing Development Fund shall become prospectively and immediately effective.

XIII. INSURANCE

A. Franchisee shall maintain insurance in force as follows:

(1) Employer's liability and worker's compensation or any other type of insurance as prescribed by law in the state in which the Franchise Business is located;

(2) Comprehensive general liability insurance, including products liability (if Franchisee is not covered under Franchisor's group products liability policy) and broad form contractual liability insurance from a reputable insurance company having assets in excess of one half billion dollars (\$500,000,000) or other insurer approved by Franchisor, in amounts specified by Franchisor from time to time, which as of the date of this Agreement are not less than one million dollars (\$1,000,000) per occurrence limit, and one million dollars (\$1,000,000) personal injury and advertising limit; two million dollars (\$2,000,000) general aggregate; two million dollars (\$2,000,000) umbrella liability; and one million dollars (\$1,000,000) business auto liability;

(3) All policies of insurance shall name Franchisor as an additional insured, shall provide that the policy cannot be cancelled without thirty (30) days prior written notice to Franchisor and shall specify that copies of all notices shall be sent to Franchisor. Franchisee shall furnish Franchisor with copies of all policies or certificates evidencing insurance in force as required herein. Evidence of payment

of premiums shall be delivered to Franchisor at least thirty (30) days prior to the expiration dates of each existing insurance policy; and

(4) Such additional insurance covering such additional risks or providing such higher limits as Franchisor may reasonably request. Franchisor's additional requirements may be stated in the Franchise Manual, the requirements and coverages being subject to change by Franchisor.

B. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Franchise Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) to immediately procure such insurance and to charge same to Franchisee, which charges, together with the Insurance Service Fee described in Paragraph IV. E.(18) of this Agreement, for Franchisor's time and expenses in so acting, which amounts will be deducted from Franchisee's Franchise Commission. The foregoing remedies shall be in addition to any other remedies Franchisor may have available to it.

XIV. TRANSFER

A. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity.

B. Transfer by Franchisee of the right to operate the Franchise Business, or any interest under this Agreement, the franchise rights and license rights and Franchisee are limited as follows and may only occur after Franchisee has operated the Franchise Business for at least one year:

(1) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this Agreement in reliance on Franchisee's business skill and financial capacity, and the business skill, financial capacity and personal character of Franchisee's shareholders or members. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company, or other legal entity which directly or indirectly has any interest in the Franchise Business, in this Agreement, or in Franchisee, may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in the Franchise Business, interest in this Agreement, or franchise rights or license rights granted hereunder or any obligations hereunder, or in Franchisee, without the prior written consent of Franchisor. Any such proposed transfer shall be subject, where applicable, to Franchisor's option to purchase set forth in Paragraph XIV. C. herein. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this Paragraph XIV. B. (1), or any attempted or purported transfer of fewer than all Sushi Bar(s) and/or Remote Store Site(s) under this Agreement, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph XV. B. of this Agreement.

(2) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in the Franchise Business (or any individual Sushi Bar/Remote Store Site that comprises the same), interest in this Agreement, or in the franchise rights or license rights granted hereunder, or in Franchisee, Franchisor may, in its sole discretion, if it does not elect to exercise its option to purchase set forth in Paragraph XIV. C. herein, require any or all of the following as conditions of its approval:

(a) All of Franchisee's accrued and outstanding monetary obligations to third parties and all accrued and outstanding obligations to Franchisor, or any affiliate of Franchisor, shall have been satisfied;

(b) Franchisee shall not be in default of any provision of this Agreement, any amendment hereto or successor hereof, or any other agreement between Franchisee and Franchisor, its parents, subsidiaries, or affiliates;

(c) The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains any interest of any kind in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

(d) The transferee shall enter into a written assignment, and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchise Business herein (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchise Business;

(f) At Franchisor's option, the transferee (i) shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, a modified version of the then-current standard form of franchise agreement being offered to new System franchisees and other ancillary agreements, requiring the transferee to pay a pro-rated franchise fee for the remaining term of the Franchise Agreement; or, (2) sign Franchisor's then current form of franchise agreement for a full term and pay Franchisor's then current initial Franchise Fee in full. The then current Franchise Agreement shall include a guarantee of such agreement executed by all owners, shareholders, or members of the transferee, as Franchisor may require for the Franchise Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate and advertising contribution;

(g) At Franchisor's sole discretion, the transferee, at its expense, shall upgrade the Sushi Bar(s) and/or Remote Store Site(s) to conform to the then-current standards and specifications of System, and shall complete the upgrading and other requirements within the time specified by Franchisor;

(h) Franchisee shall remain liable for all of its obligations to Franchisor in connection with the Franchise Business prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(i) At the transferee's expense, transferee's manager and transferee's managing chefs, shall complete any training and certification programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and

(j) Franchisee shall pay to Franchisor a transfer fee of \$1,500 for each transferred Sushi Bar for which Franchisee requests the right to transfer, and any other transfer fees required by Paragraph IV. E. (16) or (17), plus Franchisor's legal expenses related to review and administration of the transfer including Franchisor's cost of travel, lodging and meals;

(3) Franchisee shall grant no security interest in this Agreement or in the Franchise Business (other than a pledge of assets to secure a bona fide loan made or credit extended in connection with acquisition of the assets pledged) unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

(4) Franchisee acknowledges and agrees that each condition which must be met by transferee is necessary to assure such transferee's full performance of the obligations hereunder.

(5) Franchisee's authority to transfer any interest under this Agreement is also subject to the terms of any other agreement between Franchisor and Franchisee which may impose additional conditions and limitations on Franchisee's right to transfer its interest under this Agreement.

C. Franchisor shall have the option to purchase any interest in the Franchise Business or this Agreement as follows:

(1) Any party or parties, collectively, who hold any direct or indirect interest in the Franchise Business, in this Agreement or in Franchisee, and who desire to accept any bona fide offer from a third party to purchase such interest, if such transfer of that interest alone or together with other previous, simultaneous or proposed transfers would have the effect of transferring a controlling interest in the Franchise Business, in this Agreement, or in Franchisee, then notice shall be provided to the Franchisor with all of the terms of the proposed transfer in writing at least sixty (60) days prior to the proposed date of transfer. Franchisor shall have the right and option, exercisable within sixty (60) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party, net of any finders or broker's fees which any third party would be obligated to pay. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not exercise its option to purchase, Franchisee or its owners, shareholders, or members of Franchisee may proceed to consummate a transfer to a third party if they have complied with the conditions of this Paragraph XIV. If Franchisor did not exercise its option to purchase, any material change in the terms of the third party's offer prior to closing shall constitute a new offer subject to the same option to purchase by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Paragraph XIV. C. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Paragraph XIV. with respect to a proposed transfer.

(2) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor is not in a position to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash.

D. Franchisor's consent to a transfer of any interest in Franchisee, rights to operate the Sushi Bar, interest in this Agreement, or any license or franchise rights granted hereunder shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

E. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XIV. will cause Franchisor irreparable injury, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XIV.

F. Upon the death or mental incapacity of any person with a controlling, direct or indirect interest in this Agreement or in Franchisee, Franchisor may take possession of the Franchise Business and operate it for its own account. Upon taking possession of the Franchise Business, Franchisor shall give credits to Franchisee's account against any amounts owed in the amount of fifty percent (50%) of Franchisee's original cost of acquisition of equipment acquired from Franchisor and one hundred percent (100%) of Franchisee's cost for any unopened, usable food utilized by Franchisor.

G. Upon the death or mental incapacity of any person with a controlling direct or indirect interest in this Agreement or in the Franchisee, Franchisor may, at its option, commence arbitration for the purposes of determining the value of the Franchise Business, less any amounts that are paid under XIV.F., above, for the purpose of acquiring the same. Franchisor agrees that, prior to the commencement of any arbitration, it shall mediate, in good faith, to acquire the Franchise Business.

XV. DEFAULT AND TERMINATION

A. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee's business or assets is filed and/or consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

B. Upon occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and may take immediate possession of the Sushi Bar(s) and/or Remote Store Site(s) together with all equipment and inventory:

(1) If Franchisee fails to immediately operate the Franchise Business if it is a currently operating Sushi Bar, or if Franchisee shall fail to open upon Franchisor's designated opening date if the Sushi Bar is not yet operating, or if Franchisee and/or its personnel fail to satisfactorily complete required initial training prior to the required opening date;

(2) If Franchisee or any shareholder or member of Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the

sole opinion of Franchisor, to adversely affect the System, the Proprietary Marks, the Store Marks (as applicable), the goodwill associated therewith, or Franchisor's interest therein;

(3) If Franchisee or any shareholder or member of Franchisee purports to transfer any interest in this Agreement, any rights hereunder, including but not limited to any rights to operate the Franchise Business, franchise and license rights or obligations under this Agreement or any interest in Franchisee to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph XIV of this Agreement; or if Franchisor purports to transfer or attempt to transfer fewer than all Sushi Bar(s) and/or Remote Store Site(s) under this Franchise Agreement;

(4) If, contrary to the terms of Paragraph IX. or X. hereof, Franchisee discloses or divulges the contents of the Franchise Manual or other confidential information provided to Franchisee by Franchisor;

(5) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(6) If Franchisee, or any owner, shareholder, or member of Franchisee, violates Paragraph VIII. hereof by making any unauthorized use of any name, trademark, service mark, or other Proprietary Mark or Store Marks (as applicable) or trade dress of Franchisor;

(7) If Franchisee shall cause, suffer, or permit (voluntarily or involuntarily) its right to or possession of the premises on which the Sushi Bar is located to be terminated prematurely for any cause whatsoever; or if Franchisee shall fail to follow any policy, rule, regulation or directive of the Store; or if Franchisee is in material default under the lease for the premises on which the Sushi Bar is located;

(8) If Franchisee ceases to operate or otherwise abandons, fails to open the Sushi Bar during ordinary business hours, as required or agreed upon with the Store, or attempts to cease to operate or abandon the Sushi Bar, or enters into an agreement to sell, or sells, or purports or attempts to sell rights to the Sushi Bar, or substantially all of the assets of Franchisee or of the Sushi Bar, without Franchisor's prior written consent, or uses the Sushi Bar for any other business other than operating its franchise;

(9) If any other Franchise Agreement with Franchisor is terminated based upon Franchisee's default thereunder, or if Franchisee is in default under any other contract with Franchisor, Sushi Avenue, Incorporated, or other affiliate of Franchisor;

(10) If Franchisee, after curing a default pursuant to Paragraph XV. C. hereof, commits the same, or a substantially similar, default again within one hundred eighty (180) days after the prior default occurred, whether or not cured after notice;

(11) If Franchisee is repeatedly in default under Paragraph XV. C. hereof for failure to comply with any of the requirements imposed by this Agreement, whether or not cured after notice;

(12) If for any reason Franchisor's right of possession or right to operate the Sushi Bar expires or is terminated and Franchisor loses the right to retain the location in which the Franchise Business operates;

(13) If Franchisee engages in any practice that in Franchisor's discretion threatens the health of any of Franchisee's customers;

(14) If Franchisee fails to accept and operate a Remote Store Site offered by Franchisor to Franchisee, or if Franchisee fails to accept and operate as a Sushi Bar a Remote Store Site following its conversion to a Sushi Bar;

(15) If Franchisee shall operate in violation of any food safety regulation or requirement, including those required by the Store or Franchisor, in Franchisor's sole discretion;

(16) If Franchisee denies Franchisor or its designee the right to inspect any Sushi Bar and/or Remote Store Site at any time;

(17) If Franchisee fails to comply with the in-term covenants in Paragraph XVII. A. hereof;

(18) If a final judgment against Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or

(19) If Franchisee is dissolved, execution is levied against Franchisee's business or property, suit to foreclose any lien or mortgage against the Franchise Business or equipment situated therein is instituted against Franchisee and not dismissed or bonded off within sixty (60) days, or the real or personal property of the Franchise Business is sold after levy thereupon by any sheriff, marshal or constable.

C. Except as otherwise provided in Paragraphs XV. A. and XV. B. of this Agreement, Franchisee shall have fifteen (15) days after its receipt from Franchisor of a written notice of default within which to remedy any default hereunder and to provide evidence thereof to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, Franchisor may terminate this Agreement, effective immediately upon Franchisee's receipt of notice from Franchisor after the expiration of the fifteen (15) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply with any of the requirements imposed by this Agreement, including any matter enumerated in this Paragraph XV. C., as it may from time to time reasonably be supplemented by the Franchise Manual, or to carry out the terms of this Agreement in good faith. Such defaults shall include, for example, but without limitation, the occurrence of any of the following events:

(1) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its subsidiaries or affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

(2) If Franchisee fails to pay or fails repeatedly to make prompt payment of undisputed amounts due to its suppliers, landlord, equipment lessors, or other third parties;

(3) If Franchisee fails to maintain each of the Sushi Bars and/or Remote Store Sites in a good, clean and wholesome manner, and as required by the Store or any applicable code or regulations imposed by local, state, or federal authorities, or fails to maintain or observe any of the other standards or procedures prescribed by Franchisor in this Agreement, the Franchise Manual, or otherwise in writing;

(4) If Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement; or

(5) If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks or Store Marks (as applicable) or uses the Franchisor's trade dress other than in connection with the Sushi Bar or uses any of Franchisor's products, procedures or methods in any other operation not authorized by Franchisor.

D. In order to maintain continuous operation of each of the Sushi Bars and/or Remote Store Sites and to promote the best interests of the System, in the event this Agreement is terminated, or a Sushi Bar or Remote Store Site abandoned by Franchisee (including the failure to open/operate timely), Franchisor shall have the right immediately upon termination to enter and take possession of and operate the Sushi Bar or Remote Store Site. Upon taking possession of the Sushi Bar or Remote Store Site, Franchisor shall be entitled to withhold all fees, damages, amounts owed to Franchisor or its affiliates, and to accelerate any financial obligations of Franchisee to Franchisor or its affiliates, and to apply all or any portion to such obligations of Franchisee.

E. Franchisor may terminate this Agreement if for any reason it or its affiliates shall lose the right to operate a Sushi Bar in the Store location under its agreements with the Store. **NO GUARANTY OR WARRANTY IS MADE BY FRANCHISOR THAT FRANCHISEE SHALL HAVE THE ONGOING RIGHT TO OPERATE ANY SUSHI BAR OR PROVIDE PRODUCTS TO ANY REMOTE STORE SITE, AND FRANCHISOR SHALL HAVE NO OBLIGATION TO COMPENSATE OR REIMBURSE ANY PAYMENTS MADE TO FRANCHISEE, OR TO PROVIDE ANOTHER FRANCHISED SUSHI BAR OR PROVIDE PRODUCTS TO ANY REMOTE STORE SITE TO REPLACE A SUSHI BAR.**

F. Upon termination of this Agreement, Franchisee shall not remove any furniture, fixtures, signs, equipment or other property or leasehold improvements from the Sushi Bar or provide products to any Remote Store Site premises without the written consent of Franchisor.

XVI. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

A. Franchisee shall immediately cease to operate the Franchise Business and shall immediately give possession to the Franchise Business to Franchisor, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor; and shall return possession of the premises to Franchisor immediately on demand, leaving all furniture, fixtures, equipment and signage used in connection with the Franchise Business in place.

B. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System and all other Proprietary Marks, Store Marks (as applicable), and distinctive forms, slogans, signs, symbols, and devices and any trade dress associated with the System.

C. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains or references any of the Proprietary Marks, Store Marks (as applicable), or a derivative of the same or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks or Store Marks (as applicable), either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks (or, as applicable, Store's rights in and to the Store Marks), and further agrees not to utilize any trade dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

E. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

F. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Paragraph XVI.

G. Franchisee shall immediately deliver to Franchisor all manuals, including the Franchise Manual (including the SSOP/HACCP Food Safety Plan), records, files, instructions, correspondence, all materials related to operating the Franchise Business, including, without limitation, brochures, agreements, invoices, and any and all other materials relating to the operation of the Franchise Business in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the Parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

H. Franchisee shall comply with any surviving covenants contained in Paragraph XVII. of this Agreement.

XVII. COVENANTS

A. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, Franchisee covenants that:

(1) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee and its owners, shareholders, or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Divert or attempt to divert any business or customer of the Sushi Bar(s) and/or Remote Store Site(s) to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks, the Store Marks (as applicable), and the System.

(2) Except as otherwise approved in writing by Franchisor, Franchisee and its owners, shareholders, or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in:

(a) A sushi bar, or a shop or restaurant that features sushi, and shall not offer any items which are menu items or items produced in any Sushi Bar, in any State in which there is operating a Sushi Bar franchise or any restaurant (sit down or fast casual) that is owned or operated by any of Franchisor's affiliates, during the term of this Agreement and for a continuing uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter;

(b) A sushi bar, or a shop or restaurant, or a retail counter that features sushi, and shall not offer any items which are menu items or items produced in any Sushi Bar, which is located within twenty (20) miles from any Sushi Bar during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause of termination, and continuing for two (2) years thereafter; and

(c) A sushi bar in an affiliate of the Store in which Franchisee operated a Sushi Bar or Remote Store Site during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of the Agreement, regardless of the cause of termination, and continuing for two (2) years thereafter. For purposes of clarification, this prohibition will apply to any affiliated grocery store that is a chain or is under common ownership with the Store where Franchisee operated its Sushi Bar or Remote Store Site.

B. Paragraph XVII. A. shall not apply to ownership by Franchisee of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly traded company.

C. The Parties agree that each of the foregoing covenants, and each of the sub-parts of the foregoing covenants, shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Paragraph XVII. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Paragraph XVII.

D. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph XVII.A. or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

E. Franchisee expressly agrees that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph XVII.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XVII. would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by

Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XVII.

G. At the request of Franchisor, Franchisee shall obtain and deliver to Franchisor executed covenants similar in substance to those set forth in this Paragraph XVII (including covenants applicable upon the termination of a person's relationship with Franchisee) from the following persons: all officers, directors, or members, and holders of the securities of Franchisee. Every covenant required by this Paragraph XVII. G. shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required by this Paragraph XVII. G. or to deliver the covenant to Franchisor shall constitute a default under this Agreement.

XVIII. FORCE MAJEURE

If the performance of any obligation under this Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof; affecting the Parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected Party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

XIX. TAXES, PERMITS, AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchise Business. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

B. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchise Business, or any improvements thereon.

C. Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchise Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

D. Franchisee shall notify Franchisor in writing within ten (10) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchise Business.

XX. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the Parties that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor and a franchisee of the Franchisor,

and that nothing in this Agreement is intended to constitute either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. During the term of this Agreement and any extensions thereof, Franchisee shall hold itself out to the public as an independent contractor and an owner of the Franchise Business operating the Sushi Bar(s) and/or Remote Store Site(s) pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the Sushi Bar(s) and/or Remote Store Site(s), the content of which Franchisor reserves the right to specify.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder, as a result of any such action or by reason of any act or omission of Franchisee in its conduct of the Franchise Business or any claim or judgment arising therefrom. Franchisee shall indemnify and hold Franchisor and its affiliates and Franchisor's officers, directors, shareholders, and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Franchise Business, as well as the costs, including attorneys' fees, of defending against them.

XXI. APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing.

B. FRANCHISOR MAKES NO WARRANTIES OR GUARANTEES UPON WHICH FRANCHISEE MAY RELY, AND ASSUMES NO LIABILITY OR OBLIGATION TO FRANCHISEE BY PROVIDING ANY WAIVER, APPROVAL, CONSENT, OR SUGGESTION TO FRANCHISEE IN CONNECTION WITH THIS AGREEMENT, OR BY REASON OF ANY NEGLIGENCE, DELAY, OR DENIAL OF ANY REQUEST THEREFOR.

C. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

XXII. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been properly given (a) immediately when sent by email to Franchisee's email address or the Principal Operating Officer/Partner's personal email address on file with Franchisor, or (b) when sent to a party at the address below: (i) on the day delivered, if delivered personally or (ii) three (3) business days after being mailed, if mailed first class, postage prepaid, registered or certified mail, return receipt requested, or (iii) one (1) business day after being mailed, if sent via a reputable overnight courier service:

If to Franchisor:

SAH Holdings, LLC
895 Blue Gentian Rd., # 6
Eagan, MN 55121

If to Franchisee:

The address set forth on Attachment "A"

Any Party may give notice of a change of address by written notice given as provided in this paragraph.

XXIII. ENTIRE AGREEMENT

This Agreement, the documents referred to herein and the Attachment(s) hereto, constitutes the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersedes all prior agreements. No representations have induced Franchisee to execute this Agreement except for those contained in this Agreement, the Exhibits and the Franchise Disclosure Document. No amendment, change, or variance from this Agreement shall be binding on either Party unless mutually agreed to by the Parties and executed by their authorized officers or agents in writing; provided, however, that a writing signed by Franchisee need not be signed by any of its owners, shareholders, or members except to the extent, if any, that such writing would increase the amount of such owner's, shareholder's, or member's financial obligations. Further, no modification, amendment, waiver, discharge or termination of any obligation of Franchisee, and no other matter or termination of any nature or kind whatsoever, including without limitation any release of Franchisee from any such obligation, shall release any owner, shareholder, or member of any guaranty obligation given or made by him under this Agreement or otherwise, whether or not such owner, shareholder, or member has notice thereof, all rights to notice or to consent being expressly waived hereby. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

XXIV. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, paragraph, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any portion, paragraph, section, part, term, and/or provisions herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portion, paragraph, section, part, term, and/or provision of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the Parties hereto; and said invalid portion, paragraph, section, part, term, and/or provision shall be deemed not to be a part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated by Paragraph XIV hereof, any rights or remedies under or by reason of this Agreement.

C. All captions in this Agreement are intended solely for the convenience of the Parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

D. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

E. This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original, and all of which together constitute one and the same document. The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

XXV. APPLICABLE LAW

A. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of Minnesota, and shall be interpreted and construed under Minnesota law, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of Minnesota, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Franchisee is located. The parties agree, however, that if Franchisee is not a resident of Minnesota, and if the Franchise Business is not located in Minnesota, then they hereby waive the provisions of the Minnesota Franchise Act, Minnesota Statutes, Section 80C.01, et seq. and the regulations promulgated thereunder.

B. The Parties agree that any action brought by either Party against the other shall be brought in the State District Courts of Minnesota, Hennepin County, and such court shall have exclusive jurisdiction over any claims. The Parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision and hereby consent to the jurisdiction of the State District Courts of Minnesota, Hennepin County.

C. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed to be, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

D. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

E. In the event of any action at law or in equity to secure or protect rights under or to enforce the terms of this Agreement, except as otherwise provided for in this Agreement, the prevailing Party shall be entitled to recover reasonable attorney's fees together with court costs and expenses incurred in connection with the litigation.

XXVI. ACKNOWLEDGMENTS

A. Franchisee acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Franchisee as an independent business entity and the right to continue to operate in the Store in which its Sushi Bar(s) is located. Franchisor expressly disclaims the making of, and Franchisee acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Franchisee acknowledges that Franchisee has received, read, and understood this Agreement, the Exhibits attached hereto, and agreements relating hereto, if any; that other franchise agreements entered into by Franchisor may be different in form and content from this Agreement; and that Franchisor has accorded Franchisee ample time and opportunity, and has encouraged Franchisee, to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

C. Franchisee acknowledges that it received a complete copy of this Agreement, the Exhibits hereto, and agreements relating hereto, if any, at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, which rule is entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures," at least fourteen (**14**) calendar days prior to the date on which this Agreement was executed.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the Parties hereto have duly executed, sealed, and delivered three copies of this Agreement on the day and year first above written.

FRANCHISOR:
SAH HOLDINGS, LLC
a Minnesota limited liability company

By: _____
Its: _____

{Signature Page for SAH Holdings, LLC and _____ Franchise Agreement dated _____

FRANCHISEE:

By: _____
Its: _____

Principal Operating Officer/Partner of Franchisee

SHAREHOLDERS (or MEMBERS) OF FRANCHISEE:

{Signature Page for SAH Holdings, LLC and _____ Franchise Agreement dated ____
_____ }

ATTACHMENT A
TO
FRANCHISE AGREEMENT
SAH AVENUE HOLDINGS, LLC
AND

_____ **[Franchisee entity name]** dated _____

1. Location of Sushi Bar(s): The location approved by Franchisor for the Sushi Bar(s) franchised under the attached Franchise Agreement shall be: _____
_____.

2. Franchise Commission: The Franchise Commission payable to Franchisee shall be _____ % of Gross Sales of the Sushi Bar, as all such terms are defined in this Agreement, but payment of the Franchise Commission at all times shall be subject to all the terms and conditions, deductions and limitations contained in Paragraph IV. and other provisions of this Agreement.

3. Franchise Fee: The initial Franchise Fee payable to Franchisor for the first Sushi Bar shall be \$ _____

4. Contact Information and Telephone Number of Store: _____

5. The date of the commencement of operations of this Sushi Bar is _____

6. Paragraph II. A. is amended so that the term of this Franchise Agreement shall expire on _____
_____.

7. Franchisee's address for notices under Paragraph XXII is:

Franchisee:

Franchisor:

SAH HOLDINGS, LLC

By: _____
Its: _____

By: _____
Its: _____

GUARANTEE

As an inducement to SAH Holdings, LLC ("Franchisor") to execute the Franchise Agreement ("Agreement"), to which this Guarantee (the "Guarantee") is attached, the undersigned, jointly and severally, hereby agrees to be individually bound by all the terms and conditions of the Agreement, including any amendments or addenda thereto, whenever made, and unconditionally guarantees to Franchisor and its successors and assigns the payment of all debts, obligations, and other liabilities incurred by Franchisee at any time and the performance of all Franchisee's obligations under the Agreement in a timely and complete manner.

Ten (10) days after any default of Franchisee under Paragraphs XV. A., or XV. B. of the Agreement, or fifteen (15) days after a default by Franchisee which is not cured under Paragraph XV.C. of the Agreement, the undersigned will immediately make payment of any liabilities previously incurred by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment and performance by Franchisee.

This Guarantee shall remain in effect with respect to each Sushi Bar and/or Remote Store Site referenced in the Agreement including those added after the date of the Agreement and Guarantee, and the undersigned further agree that any amendment or addendum to the Franchise Agreement shall not invalidate or lessen the effect of the Guarantee.

Upon death of an individual guarantor, the estate of such guarantor will be bound by this Guarantee but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

Any word not defined in this Guarantee shall have the meaning prescribed to them in the Agreement of even date herewith. This Guarantee, which contains all of the terms and conditions agreed upon between the Parties, may not be modified at any time except in writing and signed by both Parties.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTORS:

Witness

Witness

ADDENDUM 1 TO ATTACHMENT "A"

TO
FRANCHISE AGREEMENT
OF
SAH HOLDINGS, LLC
AND

_____ **[Franchisee entity name]** dated _____

1. Location of Sushi Bar(s) and/or Remote Store Site(s): The location approved by Franchisor for the Sushi Bar and/or Remote Store Site franchised under the attached Franchise Agreement shall be: _____
_____.

2. Franchise Commission: The Franchise Commission payable to Franchisee shall be _____ % of Gross Sales of the Sushi Bar/Remote Store Site, as all such terms are defined in this Agreement, but payment of the Franchise Commission at all times shall be subject to all the terms and conditions, deductions and limitations contained in Paragraph IV. and other provisions of this Agreement.

3. Contact Information and Telephone Number of Store: _____

4. The date of the commencement of operations of the Sushi Bar/Remote Store Site is _____

5. Paragraph II. A. is amended so that the term of this Franchise Agreement shall expire on:
_____.

Franchisee:

Franchisor:

SAH HOLDINGS, LLC

By: _____
Its: _____

By: _____
Its: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the Illinois Franchise laws and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the “Agreement”), that has been entered into concurrently with the entering of this Addendum. This Addendum is annexed to and forms part of the Agreement, and the defined terms set forth in the Agreement are used in this Addendum with the same meanings ascribed to them in the body of the Agreement. This Addendum is being executed because the Franchise Business to be operated by Franchisee pursuant to the Agreement will be located in the State of Minnesota and/or because Franchisee is a resident of the State of Minnesota.

2. **FORUM FOR LITIGATION.** The following sentence is added to the end of Section XXV.B. of the Franchise Agreement:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void.

3. **GOVERNING LAW.** Section XXV.A. of the Franchise Agreement is deleted and replaced with the following:

Illinois law shall govern this Agreement.

4. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Section XXVI.D. of the Franchise Agreement:

D. Illinois Franchise Disclosure Act. Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Franchisee’s rights upon termination and non-renewal of a franchise agreement are set forth in Section 19 and 20 of the Illinois Franchise Disclosure Act.

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.

6. **Early Termination.** If for any reason the franchisor or its affiliate(s) lose(s) the right to operate an outlet in a location for which it has negotiated space, you may lose the right to operate your franchise, and you will not be compensated for that loss.

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

7. In this franchise system, you receive a pre-determined Site wherein you will establish and operate your franchised business. If the Franchisor's agreement with the Site expires or is terminated for any reason, **your franchise will also terminate.** The Franchisor will have no obligation to replace the site, refund your money or grant you another franchise.

Prospective Illinois franchisees are encouraged to give careful consideration to the disclosures made in Item 3 of the disclosure document.

Notes 1 and 2 to the Item 6 Table contain vital information about how YOU will be paid as a franchisee in this franchise system.

Item 11 in the disclosure document addresses Pre- and Post-Opening Obligations of the franchise relationship. The Franchisor reserves the right to use a third-party vendor to fulfill its obligations to you, as a franchisee. The Franchisor's exercise of this right will distance the Franchisor from its involvement with you as you establish and operate your Sushi Bar.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

This Addendum pertains to franchises sold in the State of Maryland and is for the purpose of complying with Maryland statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the Maryland Franchise laws and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the "Agreement"), that has been entered into concurrently with the entering of this Addendum. This Addendum is annexed to and forms part of the Agreement, and the defined terms set forth in the Agreement are used in this Addendum with the same meanings ascribed to them in the body of the Agreement. This Addendum is being executed because (a) Franchisee is domiciled in Maryland, and/or (b) the Franchise Business that Franchisee will operate under the Franchise Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Sections II.B.(8) and XIV.B.(2)(c) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY.** The following sentence is added to the end of Section XV.A. of the Franchise Agreement:

This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **FORUM FOR LITIGATION.** The following sentence is added to the end of Section XXV.B. of the Franchise Agreement:

Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **GOVERNING LAW.** The following sentence is added to the end of Section XXV.A. of the Franchise Agreement:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that law.

6. **ACKNOWLEDGEMENTS.** The following language is added as Section XXVI.D. of the Franchise Agreement:

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

7. 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.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the Minnesota Franchise laws and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the “Agreement”), that has been entered into concurrently with the entering of this Addendum. This Addendum is annexed to and forms part of the Agreement, and the defined terms set forth in the Agreement are used in this Addendum with the same meanings ascribed to them in the body of the Agreement. This Addendum is being executed because the Franchise Business to be operated by Franchisee pursuant to the Agreement will be located in the State of Minnesota and/or because Franchisee is a resident of the State of Minnesota.

2. **AMENDMENTS.** Notwithstanding anything which may be contained in the body of the Agreement to the contrary, the Agreement is amended as follows:

- (a) **Trademarks.** We will undertake the defense of any claim of infringement by third parties involving the SAH Holdings, LLC Proprietary Marks, and you will cooperate with the defense in any reasonable manner prescribed by us with any direct cost of such cooperation to be borne by us.
- (b) **Termination of Agreement.** Notwithstanding anything to the contrary in the Agreement, we will comply with certain termination and nonrenewal rights that Minnesota law provides to franchisees. As of the date of this Agreement, Minn. Stat. § 80C.14, Subds. 3, 4 and 5 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 nonrenewal of the franchise agreement.
- (c) **Release of Franchisor.** No Section in the Agreement providing for a general release of the Franchisor as a condition of renewal or transfer will act as a release or waiver of any liability incurred under the Minnesota Franchise Act; provided, however, that this provision shall not bar the voluntary settlement of disputes.
- (d) **Miscellaneous.** Notwithstanding anything to the contrary in the Agreement, under Minn. Rules Part 2860.4400J, a franchisee cannot waive any rights to any remedies provided for by Minnesota law and a franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief. The court will also determine whether a bond is required.
- (f) **Miscellaneous.** Sections XXV.A. and XXV.B. are amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rules Part 2860.4400J, this section shall not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80C.

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.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

This Addendum pertains to franchises sold in the State of New York and is for the purpose of complying with New York statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the New York laws applicable to franchises and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, (the “Franchise Agreement”). This Addendum is being signed because (a) Franchisee is domiciled in the State of New York and the Franchise Business that Franchisee will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **RELEASES.** The following language is added to the end of Sections II.B.(8) and XIV.B.(2)(c) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

3. **FRANCHISOR’S RIGHTS TO TRANSFER.** The following language is added to the end of Section XIV.A. of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee that, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.

4. **TERMINATION OF AGREEMENT – BY FRANCHISEE.** The following language is added as Section XV.G. of the Franchise Agreement:

Franchisee also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **INJUNCTIVE RELIEF.** The following sentence is added to the end of Section XXV.D.:

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

6. **FORUM FOR LITIGATION.** The following statement is added at the end of Section XXV.B. of the Franchise Agreement:

This section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

7. **GOVERNING LAW.** The following is added to the end of Section XXV.A. of the Franchise Agreement:

This section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

8. 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.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the North Dakota Franchise laws and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ (the “Agreement”), that has been entered into concurrently with the entering of this Addendum. This Addendum is annexed to and forms part of the Agreement, and the defined terms set forth in the Agreement are used in this Addendum with the same meanings ascribed to them in the body of the Agreement. This Addendum is being executed because (a) Franchisee is a resident of North Dakota and the Franchise Business that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Sections II.B.(8) and XIV.B.(2)(c) of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** The following is added to the end of Section XXVII.A. of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **GOVERNING LAW.** Section XXV.A. of the Franchise Agreement is deleted and replaced with the following:

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, AND EXCEPT AS OTHERWISE REQUIRED BY NORTH DAKOTA LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND FRANCHISEE WILL BE GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

5. **FORUM FOR LITIGATION.** The following is added to the end of Section XXV.B. of the Franchise Agreement:

NOTWITHSTANDING THE FOREGOING, TO THE EXTENT REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW, AND SUBJECT TO FRANCHISEE’S MEDIATION AND ARBITRATION OBLIGATIONS, FRANCHISEE

MAY BRING AN ACTION IN NORTH DAKOTA FOR CLAIMS ARISING UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** Any provisions in the Franchise Agreement which require Franchisee to waive its right to a trial by jury, or to consent to a waiver of exemplary and punitive damages, are deleted from the Franchise Agreement.

7. 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.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

This Addendum pertains to franchises sold in the State of Rhode Island and is for the purpose of complying with Rhode Island statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the Rhode Island laws applicable to franchises and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Rhode Island and the Franchise Business that Franchisee will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **NON-RENEWAL AND TERMINATION.** The following paragraph is added to the end of Sections II.B., XV.B., and XV.C.:

Section 6-50-4 of the Rhode Island Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Law’s requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

3. **GOVERNING LAW / FORUM FOR LITIGATION.** The following language is added to the end of Sections XXV.A and XXV.B. of the Franchise Agreement:

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.” TO THE EXTENT REQUIRED BY APPLICABLE LAW, RHODE ISLAND LAW WILL APPLY TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT.

[Signatures follow on next page.]

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT AND TRAINING
AND CONFIDENTIALITY AGREEMENT
FOR THE STATE OF WASHINGTON**

This Addendum pertains to franchises sold in the State of Washington and is for the purpose of complying with Washington statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the Washington laws applicable to franchises and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Washington; and/or (b) the Franchise Business that Franchisee will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **WASHINGTON LAW.**

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.

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

3. **Fee Deferral.** In lieu of an impound of franchisee fees, the Franchisor will not require or accept the payment of any initial franchise fees until the Franchisee has (a) received all pre-opening and initial training obligations that is entitled to under the Franchise Agreement or offering circular; and (b) is open for business.

4. **Franchise Agreement Section II.B(8); Renewal.** Any general release Franchisee is required to sign as part of a renewal shall not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

5. **Franchise Agreement Section XVII.A; Covenants.** Section XVII.A. of the Franchise Agreement is amended by deleting Sections XVII.A.(2)(a) and XVII.A.(2)(c).

6. **Franchise Agreement Section XXIII; Entire Agreement.** Section XXIII of the Franchise Agreement is amended by deleting the following sentence: “No representations have induced Franchisee to execute this Agreement except for those contained in this Agreement, the Exhibits and the Franchise Disclosure Document.”

7. **Franchise Agreement Sections XXVI.A and XXVI.B; Acknowledgements.** Sections XXVI.A and XXVI.B of the Franchise Agreement are void and unenforceable in Washington.

8. **Training and Confidentiality Agreement Section 8.** The following sentence of Section 8 of the Training and Confidentiality Agreement is void and unenforceable in Washington: “Trainee acknowledges that Company did not make and Trainee did not receive any promise, representation or warranty, express or implied, as to being granted a SAH Sushi Bar or potential sales, volume, profits or success of a Sushi Bar location.”

[Signatures follow on next page.]

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

**ADDENDUM TO THE SAH HOLDINGS, LLC FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

This Addendum pertains to franchises sold in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. This Addendum shall be of no force and effect unless the jurisdictional requirements of the Wisconsin laws applicable to franchises and any regulations thereunder are met independently without reference to this Addendum.

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Wisconsin and the Franchise Business that Franchisee will operate under the Franchise Agreement will be located in Wisconsin; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Wisconsin.

2. **NON-RENEWAL AND TERMINATION.** The following paragraph is added to the end of Sections II.B., XV.B., and XV.C.:

Section 135.04 of the Wisconsin Fair Dealership Law includes the requirement that, in certain circumstances, a franchisee receive 90 days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, non-renewal or substantial change in competitive circumstances and shall provide that the franchisee has 60 days in which to rectify any claimed deficiency and shall supersede the requirements of the Franchise Agreement to the extent they may be inconsistent with the Law’s requirements. If the deficiency is rectified within 60 days the notice shall be void. The above-notice provisions shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

SAH HOLDINGS, LLC, a Minnesota limited liability company

(Name of Franchisee)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT B TO FRANCHISE DISCLOSURE DOCUMENT

TRAINING AND CONFIDENTIALITY AGREEMENT

This Training and Confidentiality Agreement ("Agreement") is made and entered into on this _____ day of _____, 20____, between SAH Holdings, LLC, a Minnesota limited liability company ("SAH" or "Company"), and _____ (the "Trainee").

RECITALS

1. Company provides training in Company's confidential methods, techniques and procedures in preparation of Trainee to acquire a SAH franchise, and to prepare our sushi products and to operate one or more SAH Sushi Bars in supermarkets and other stores (collectively the "Store" or "Stores").

2. Trainee desires to acquire or manage a SAH franchise.

3. Successful completion of the Company's Culinary Training Program ("Training Program"), and further approval by the Company are pre-conditions to the purchase or management of a franchise by Trainees.

Therefore, for good and valuable consideration, the adequacy is hereby acknowledged by the parties, the Company and Trainee agree as follows:

1. TRAINING PROGRAM.

A. The Company shall provide to Trainee the Training Program that will expose Trainee to the Company's trade secrets and confidential methods, techniques and procedures to prepare sushi and sushi related products and to operate one or more Sushi Bars. The Training Program shall take place at Company's headquarters or such other locations that Company designates in its sole discretion. The Training Program may include classroom, hands-on and on-the-job training and cover various aspects of the operation of a Sushi Bar. Topics to be covered may include, but are not limited to cleanliness, recipes, food preparation, customer service, quality standards, marketing, use of labor, financial controls, bookkeeping, ServSafe, maintenance, pH testing, log keeping, and other matters.

B. At all times during the Training Program, Trainee shall be a student or trainee, and at no time is the Trainee an employee of the Company or of any company or person affiliated with the Company, and at no time is Trainee a franchisee or licensee of the Company unless the Company expressly grants a franchise to Trainee.

C. The Company may discontinue Trainee's participation in the Training Program at any time in the Company's discretion, without refund, if in the Company's discretion Trainee is unable to successfully complete the program or if Trainee does not maintain the Company's operating standards during the Training Program.

D. Trainee hereby undertakes and agrees that while Trainee participates in the Training Program, to respect and comply with all applicable laws, rules and regulations governing such activities, to comply with directions and/or instructions given, including without limitation the content of any safety checklist.

2. FEE FOR TRAINING PROGRAM.

Upon signing this Agreement, Trainee shall pay Company a fee for the Training Program in the sum of \$ _____. Whether or not any or all of the Trainees complete the Training Program, and whether or not the Company grants a franchise to any of Trainees, all fees paid are non-refundable and fully earned by the Company upon payment.

3. TRAINING DOES NOT REQUIRE COMPANY TO GRANT A FRANCHISE.

The parties acknowledge that Trainee has expressed an interest in acquiring or managing a SAH franchise from the Company, and that Company will not permit the Trainee to open a franchise or approve them as a manager unless, among other things, the Trainee satisfactorily completes the Training Program as determined in the Company's sole satisfaction and discretion. Completion of the Training Program does not provide assurance that the Company will permit the Trainee to open or manage a SAH franchise; and neither the execution of this Agreement nor the completion of the Training Program shall create any obligation of Company to grant a franchise to Trainee or to grant any Trainee a SAH Sushi Bar.

4. BEST EFFORTS.

The parties acknowledge that Company desires to provide the Training Program only to individuals who are interested and willing to devote their best efforts to learning the information to be provided. Trainee shall exert Trainee's best efforts to learn the information, procedures and techniques to be imparted in the Training Program.

5. RELEASE, WAIVER AND ASSUMPTION OF RISK.

Trainee hereby agrees to release the Company and the various parties described below as Released Parties, to waive his or her claims and assume the risks further described herein. Trainee wishes to train in the Training Program and hereby freely and voluntarily, without duress, executes this Release, Waiver and Assumption of Risk under the following terms:

A. Assumption of Risk. Trainee understands that as a participant in the Training Program, Trainee will be exposed to and/or engage in activities that may be hazardous to him or her including, but not limited to: **raw food preparation, using food prep tools including knives, and choppers; cooking, including using ovens, steamers, rice cookers, steam-jacketed kettles, hot pans; unloading product deliveries and transferring items to cold storage and dry storage areas; loading prepared foods into delivery containers, loading delivery containers into vehicles; riding in vans and trucks to sushi bar locations, restaurants and supermarkets.** Trainee recognizes and understands that during his or her participation in the Training Program, Trainee may, in some situations, use equipment that is inherently dangerous, and may cause injuries such as cuts, burns, dismemberment, or even death.

B. WAIVER AND RELEASE. TRAINEE, ON BEHALF OF HIMSELF OR HERSELF, HIS OR HER HEIRS, ASSIGNS, SUCCESSORS, BENEFICIARIES, EXECUTORS, ATTORNEYS, AND ALL OTHER LEGAL AND PERSONAL REPRESENTATIVES, AGREES TO AND HEREBY WAIVES, RELEASES AND COVENANTS NOT TO SUE THE COMPANY, AND ITS SUCCESSORS OR PREDECESSORS IN INTEREST, ASSIGNS, OR ANY RELATED OR AFFILIATED ENTITIES, AND EACH OF THEIR RESPECTIVE EMPLOYEES, SHAREHOLDERS, OFFICERS, DIRECTORS, MEMBERS, AGENTS, DEALERS, REPRESENTATIVES, ATTORNEYS, INSURERS, INSURANCE ADJUSTERS, INSURANCE AGENTS AND BROKERS (COLLECTIVELY THE "RELEASED PARTIES"), OF AND FROM, ANY AND ALL ACTIONS, CAUSES OF ACTIONS, CLAIMS, DEMANDS, DAMAGES, LOSSES, COSTS, EXPENSES, COMPENSATION, RIGHTS, DEBTS, LIABILITIES, OBLIGATIONS, DISPUTES, CONTROVERSIES, AND PAYMENTS OF EVERY KIND AND CHARACTER, KNOWN OR UNKNOWN, PAST, PRESENT OR FUTURE, EXISTING OR CONTINGENT, LATENT OR PATENT, REGARDING, ARISING FROM, ON ACCOUNT OF, GROWING OUT OF, OR IN ANY WAY RELATED TO OR IN CONNECTION WITH THE TRAINING PROGRAM, THE PREMISES IN WHICH THE TRAINING PROGRAM IS HELD, THE CONDUCT OF THE RELEASED PARTIES, OR HIS OR HER OWN CONDUCT, WHETHER OR NOT DUE TO HIS OR HER OWN NEGLIGENCE, ACTS, OR OMISSIONS, OR THE NEGLIGENCE, ACTS OR OMISSIONS OF OTHER THIRD PARTIES, OR THE RELEASED PARTIES, FOR ANY AND ALL KNOWN AND UNKNOWN PERSONAL INJURIES, DEATH, DISABILITIES, DAMAGES, OR INTANGIBLE DAMAGES OCCURRING AT THE TIME HEREAFTER. This release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

C. Insurance. Trainee expressly waives any such claim for compensation or liability on the part of the Company in the event of such injury or medical expense.

D. Specific Release/Waiver of Unknown Claims. Trainee understands that Trainee may hereafter discover claims, facts, demands, actions, causes of action, liability, losses, damages, costs and/or expenses in addition to or different from those that Trainee now knows or believes to be true with respect to the Training Program and the matters discussed herein. Nevertheless, Trainee acknowledges that it is his or her intention to fully and completely waive and release the Released Parties from all such unknown matters and claims. This release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

E. Photographic Release. Trainee grants and conveys unto the Company all right, title, and interest in any and all photographic images and video or audio recordings during the period Trainee participates in the Training Program and waives any and all claim of privacy associated with the same. Trainee acknowledges and agrees that the Company may use their picture in promoting the Training Program, in specific, or the Company, in general.

F. Indemnification. Trainee hereby agrees to indemnify, defend and hold harmless the Company and each of the Released Parties against any and all claims, demands, actions, causes of

action, liability, losses, damages, costs, expenses and reasonable attorneys' fees, which Released Parties may incur as a result, directly or indirectly of his or her participation in the Training Program.

G. Full Understanding of Release and Waiver/No Coercion. **Trainee declares that Trainee has fully read and understood this Assumption of Risk, Release and Waiver of Liability. Trainee declares that Trainee has not been influenced to any extent whatsoever in making this release by any representations or statements regarding the Training Program, or any other matters, made by the Company or any of the Released Parties and understands that Trainee is giving up substantial rights by signing it and further does so voluntarily.** This release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

6. CONFIDENTIAL INFORMATION.

A. Trainee acknowledges that during the course of the Training Program and exposure to the Company's premises, business practices, techniques and procedures, Confidential Information and trade secrets of the Company will be disclosed to Trainee and that any unauthorized subsequent use or disclosure of such information by Trainee to third parties or use by them or any other their-party for any use other than for the Company's authorized purposes could cause extensive harm to the Company.

B. Trainee hereby declares to the Company that Trainee will not at any time thereafter, unless prior written consent is given by the Company, either directly or indirectly, utilize on Trainee's own behalf or on behalf of any other person, or divulge to any other person, except as required by the terms and nature of the employment with the Company, any Confidential Information of the Company, and Trainee shall prevent the unauthorized disclosure or publication of such information. In addition, Trainee agrees that Trainee will not copy any Confidential Information of the Company including any curriculum belonging to the Company nor remove same from the Company's premises without the express written permission of the Company.

C. Regardless of the successful completion of the Training Program or whether Trainee is or becomes a franchisee of the Company, Trainee expressly agrees that during the participation in the Training Program and for a period of five (5) years after attending the Training Program with the Company (or such longer period as is reasonably necessary to protect the interests of the Company or as may be prescribed in any other agreement including but not limited to the Franchise Agreement), Trainee (a) shall not use any "Confidential Information" (as hereinafter defined), except in connection with the operation of an SAH Sushi Bar, (b) shall not reveal, reproduce, distribute or disclose any such Confidential Information to any person, firm, company, corporation or other entity, or remove from Company or its premises or that of any property it may occupy and use, any such Confidential Information, without the express consent of the Company; and (c) shall receive and hold such Confidential Information in trust and in strictest confidence. Trainee acknowledges that the Confidential Information is owned or licensed by the Company is unique, valuable, proprietary and confidential and that the Company derives independent, actual or potential commercial value from not being generally known or available to the public. Trainee hereby relinquishes, and agrees that it will not at any time claim, any right, title or interest of any kind in or to any Confidential Information.

D. Upon the earlier of termination of the Training Program or at the Company's request, Trainee shall turn over and return to the Company all property whatsoever of the Company in or under Trainee's possession or control, including without limitation all Confidential Information.

E. As used herein, "Confidential Information" means any proprietary or confidential data or information related to the business of the Company including, without limitation, the "SAH Franchise Manual" and its contents, customers and clients, or any affiliate of the Company. Confidential Information shall include, but shall not be limited to, technical and nontechnical data or information related to recipes, ingredients, formulas, methods or processes, preparation techniques, operations, finances, actual or potential customers, marketing plans, prices and pricing policies, samples, concepts, materials, proprietary information and technologies which are the property of the Company, its business partners, customers and clients, or any affiliate of either, and such information as the Company may from time to time reasonably designate as being confidential to the Company. Confidential Information will not include information that is in the public domain, or information that falls into the public domain, unless such information falls into the public domain by willful disclosure or other similar acts by Trainee, or through Trainee's fault. These provisions shall survive the termination of this Contract, regardless of the date, cause or manner of such termination.

7. INTERPRETATION.

Headings and section numbers in this Agreement are for convenience only and are not part of this Agreement. The provisions of this Agreement shall be interpreted according to their fair meanings and not strictly for or against any party.

8. ENTIRE AGREEMENT.

This Agreement is the entire agreement between the parties. All prior written agreements, discussions, negotiations, representations and understandings of the parties are merged into and superseded by this Agreement, *provided that*, if there are any conflicts between this Agreement and any Franchise Agreement between Company and Trainee, the Franchise Agreement shall control. Trainee acknowledges that Company did not make and Trainee did not receive any promise, representation or warranty, express or implied, as to being granted a SAH Sushi Bar or potential sales, volume, profits or success of a Sushi Bar location.

9. AMENDMENT.

No modification of this Agreement will be valid unless executed in writing and signed by both parties.

10. SEVERABILITY.

If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions hereto shall remain in effect.

11. CHOICE OF LAW, VENUE AND ATTORNEY'S FEES.

Trainee expressly agrees that this Agreement is intended to be as broad and inclusive as permitted by the laws of the State of Minnesota, and that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota. Any action brought hereunder or by the parties hereto shall be brought and maintained in the Minnesota State District Courts, County of Hennepin, State of Minnesota, which shall have exclusive jurisdiction over such claims. Trainee agrees that in the event that any clause or provision of this Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not otherwise affect the remaining provisions of this Agreement, which shall continue to be enforceable. The prevailing party in action commenced between the parties hereto shall be entitled to reasonable attorney's fees, including court costs and the costs of the enforcement of any subsequent judgment or collection efforts.

Executed as of the date first stated above by:

TRAINEE:

Trainee (Print Name)

Signature

COMPANY:

SAH HOLDINGS, LLC

By: _____

Its: _____

Signature Page to Training and Confidentiality Agreement

EXHIBIT C TO FRANCHISE DISCLOSURE DOCUMENT

STATEMENT OF OWNERSHIP

The undersigned, President/Member/Manager of _____, a
_____ (the "Company"), does hereby certify that the following is a listing of
all of the shareholders/members of the Company and each shareholder's/member's percent ownership as of the
date hereof:

Percent Ownership

_____ %
Address _____

_____ %
Address _____

DATE: _____, 20__

FRANCHISEE

By: _____
Its: _____

EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT

PROMISSORY NOTE

\$ _____, MN
Date: _____

FOR VALUE RECEIVED _____,
and _____ (collectively the "Maker"), jointly and severally, promise to pay to SAH Holdings, LLC, (the "Company") or its assigns, the principal sum of _____ and ___/ 100 Dollars (\$ _____), without interest on the unpaid balance unless Maker defaults hereunder, at which point the unpaid balance shall be subject to interest at the rate stated below. Both principal and, if applicable, interest shall be payable in lawful money of the United States of America; at the office of _____ or at such place as the legal holder hereof may designate in writing. It is understood and agreed that additional amounts may be advanced by the Company and such advances will be added to the principal of this Note and will accrue interest as specified above. The principal and, if applicable, interest shall be due and payable upon demand. It is the intention of the undersigned, and the undersigned agrees and consents that all amounts owed under this Promissory Note may be withheld from Franchise Commissions owed the undersigned or from any other amounts otherwise due to the undersigned without demand by the Company.

If not sooner paid, the entire remaining indebtedness shall be due and payable within 180 days of the date set forth above. Unless otherwise provided, this Note may be prepaid in full or in part at any time without penalty. Partial prepayments shall be applied first to any costs or expenses incurred by the Company or its assigns, accrued but unpaid interest, if any, and then applied to reduce any outstanding principal.

In the event of (a) default in payment of any installment of principal or interest hereof as the same becomes due and such default is not cured upon demand, or (b) default under the terms of any other agreement between the parties, and such default is not cured within fifteen (15) days after written notice to Maker, then in either such event the Company may, without further notice, accelerate all amounts due hereunder and declare them due and payable in full. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time. The unpaid principal amount accelerated shall bear interest at the rate of eight per cent (8%) per annum after acceleration until paid.

All parties to this Note, including Maker and any guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note notwithstanding any change or changes by way of release, surrender, exchange, or modification or by way of any extension or extensions of additional amounts or time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Upon default the Company may employ an attorney to enforce its rights and remedies, and the Maker, and any guarantors of this Note, hereby agree to pay to the Company's attorney's fees to collect the amounts owing on said Note, plus all other expenses incurred by the Company in exercising any of its rights and remedies upon default. The rights and remedies of the Company as provided in this Note and any other agreement between the parties shall be cumulative and may be pursued singly, successively, or together. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time. This Note is to be governed and construed in accordance with the laws of the State of Minnesota.

Signature Page to Follow on Next Page

MAKER

By: _____
Its: _____

PERSONAL GUARANTY

I hereby agree that I shall personally guaranty the performance of Maker set forth above. I understand that this guaranty is unconditional and continuing in nature and shall not be released until such time that payment, together with interest and such other costs incurred, if any, is made in full. It shall not be released or discharged by any action of the Maker, including bankruptcy, and is primary in nature. The Company or its assigns are not required to exhaust its remedies against Maker prior to making any claim against Guarantor.

Date: _____

Guarantor

Signature Page to Promissory Note

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

NON-COMPETE/NON-SOLICITATION AGREEMENT

THIS NON-COMPETE/NON-SOLICITATION AGREEMENT (the “Non-Compete Agreement”) is entered into by and between SAH Holdings, LLC, a Minnesota limited liability company (“Franchisor” or “SAH Holdings”), and _____ a _____ (“Franchisee”), together with its owners _____, _____, and _____ (collectively the “Owners”). Collectively, Franchisee, Franchisor, and Owners shall be referred to as the “Parties” or individually as a “Party.”

RECITALS

A. On _____, Franchisor and Franchisee entered into that certain Franchise Agreement (the “Franchise Agreement”), whereby Franchisee received certain rights to own and operate the Franchise Business, as that term is defined in the Franchise Agreement.

B. Under the Franchise Agreement, Franchisee will receive valuable specialized training and confidential information including, without limitation, information relating to the operation, sales, promotion, and marketing methods and techniques of the Franchisor and the system.

C. Owners, and each of them, have a direct financial interest in the success of the Franchisee and understand and agree that they too shall receive access to the confidential information associated with the operation of the Franchise Business.

D. Franchisee and Owners acknowledge and agree that execution of this Non-Compete Agreement is and was a material consideration to Franchisor in agreeing to extend the Franchise Business to Franchisee.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. Non-Compete/Non-Solicitation Agreement.

(A) Franchisee and Owners acknowledge that, pursuant to this Agreement, they will receive valuable specialized training and confidential information, including, without limitation, information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, Franchisee and Owners covenant that:

(1) During the term of the Franchise Agreement, except as otherwise approved in writing by Franchisor, Franchisee the Owners shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Divert or attempt to divert any business or customer of the Sushi Bar(s) and/or Remote Store Site(s) to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System.

(2) Except as otherwise approved in writing by Franchisor, Franchisee and the Owners shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person,

persons, partnership, corporation, or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in:

(a) A sushi bar, or a shop or restaurant that features sushi, and shall not offer any items which are menu items or items produced in any Sushi Bar, in any State in which there is operating an SAH Holdings' franchise or any restaurant (sit down or fast casual) that is owned or operated by any of Franchisor's affiliates, during the term of the Franchise Agreement and for a continuing uninterrupted period of two (2) years commencing upon the expiration or termination of the Franchise Agreement, regardless of the cause for termination;

(b) A sushi bar, or a shop or restaurant, or a retail counter that features sushi, and shall not offer any items which are menu items or items produced in any Sushi Bar, which is located within twenty (20) miles from any Sushi Bar during the term of the Franchise Agreement and for a continuous uninterrupted period of two (2) years commencing upon the expiration or termination of the Franchise Agreement, regardless of the cause of termination;

(c) A sushi bar in an affiliate of the Store in which Franchisee operated a Sushi Bar or Remote Store Site during the term of the Franchise Agreement and for a continuous uninterrupted period of two (2) years commencing upon the expiration or termination of the Franchise Agreement regardless of the cause of termination. For purposes of clarification, this prohibition will apply to any affiliated grocery store that is a chain or is under common ownership with the Store where Franchisee operated its Sushi Bar or Remote Store Site.

(B) Paragraph 1(A) shall not apply to ownership by Franchisee of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly traded company.

(C) The Parties agree that each of the foregoing covenants, and each of the sub-parts of the foregoing covenants, shall be construed as independent of any other covenant or provision of this Non-Compete Agreement. If all or any portion of a covenant in this Non-Compete Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Non-Compete Agreement.

(D) Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth herein, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

(E) Franchisee and Owners expressly agree that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Non-Compete Agreement.

(F) Franchisee and Owners acknowledge that any failure to comply with the requirements of this Non-Compete Agreement would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Franchisee and Owners agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Non-Compete Agreement, and to pay all other costs and fees as provided herein.

2. Definitions and Terms. All capitalized terms and definitions not defined in this Non-Compete Agreement shall have those definitions prescribed to them in the Franchise Agreement.

3. Complete Agreement. Other than the Franchise Agreement and all other documents executed as part of the same (including but not limited to the Training and Confidentiality Agreement, Statement of Ownership, and Promissory Note, if any), this Non-Compete Agreement represents the full and complete understanding of the Parties as to the subject matter herein. This Non-Compete Agreement may be modified only in writing and executed by both Parties.

4. Choice of Law; Venue; Misc. This Non-Compete Agreement shall be governed by Minnesota law. Any dispute or action concerning the term of this Non-Compete Agreement shall be venued in the State District Courts of Minnesota, Hennepin County, and the Parties agree to waive any and all claim regarding personal jurisdiction. The State District Courts of Minnesota, Hennepin County, shall have exclusive jurisdiction over any and all such claims. In the event of a breach of this Non-Compete Agreement, the prevailing Party shall be entitled to all costs, disbursements, and fees, including reasonable attorney's fees. Any Party bringing an action may, in addition to obtaining injunctive relief, be entitled to receive any and all damages, direct, indirect, consequential, and, if allowed by the Court, punitive.

SAH HOLDINGS, LLC

By: _____
Its: _____

{Signature Page with to Non-Compete/Non-Solicitation Agreement dated _____}

FRANCHISEE:

By: _____
Its: _____

OWNERS:

{Signature Page with to Non-Compete/Non-Solicitation Agreement dated _____}

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

STATE ADMINISTRATORS

Listed below are the names, addresses and telephone numbers of the entities in charge of administering state franchise laws.

CALIFORNIA

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500 or (866) 275-2677

FLORIDA

Florida Department of Agriculture and Consumer Services
Division of Consumer Services
Plaza Level 10, The Capitol
400 South Monroe Street
Tallahassee, Florida 32399
(850) 410-3800

HAWAII

Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2744

ILLINOIS

Office of Attorney General
Franchise Bureau
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

Indiana Secretary of State
Securities Division
Franchise Section
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building
525 West Ottawa Street
Lansing, Michigan 48909
(517) 335-7622

MINNESOTA

Minnesota Department of Commerce
Securities Division
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEBRASKA

Department of Banking and Finance
1526 "K" Street, Suite 300
P.O. Box 95006
Lincoln, Nebraska 68508-2732
(402) 471-3445

NEW YORK

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Fl.
New York, New York 10005
(212) 416-8222

NORTH CAROLINA

Department of the Secretary of State
Business Opportunities
2 South Salisbury Street
Raleigh, North Carolina 27601-2903
P.O. Box 29622
Raleigh, North Carolina 27626-0622
(919) 814-5400

RHODE ISLAND

Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S. Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

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

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703
(608) 266-1064

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

SOUTH CAROLINA

SC Secretary of State's Office
Attn: Business Opportunities
1205 Pendleton Street, Suite 525
Columbia, South Carolina 29201
(803) 734-0367

TEXAS

Secretary of State
Statutory Documents Section
1019 Brazos
Austin, Texas 78711
(512) 475-1769

WASHINGTON

Securities Administrator
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8700

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

Listed below are the names, addresses and telephone numbers of the state offices or officials designated as our agents for service of process in such states:

CALIFORNIA

California Commissioner of Department of
Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

HAWAII

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND

Office of Attorney General
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporations, Securities & Commercial Licensing
Bureau
2407 North Grand River Avenue
Lansing, Michigan 48906

MINNESOTA

Minnesota Commissioner of Commerce
Department of Commerce
Securities Division
85 7th Place East, Suite 280
St. Paul, Minnesota 55101

NEW YORK

Secretary of State
99 Washington Avenue
Albany, New York 12231

NORTH CAROLINA

Secretary of State
State of North Carolina
2 South Salisbury Street
Raleigh, North Carolina 27601-2903

NORTH DAKOTA

North Dakota Securities Commissioner
600 East Boulevard Avenue
State Capitol – 5th Floor, Dept. 414
Bismarck, North Dakota 58505-0510

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Director of South Dakota Division Securities
Department of Labor and Regulation
124 S. Euclid, 2nd Floor
Pierre, South Dakota 57501

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219

WASHINGTON

Director,
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

WISCONSIN

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705

EXHIBIT H TO FRANCHISE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' ACKNOWLEDGMENT

SAH Holdings, LLC
Eagan, Minnesota

We agree to the inclusion in the Franchise Disclosure Document dated April 30, 2024, issued by SAH Holdings, LLC (Franchisor) of our report dated April 22, 2024, relating to the financial statements of Franchisor as of and for the period from inception (March 10, 2023) to December 31, 2023.

Cavanaugh & Company, PLLC

Cavanaugh & Company, PLLC

Edina, Minnesota
April 30, 2024

SAH HOLDINGS, LLC
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2023

**SAH HOLDINGS, LLC
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DECEMBER 31, 2023**

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Statement of Cash Flows	5
Notes to Financial Statements	6



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SAH Holdings, LLC
Eagan, Minnesota

Opinion

We have audited the accompanying financial statements of SAH Holdings, LLC (a Minnesota limited liability company) which comprise the balance sheet as of December 31, 2023, the related statement of income and member's equity, and cash flows for the period from inception (March 10, 2023) to December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAH Holdings, LLC as of December 31, 2023, and the results of its operations and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SAH Holdings, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Cavanaugh & Company, PLLC

Cavanaugh & Company, PLLC
Certified Public Accountants
Edina, MN
April 22, 2024

**SAH HOLDINGS, LLC
BALANCE SHEET
DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 507,345
Accounts Receivable	<u>3,313</u>
TOTAL CURRENT ASSETS	<u>510,658</u>
TOTAL ASSETS	<u><u>510,658</u></u>

LIABILITIES AND MEMBER'S EQUITY

TOTAL LIABILITIES	-
MEMBER'S EQUITY	<u>510,658</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 510,658</u></u>

SAH HOLDINGS, LLC
STATEMENT OF INCOME AND MEMBER'S EQUITY
INCEPTION (MARCH 10, 2023) TO DECEMBER 31, 2023

REVENUE	\$ 3,313
COST OF SALES	-
OPERATING EXPENSES	-
NET INCOME (LOSS)	<u>3,313</u>
MEMBER'S EQUITY - BEGINNING	-
Capital Contributions	<u>507,345</u>
MEMBER'S EQUITY - ENDING	<u><u>\$ 510,658</u></u>

SAH HOLDINGS, LLC
STATEMENT OF CASH FLOWS
INCEPTION (MARCH 10, 2023) TO DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ 3,313
Change in Assets and Liabilities	<u>(3,313)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital Contributions	<u>507,345</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	507,345
NET INCREASE (DECREASE) IN CASH	<u>507,345</u>
CASH - BEGINNING	<u>-</u>
CASH - ENDING	<u>\$ 507,345</u>

SAH HOLDINGS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

SAH Holdings, LLC (the “Company”) was organized in the state of Minnesota on March 10, 2023. The Company operates franchised sushi bars and kiosks located primarily in grocery stores and food courts throughout the United States.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all short-term investments with a maturity of three months or less to be cash equivalents.

Accounts Receivables

Accounts receivable and other receivables are stated at the amount the Company expects to collect. The Company writes off accounts when they become uncollectible. Management considers the following factors when determining the collectability of specific client accounts: creditworthiness, past transaction history, current economic trends, and changes in payment terms.

Organizational and Start-Up Costs

Organizational and start-up costs will be expensed as incurred.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed principally by the straight-line and declining balance methods over estimated useful lives of three to five years for equipment and fifteen to thirty-nine years for building and improvements. At the time a fixed asset is acquired, its cost is capitalized unless it has a value of \$5,000 or less in which case the asset is expensed in the period acquired.

Income Taxes

The Company has elected to be taxed as a partnership and is not a tax paying entity for income tax purposes and thus no income tax expense has been recorded in the financial statements. Instead, the sole member of the Company, the related entity, is taxed on 100% of the Company’s profits.

Limited Liability Company

The Company is a limited liability company. No member, manager, agent, or employee shall be personally liable for the debts, obligations, or liabilities of the respective Company, whether arising in contract, tort, or otherwise, or for acts or omissions of any other member, director, manager, agent, or employee unless the individual has signed a specific personal guarantee. The duration of the Company is perpetual.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains cash balances at a financial institution located in Minneapolis, Minnesota. The Federal Deposit Insurance Corporation insures accounts up to \$250,000. At times during the year the Company’s cash balances may exceed the amounts insured by the Federal Deposit Insurance Corporation.

SAH HOLDINGS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with clients as follows:

- Identify the contract with the client
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Revenue is recognized when control of the promised services is transferred to clients, in an amount that reflects the consideration expected to be entitled to receive in exchange for those services. The revenues are recorded net of any sales or other taxes collected.

During 2023, the Company's main source of income is an annual compliance fee charged to the related entity of \$250 per franchise location. The Company recognizes compliance fee revenue ratably over the course of the year. During 2024, now that a large number of sushi bars have converted to a franchise, the Company is in the process of taking over franchise operations from the related party. This \$250 per location fee will end once this is complete.

NOTE B – RELATED PARTY TRANSACTIONS

The related entity already has been conducting business with supermarkets, food courts and the contractors at these locations for nearly twenty years, providing all necessary services including, but not limited to; product supplier, training, food safety monitoring, insurance, licensing, accounting, collections, marketing, setting up new locations, contract monitoring and sales of new locations.

The Company controls all aspects of the franchised operations. In order to maintain the continuity of operations and a seamless transition, in 2023 the related entity collected revenue related to the franchises, provided support to the franchise system, and paid the Company an annual fee of \$250 per franchised location to cover certain costs associated with administration of the franchise system. As noted in Note A, Revenue Recognition, the revenue collection by the related entity and the \$250 per location fee will end when the Company takes over direct performance of franchised operations in 2024.

The related entity owns 100% of the Company.

NOTE C – FRANCHISE DISCLOSURE DOCUMENTS

The Franchise Disclosure Document (FDD) has been filed, and where required, registered, or reviewed and approved in numerous states and the Company has converted 214 sushi bars or food courts into franchised locations as of December 31, 2023. The Company has continued with the filing, registration and/or review, and approval process to convert the remaining sushi bars and food courts into franchisee operations. The FDD documents will be updated, and filed in the states the Company operates, as required by law to continue this conversion process and to make additional franchise sales.

SAH HOLDINGS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE D – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 22, 2024, which is the date the financial statements were available to be issued.

SAH HOLDINGS, LLC
AUDITED INTERIM FINANCIAL STATEMENTS
JUNE 30, 2023

**SAH HOLDINGS, LLC
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JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SAH Holdings, LLC
Eagan, Minnesota

Opinion

We have audited the accompanying financial statements of SAH Holdings, LLC (a Minnesota limited liability company) which comprise the balance sheet as of June 30, 2023, and the related statement of income and member's equity and cash flows for the period from inception (March 10, 2023) to June 30, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAH Holdings, LLC as of June 30, 2023, and the results of their operations and their cash flows from inception (March 10, 2023) to June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SAH Holdings, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Cavanaugh & Company, PLLC

Cavanaugh & Company, PLLC

Certified Public Accountants

August 31, 2023

Edina, MN

**SAH HOLDINGS, LLC
BALANCE SHEET
JUNE 30, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 507,345
TOTAL CURRENT ASSETS	<u>507,345</u>
TOTAL ASSETS	<u><u>507,345</u></u>

LIABILITIES AND MEMBER'S EQUITY

TOTAL LIABILITIES	-
MEMBER'S EQUITY	<u>507,345</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 507,345</u></u>

See Independent Auditor's Report and Notes to Financial Statements

SAH HOLDINGS, LLC
STATEMENT OF INCOME AND MEMBER'S EQUITY
INCEPTION (MARCH 10, 2023) TO JUNE 30, 2023

REVENUE	\$ -
COST OF SALES	-
OPERATING EXPENSES	-
NET INCOME (LOSS)	<u>-</u>
MEMBER'S EQUITY - BEGINNING	-
Capital Contributions	<u>507,345</u>
MEMBER'S EQUITY - ENDING	<u><u>\$ 507,345</u></u>

See Independent Auditor's Report and Notes to Financial Statements

SAH HOLDINGS, LLC
STATEMENT OF CASH FLOWS
INCEPTION (MARCH 10, 2023) TO JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ -
Change in Assets and Liabilities	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital Contributions	<u>507,345</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>507,345</u>
NET INCREASE (DECREASE) IN CASH	<u>507,345</u>
CASH - BEGINNING	<u>-</u>
CASH - ENDING	<u><u>\$ 507,345</u></u>

See Independent Auditor's Report and Notes to Financial Statements

SAH HOLDINGS, LLC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE A – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

SAH Holdings, LLC (the “Company”) was organized in the state of Minnesota on March 10, 2023. The Company holds and maintains the master franchise licenses for sushi bar franchises located primarily in grocery stores and food courts throughout the United States, see Note C. The Company provides no other services as all franchise operating activities are conducted by a related entity, see Note B.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all short-term investments with a maturity of three months or less to be cash equivalents.

Accounts Receivables

Accounts receivable and other receivables are stated at the amount the Company expects to collect. The Company writes off accounts when they become uncollectible. Management considers the following factors when determining the collectability of specific client accounts: creditworthiness, past transaction history, current economic trends, and changes in payment terms.

Organizational and Start-Up Costs

Organizational and start-up costs will be expensed as incurred.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed principally by the straight-line and declining balance methods over estimated useful lives of three to five years for equipment and fifteen to thirty-nine years for building and improvements. At the time a fixed asset is acquired, its cost is capitalized unless it has a value of \$5,000 or less in which case the asset is expensed in the period acquired.

Income Taxes

The Company has elected to be taxed as a partnership and is not a tax paying entity for income tax purposes and thus no income tax expense has been recorded in the financial statements. Instead, the sole member of the Company, the related entity, is taxed on 100% of the Company’s profits.

Limited Liability Company

The Company is a limited liability company. No member, manager, agent, or employee shall be personally liable for the debts, obligations, or liabilities of the respective Company, whether arising in contract, tort, or otherwise, or for acts or omissions of any other member, director, manager, agent, or employee unless the individual has signed a specific personal guarantee. The duration of the Company is perpetual.

SAH HOLDINGS, LLC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE A – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains cash balances at financial institutions located in Minneapolis, Minnesota. The Federal Deposit Insurance Corporation insures accounts up to \$250,000. At times during the year the Company's cash balances may exceed the amounts insured by the Federal Deposit Insurance Corporation.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with clients as follows:

- Identify the contract with the client
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Revenue is recognized when control of the promised services is transferred to clients, in an amount that reflects the consideration expected to be entitled to receive in exchange for those services. The revenues are recorded net of any sales or other taxes collected.

The Company's only source of income is an annual compliance fee charged to the related entity of \$250 per franchise location. The Company recognizes compliance fee revenue ratably over the course of the year.

NOTE B – RELATED PARTY TRANSACTIONS

The related entity already has been conducting business with supermarkets, food courts and the contractors at these locations for nearly twenty years, providing all necessary services including, but not limited to; product supplier, training, food safety monitoring, insurance, licensing, accounting, collections, marketing, setting up new locations, contract monitoring and sales of new locations.

SAH HOLDINGS, LLC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE B – RELATED PARTY TRANSACTIONS (CONTINUED)

In order to maintain the continuity of operations, the Company has assigned all of these rights under the master franchise agreement to the related entity and the related entity will pay the Company an annual fee of \$250 per franchise location for maintaining the master franchise agreement.

The related entity owns 100% of the Company.

NOTE C – FRANCHISE DISCLOSURE DOCUMENTS

The Company is not operational and is in the process of issuing its Franchise Disclosure Document (FDD) and submitting applications for franchise registration or exemption in certain states where required. Once the FDD is issued, and registrations are approved where applicable, the Company will begin the process of offering and converting existing sushi bars and food courts to franchised locations.

As of the date of the financial statements, the FDD has not been issued.

NOTE D – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 31, 2023, which is the date the financial statements were available to be issued.

**SAH HOLDINGS, LLC
BALANCE SHEET
MARCH 31, 2024**

ASSETS

CURRENT ASSETS

Cash	\$ 507,345
Accounts Receivable	14,479
TOTAL CURRENT ASSETS	<u>521,824</u>
TOTAL ASSETS	<u><u>521,824</u></u>

LIABILITIES AND MEMBER'S EQUITY

TOTAL LIABILITIES	-
MEMBER'S EQUITY	<u>521,824</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 521,824</u></u>

EXHIBIT I-1 TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

(as of December 31, 2023)

Franchisee	Franchise Address	Franchise Phone
Maung Win Aung & Ma Grace	3100 Cahaba Village Plaza, Birmingham, AL 35243	(205) 912-8400
Ah Jeong Yan	2501 Memorial Pkwy SW, Huntsville, AL 35801	(256) 801-3741
Willian Kyaw	80 Acoma Blvd N, Lake Havasu City, AZ 86403	(928) 680-7277
Za Biak Lian	3490 Stockton Hill Rd, Kingman, AZ 86409	(928) 757-2544
Gumshu Aung Howa	500 W. Napa St, Sonoma, CA 95476	(707) 996-3411
Moe Soe	157 Main Street, Woodland, CA 95695	(530) 662-5479
Maran Hkawn Nu	409 Mace Blvd, Davis, CA 95618	(530) 753-6690
Ja Hpa Lu	1040 Florin Rd, Sacramento, CA 95831	(916) 395-2875
Sam ZN corporation	2000 Town Center Plaza, West Sacramento, CA 95691	(916) 367-1435
Min Sabai	771 Pleasant Grove Blvd, Roseville, CA 95678	(916) 746-7799
Min Sabai	7101 Elk Grove Blvd, Elk Grove, CA 95758	(916) 226-2626
Saw Lin	4500 Post St, El Dorado Hills, CA 97562	(916) 933-1433
Hnin Than	1509 Blue Oaks Blvd, Roseville, CA 95747	(916) 918-1900
Thar Maung	130 Browns Valley Pkwy, Vacaville, CA 95688	(707) 469-6900
Tum Hlei Sung	1414 E Covell Blvd, Davis, CA 95616	(530) 750-3800
Pyone Family Corp	1 Blackfield Drive, Tiburon, CA 94920	(415) 388-2770
Sai Sinn	5627 Paradise Drive, Corte Madera, CA 94925	(415) 945-8855
Kyaw Zayyar Pyone	470 Ignacio Blvd, Novato, CA 94949	(415) 883-4600
Saw Lin	3333 Coach Ln, Cameron Park, CA 95682	(530) 672-9090
Maung Ja La	100 Red Hill Avenue, San Anselmo, CA 94960	(415) 456-1271
Maung Ja La	515 Third St, San Rafael, CA 94901	(415) 454-8912
Van Ceu	2630 W 38th Ave, Denver, CO 80211	(303) 731-0976
Aung San Win	5 Queen Street, Newtown, CT 06470	(203) 270-7500
Khine Min Tun	98 Greenwood Avenue, Bethel, CT 06801	(203) 748-3547
Khine Min Tun	920 Danbury Rd, Wilton, CT 06897	(203) 544-7021
Tun Hlaing	102 Mill Plain Rd, Danbury, CT 06811	(203) 743-8003
Maung Than Win Than	108 Old Ridgefield Rd, Wilton, CT 06897	(203) 286-5648
Hau Go Zam	5767 SW 40th St, Miami, FL 33155	(305) 662-1510
Hau Go Zam	80 Curtiss Pkwy, Miami Springs, FL 33166	(305) 887-4434
Hau Go Zam	2969 SW 32nd Avenue, Coconut Grove, FL 33133	(305) 446-4909
Niang San Nuam	17100 Collins Ave, Sunny Isles, FL 33160	(305) 945-1890
Dong Khan Pau	11701 S Dixie Hwy, Pinecrest, FL 33156	(786) 350-2200
Hau Go Zam	3050 SW 37th Ave, Miami, FL 33133	(786) 673-1236
Ohmmar	937 E Main St, Burley, ID 83318	(208) 678-2253
Mary Dawtlei Fachhai	1300 E 86th St, Indianapolis, IN 46240	(317) 706-0900
Sung Nawn Mawi	14598 Clay Terrace Blvd, Carmel, IN 46032	(317) 569-1517
Thang Sian Mung	8051 W 160th St, Overland Park, KS 66223	(816) 596-8036
Joel Lian	660 E Maint Street, Gardner, KS 66030	(913) 856-8380
Thawng Tin Lian	22210 W 66th St, Shawnee, KS 66226	(913) 422-2130
Sep Tin San	937 NE Woods Chapel, Lee's Summit, MO 64082	(816) 347-8888

Sep Tin San	251 Southwest Greenwich, Lee's Summit, MO 64082	(816) 537-0700
Neng Sawm Thang	9717 N. Ash Avenue, Kansas City, MO 64157	(816) 883-2770
Zing Cer Meng	15700 North 169 HWY, Smithville, MO 64089	(816) 532-0883
Near Near	1191 NE McQuery Rd, Grain Valley, MO 64029	(816) 867-2312
Fa Thang	2219 North Belt Highway, St. Joseph, MO 64506	(816) 596-8036
Mang Hre	4500 I-55 North, Jackson, MS 39211	(601) 608-0405
Ba Tun	1400 N 19th Ave, Bozeman, MT 59718	(406) 586-0080
Ko Sein Than Khine	195 3rd Ave East N, Kalispell, MT 59901	(406) 752-5037
Mang Khup Thang	400 East Evesham Rd, Cherry Hill, NJ 08003	(856) 216-1400
Mang Khup Thang	2240 West Marlton Pike, Cherry Hill, NJ 08002	(856) 910-2300
Nancy Mya Mya Saung	South St & Route # 9, Freehold, NJ 07728	(732) 462-3120
Chit Sein	Route 9 & 1st St, Lanoka Harbor, NJ 08734	(609) 693-1152
Chit Sein	431 Atlantic City Blvd, Bayville, NJ 08721	(732) 606-0800
Nyunt Win	600 E 20th St, Farmington, NM 87401	(505) 327-7326
Eric Biak Tha Cung	1000 Rio Rancho Dr SE, Rio Rancho, NM 87124	(505) 892-1791
Tha Cung Lian	6125 4th St NW, Albuquerque, NM 87107	(505) 344-2363
Thang Za Lian Bawihrin	2B State Road 344, Edgewood, NM 87015	(505) 286-6691
Siang Ceu	224 Paseo Del Pueblo Sur, Taos, NM 87571	(878) 758-3711
Thang Za Lian Bawihrin	200 Tramway Blvd SE, Albuquerque, NM 87123	(505) 296-1544
Soe Aung Khaing	4700 Tramway Blvd NE, Albuquerque, NM 87111	(505) 292-5484
Thang Za Lian Bawihrin	320 Yale Blvd SE, Albuquerque, NM 87106	(505) 266-0201
Thang Lam Pau Tom Bing	8301 Golf Course Rd NW, Albuquerque, NM 87120	(505) 897-3411
Van Bawi Thang	8040 Academy Rd NE, Albuquerque, NM 87111	(505) 823-9500
Van Bawi Thang	8100 Wyoming Blvd NE, Albuquerque, NM 87113	(505) 857-9728
Ester Hniang	2308 Cerrillos Rd, Santa Fe, NM 87505	(505) 471-9024
Myo Ko Ko Tin	4800 McMahon Blvd NW, Albuquerque, NM 87114	(505) 922-4300
Duhiangchin Christina Thianhlun	751 Trinity Drive, Los Alamos, NM 87544	(505) 661-2757
Bawi Za Uk	2110 S Pacheco St, Santa Fe, NM 87505	(505) 473-5560
Tum Lian Thang	3701 Constitution Ave NE, Albuquerque, NM 87110	(505) 256-9423
Maung Maung Aung	3013 West Craig Rd, North Las Vegas, NV 89032	(702) 648-4822
Aik Kyein	4001 S Decatur Blvd, Las Vegas, NV 89103	(702) 248-4400
Nai Thaike Htaw	3602 E Bonanza Rd, Las Vegas, NV 89110	(702) 438-4787
Kyaw Aye	2255 Las Vegas Blvd. N, North Las Vegas, NV 89030	(702) 642-1000
Go Sushi LLC	8050 S Rainbow Blvd, Las Vegas, NV 89139	(702) 294-7201
CJL Management Inc	8525 W Warm Spring Road, Las Vegas, NV 89113	(702) 505-4941
Zay Yar Min	4965 E Sahara Ave, Las Vegas, NV 89104	(702) 431-9973
Zenko Inc	8180 South Las Vegas Blvd, Las Vegas, NV 89123	(702) 492-1943
Edward Lee	845 Lake Mead Pkwy, Henderson, NV 89011	(702) 268-2735
Hnin Oo Wei	7130 N Durango Dr, Las Vegas, NV 89149	(702) 647-3566
Kyaw Htun	2255 E Centennial Parkway, North Las Vegas, NV 89081	(702) 633-7222
Maung Maung Aung	6855 Aliante Pkwy, North Las Vegas, NV 89084	(702) 642-3350
Aung Khaing	350 N Sandhill Blvd, Mesquite, NV 89027	(702) 346-8652
Ngun Chin Sung	175 Lemmon Dr, Reno, NV 89506	(775) 971-3310
Grace Aye	5564 Camino A1 Norte, North Las Vegas, NV 89031	(702) 399-0730
Oscar Family LLC	10616 S Eastern Ave, Henderson, NV 89052	(702) 614-8670

Moeaungthu Kyaw	9851 W Charleston Blvd, Las Vegas, NV 89117	(702) 946-1200
Kyaw Tin Maung	1000 N Green Valley Parkway, Henderson, NV 89074	(702) 260-0060
Vegas Htun Inc.	10100 W Tropicana Ave, Las Vegas, NV 89147	(702) 220-7763
Zay Yar Min	4600 E Sunset Rd, Henderson, NV 89014	(702) 451-0466
Aik Kyein	6130 W Tropicana Ave, Las Vegas, NV 89103	(702) 871-0904
Maung Maung Naing	3850 E Flamingo Rd, Las Vegas, NV 89121	(702) 451-2246
Nai Thaike Htaw	450 N. Nellis Blvd, Las Vegas, NV 89110	(702) 452-4718
Gracy LLC	599 E William Street, Carson City, NV 89701	(775) 885-9922
San Nu Aung	1255 Baring Blvd, Sparks, NV 89434	(775) 359-6800
Maung Maung Naing	2540 S Maryland Parkway, Las Vegas, NV 89109	(702) 735-8928
Zaw Family LLC	4700 W Ann Rd, North Las Vegas, NV 89031	(702) 395-4199
Creative Restaurant Group LLC	10600 Southern Highlands Pkwy, Las Vegas, NV 89141	(702) 254-0102
Luka Jawa	55 S Valley Verde Drive, Henderson, NV 89012	(702) 837-6112
No Ding Thang	9710 W Skye Canyon Park Dr, Las Vegas, NV 89166	(702) 358-0427
Htun Maung	3160 N Rainbow Blvd, Las Vegas, NV 89108	(702) 658-6880
Joe Mumar	8555 West Sahara Avenue, Las Vegas, NV 89117	(702) 341-7474
Htun Maung	1421 N Jones Blvd, Las Vegas, NV 89108	(702) 631-1932
Nyeinsu Yadanar	2385 E Windmill Ln, Las Vegas, NV 89123	(702) 837-0813
Kyaw Aye	850 S Rancho Dr, Las Vegas, NV 89106	(702) 870-8494
Van Ceu Lian	750 S Meadows Pkwy, Reno, NV 89521	(775) 851-8050
Kyaw Tin Maung	830 S Boulder Highway, Henderson, NV 89015	(702) 565-9666
Htun Maung	2211 N Rampart Blvd, Las Vegas, NV 89128	(702) 256-5200
Maung Maung San	1740 Mountain City Hwy, Elko, NV 89801	(775) 777-1333
Robert Thang	1855 W Wendover Blvd, Wendover, NV 89883	(775) 981-7050
Rosy Ngun Tha Sui	2200 US Highway 50 E, Dayton, NV 89403	(775) 246-0242
Nyeinsu Yadanar	9750 S Maryland Pkwy, Las Vegas, NV 89183	(702) 617-1070
Lawrence Oh	9350 W Flamingo Rd, Las Vegas, NV 89147	(702) 240-2260
Aik Kyein	4840 W Desert Inn Rd, Las Vegas, NV 89102	(702) 248-1365
Than Bawi LLC	1739 N High Street, Columbus, OH 43210	(614) 688-4636
RVH Sushi LLC	1578 Neil Avenue, Columbus, OH 43201	(614) 247-8128
Parborchin LLC	80 W Woodruff Avenue, Columbus, OH 43210	(614) 292-8380
Than Bawi LLC	1739 N High Street, Columbus, OH 43210	
Vakok LLC	328 West Lane Avenue, Columbus, OH 43201	
Ciriang LLC	2050 Tuttle Park Pl, Columbus, OH 43210	
Jay Jehu	222 E Main Street, Collegeville, PA 19426	(484) 971-6055
Jay Jehu	2140 Kimberston Rd, Phoenixville, PA 19460	(610) 935-1444
Jay Jehu	150 E Pennsylvania Ave, Downingtown, PA 19335	(610) 873-8225
Jay Jehu	429 E King Rd, Malvern, PA 19355	(484) 324-2800
Kyaw Swa Win	810 Knitting Mills Way, Wyomissing, PA 19610	(610) 484-4421
Nang Phong	4701 Freemansburg Ave, Bethlehem, PA 18045	(610) 865-2439
Than Zaw William	9910 Frankford Ave, Philadelphia, PA 19114	(215) 637-1555
Mary Ngun Tin	11000 Roosevelt Blvd, Philadelphia, PA 19116	(215) 637-4209
Aye Moe Thein	2201 Speedway, Austin, TX 78712	
Joseph Peng Ceu	2247 Guadalupe St, Austin, TX 78712	(830) 261-8749
Joseph Peng Ceu	309 E 21st St, Austin, TX 78705	(512) 232-9028
Joseph Peng Ceu	727 E Dean Keeton St, Austin, TX 78705	(512) 297-9787
Joseph Peng Ceu	727 E Dean Keeton St, Austin, TX 78705	

Joseph Peng Ceu	201 E 21st St, Austin, TX 78705	(512) 471-8551
Joseph Peng Ceu	309 E 21st St, Austin, TX 78705	(210) 823-4273
Joseph Peng Ceu	2605 Whitis Ave, Austin, TX 78705	(512) 232-5596
Joseph Peng Ceu	2503 Whitis Ave, Austin, TX 78705	(830) 370-5737
Joseph Peng Ceu	2201 Speedway, Austin, TX 78712	(512) 232-0818
Joseph Peng Ceu	101 E 21st St, Austin, TX 78705	(512) 232-9562
Joseph Peng Ceu	2308 Whitis Ave, Austin, TX 78705	(830) 370-5737
Joseph Peng Ceu	2308 Whitis Ave, Austin, TX 78712	(830) 370-5737
Joseph Peng Ceu	2201 Speedway, Austin, TX 78712	(512) 232-0818
Joseph Peng Ceu	105 E 24th St, Austin, TX 78712	(512) 297-3787
Sunpar Chin	3955 West 3500 South, West Valley City, UT 84120	(801) 968-3577
Cung Thawng Lian	7755 South 700 East, Midvale, UT 84047	(801) 561-2286
Biak Awi	200 N Station Parkway, Farmington, UT 84025	(801) 928-2600
Tha Hluan Kim	672 East 11400 South, Draper, UT 84020	(801) 576-9911
Run Awi	125 East 13800 South, Draper, UT 84020	(801) 617-0111
Duh Zi Thluai	1750 Traverse Pkwy, Lehi, UT 84043	(385) 358-8011
Fam Nawn Iang	3270 South 1300 East, Salt Lake City, UT 84106	(801) 487-7738
Kap Hlun	135 East 100 South, Salt Lake City, UT 84111	(801) 428-0366
Mawi Te	4872 West 6200 South, Kearns, UT 84118	(801) 965-9450
Dominic Lsau Lal Sawm	1706 East 1300 South, Salt Lake City, UT 84108	(801) 583-3663
Hnem Vang	4675 Holladay Blvd, Holladay, UT 84117	(385) 257-8300
Ma Na Ling	5454 S Redwood Road, Taylorsville, UT 84123	(801) 967-9213
Rosa Lal Zam Pui	13330 South Kestrel Range Road, Riverton, UT 84065	(385) 257-6440
Elizabeth Mi	11453 South Parkway Plaza, South Jordan, UT 84095	(801) 495-5402
Elizabeth Mi	10507 S Redwood Road, South Jordan, UT 84095	(801) 446-9984
Lian Tlung	870 East 800 North, Orem, UT 84097	(801) 225-1770
Sui Kam	5370 South 1900 West, Roy, UT 84067	(801) 825-9002
Tuan Cung	922 E 2100 S, Salt Lake City, UT 84106	(801) 486-4333
Zei Thluai Meng	4275 Harrison Blvd, Ogden, UT 84403	(801) 479-0703
Aung Aung	633 S Main Street, Cedar City, UT 84720	(435) 586-1203
Dawt Bik Cem	876 E 800 S, Salt Lake City, UT 84102	(801) 355-2801
John Biak Hu	2039 9400 S, Sandy, UT 84093	(801) 942-2332
Van Tin Hnem	550 N Main St, Heber City, UT 84032	(435) 654-1250
Thian Cung Nung	8055 W 3500 S, Magna, UT 84044	(801) 250-6400
S & T Sushi Corp	1725 Uinta Way, Park City, UT 84098	(435) 649-7278
Tin Ceu Aung	210 East 700 South, Pleasant Grove, UT 84062	(801) 785-9466
Tial Hlei Rem	402 6th Ave, Salt Lake City, UT 84103	(801) 328-1683
Kyi Ku	3470 Bengal Blvd, Salt Lake City, UT 84121	(801) 943-0050
Peng Awi Thang	1080 W Highway 40, Vernal, UT 84078	(435) 789-7135
Steven Thang	665 W 5300 S, Murray, UT 84123	(801) 269-0056
Uk Ling Thang	980 Fort Union Blvd, Midvale, UT 84047	(801) 256-0439
Biak Nun Sang	442 N 175 East, Logan, UT 84321	(435) 753-6840
Ngun Tawk Ceu	614 W 2600 S, Woods Cross, UT 84010	(801) 298-2122
Thaung Ling Hmung	455 S 500 E, Salt Lake City, UT 84102	(801) 328-6000
Ni Bik Cung	5560 W 13400 S, Herriman, UT 84096	(801) 254-8208
Piam Peng	1550 E 3500 N, Lehi, UT 84043	(801) 341-6500
Pang Mang Corp	1485 Harrison Blvd, Ogden, UT 84404	(801) 621-0234
Sang Thar	212 east 12300 south, Draper, UT 84020	(801) 571-2052

Tunzua and Sian Siam LLC	845 E 4500 S, Salt Lake City, UT 84107	(801) 261-3399
Biak Cung Kham	1316 N Highway 89, Farmington, UT 84025	(801) 451-0581
Tin Ceu Aung	350 N Freedom Blvd, Provo, UT 84601	(801) 377-9050
Steven Thang	4643 South 4000 West, West Valley, UT 84120	(801) 968-1962
Ceu Lian	1634 W South Jordan Pkwy, South Jordan, UT 84095	(801) 254-4560
Mang Bor Cin	7061 S Redwood Rd, West Jordan, UT 84084	(801) 566-6641
Myo Thet Thang Hul	2353 N Main St, Sunset, UT 84015	(801) 825-2279
Tial Kham	951 W 1700 S, Syracuse, UT 84075	(801) 773-5133
Thawng Lian Thang	45 S State St, Orem, UT 84058	(801) 224-6111
Thian Cung Nung	5620 West 4100 South, West Valley, UT 84128	(801) 966-1441
Biak Lian Ceu	1170 E Gentile St, Layton, UT 84040	(801) 546-3429
Bawi Duh Bik	10305 S 1300 E, Sandy, UT 84094	(801) 572-1396
Michael Soelwin	4080 W 9000 S, West Jordan, UT 84088	(801) 280-3844
Mang Rung	156 S Main St, Brigham City, UT 84302	(435) 734-2500
Lal Tawng	20 N Bluff St, Saint George, UT 84770	(435) 673-8880
Wahtherwee Hu	689 N Redwood Rd, Saratoga Springs, UT 84045	(801) 768-2240
Ar Hmung Thang	1117 W 400 S, Springville, UT 84663	(385) 685-7000
Tan Aung	217 North 2000 West, West Point, UT 84015	(385) 383-3030
Ngun Hoi Tial	5710 West 7800 South, West Jordan, UT 84081	(801) 545-3470
Ceu Lian	5448 West Daybreak Parkway, South Jordan, UT 84009	(801) 501-7170
Sebastian Tan Lian Palsuk	1370 West 200 North, Kaysville, UT 84037	(385) 888-5310
Ngun Za Peng	565 South Mall Drive, Saint George, UT 84790	(435) 705-7410
PC Sushi Corp	2434 North 400 East, North Ogden, UT 84414	(801) 917-1977
Lal Nu Thang Ngat	555 South 200 West, Bountiful, UT 84010	(801) 397-7800
Nu Mawi	3215 S Valley St, Salt Lake City, UT 84109	(801) 486-7514
Biak Nun Sang	750 N Main street, Logan, UT 84321	(435) 753-1004
Sang Lian	1820 W 9000 S, West Jordan, UT 84088	(801) 562-4960
Sun Flower, Inc.	2310 Crest View Dr, Hudson, WI 54016	(715) 386-8214
Kam Khan Sing	2531 Foothill Blvd, Rock Springs, WY 82901	(307) 362-1722
Kyaw Than Sein	1425 S Highway 89, Jackson, WY 83001	(307) 733-8908
Kam Khan Sing	905 Bridger Dr, Green River, WY 82935	(307) 875-6900

EXHIBIT I-2 TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

Franchisee	Location	Phone
Boi Za Thang	Salt Lake City, UT	(385) 444-8796
Khuah Cung	Salt Lake City, UT	(801) 815-4221
Dominic Lianpi	Salt Lake City, UT	(801) 651-6823

EXHIBIT J TO FRANCHISE DISCLOSURE DOCUMENT
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EXHIBIT K TO FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

In recognition of the requirements of the California Franchise Investment Law, California Corporations Code §§ 31000 – 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 – 20043, the franchise disclosure document for SAH Holdings in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. California Corporations Code § 31125 requires us to give you a disclosure document, in a form containing the information that the Commissioner of Department of Financial Protection and Innovation of the California Department of Financial Protection and Innovation may by rule or order require, prior to a solicitation or a proposed material modification of an existing franchise.

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

3. Item 3, “Litigation,” shall be amended by the addition of the following language:

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

4. Item 6 is amended by adding the following to the Remarks in the “Interest on Late Payments” section:

The maximum allowable interest rate in California is 10% per annum.

5. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

The regulations of the California Department of Financial Protection and Innovation require that the following information concerning provisions of the franchise agreement be disclosed to you:

The California Franchise Relations Act provides rights to you concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law, 11 U.S.C.A. §§ 101, *et seq.*

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise agreement. This provision may not be enforceable under California law.

The franchise agreement requires the application of the laws of Minnesota. This provision may be unenforceable under California law.

The franchise agreement requires you to sign a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code § 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. California Corporations Code § 31512 voids a waiver of your rights under the California Franchise Investment Law. California Business and Professions Code § 20010 voids a waiver of your rights under the California Franchise Relations Act.

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.

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

8. OUR WEBSITE AT www.sahholdingllc.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at WWW.DFPI.CA.GOV.

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

10. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

Illinois law governs the Franchise Agreement.

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

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

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.

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Early Termination. If for any reason the franchisor or its affiliate(s) lose(s) the right to operate an outlet in a location for which it has negotiated space, you may lose the right to operate your franchise, and you will not be compensated for that loss.

In this franchise system, you receive a pre-determined Site wherein you will establish and operate your franchised business. If the Franchisor's agreement with the Site expires or is terminated for any reason, **your franchise will also terminate.** The Franchisor will have no obligation to replace the site, refund your money or grant you another franchise.

Prospective Illinois franchisees are encouraged to give careful consideration to the disclosures made in Item 3 of the disclosure document.

Notes 1 and 2 to the Item 6 Table contain vital information about how YOU will be paid as a franchisee in this franchise system.

Item 11 in the disclosure document addresses Pre- and Post-Opening Obligations of the franchise relationship. The Franchisor reserves the right to use a third-party vendor to fulfill its obligations to you, as a franchisee. The Franchisor's exercise of this right will distance the Franchisor from its involvement with you as you establish and operate your Sushi Bar.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA**

In recognition of the requirements of the Indiana Franchise Act, Indiana Code §§23-2-2.51 through 51, the franchise disclosure document for SAH Holdings in connection with the offer and sale of franchises for use in the State of Indiana shall be amended to include the following:

1. The franchise agreement contains a covenant not to compete that extends beyond the termination of the franchise agreement. These provisions may not be enforceable under Indiana law.
2. Indiana law makes unilateral termination of a franchise unlawful unless there is a material violation of the franchise agreement and the termination is not done in bad faith.
3. If Indiana law requires the franchise agreement and all related documents to be governed by Indiana law, then nothing in the franchise agreement or related documents referring to Minnesota law will abrogate or reduce any of your rights as provided for under Indiana law.
4. Item 8, "Restrictions on Sources of Products and Services," is amended by the addition of the following language:

Any benefits derived as a result of a transaction with suppliers for Indiana franchisees will be kept by us as compensation for locating suppliers and negotiating prices for you.

5. Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
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.
7. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Maryland Code of Business Regulation §§ 14-201 – 14-233, the Franchise Disclosure Document for SAH Holdings in connection with the offer and sale of franchises for use in the State of Maryland shall be amended to include the following:

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

The general release language required as a condition of renewal, sale and/or assignment or transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Although the franchise agreement requires litigation to be held in a court in Minnesota, you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, subject to the arbitration provisions of the franchise agreement.

The franchise agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11. U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

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

This franchise agreement provides that some disputes may be resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

2. 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 SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes §§ 80C.01 – 80C.22, and of the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minnesota Rules §§ 2860.0100 – 2860.9930, the Franchise Disclosure Document for SAH Holdings in connection with the offer and sale of franchises for use in the State of Minnesota shall be amended to include the following:

1. The Risk Factors set forth on the State Cover Page shall be amended by the addition of the following paragraph:

MINNESOTA STATUTES § 80C.21 AND MINNESOTA RULES § 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF THE STATE OF MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR FRANCHISE AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA FRANCHISE ACT, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

2. Item 6, “Other Fees,” shall be amended to state that the amount you are required to reimburse us for any “insufficient funds” charges and related expenses that we incur for any checks that we receive from you or your failure to maintain sufficient funds in your automatic debit account is capped at \$30 in accordance with state law.

3. Item 13, “Trademarks,” shall be amended by the addition of the following language:

The franchisor will protect the franchisee’s right to use the Marks or will indemnify the franchisee from any loss, costs or expenses arising out of any claim, suite or demand regarding the use of the name.

4. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraphs:

With respect to franchisees governed by Minnesota law, we will comply with Minnesota Statutes § 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 of non-renewal of the franchise agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

Pursuant to Minnesota Rules § 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation, claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Act, and the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

Minnesota Statutes § 80C.21 and Minnesota Rules § 2860.4400J prohibit us from requiring litigation to be conducted outside of the State of Minnesota. In addition, nothing in the franchise disclosure document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Franchise Act, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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.

6. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act or the Franchise Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE 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 FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is

subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17l, titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

8. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York Franchise Sale Act and other applicable statutes are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

In recognition of the requirements of the North Dakota Franchise Investment Law, North Dakota Century Code §§ 51-19-01 – 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for SAH Holdings in connection with the offer and sale of franchises for use in the State of North Dakota shall be amended to include the following:

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (North Dakota Century Code § 51-19-09):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to North Dakota Century Code § 9-08-06, without further disclosing that such covenants will be subject to the statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of the State of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota Franchise Investment Law will be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

I. Limitation of Claims: Franchise agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota applies.

J. 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.

K. 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.

L. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota

Franchise Investment Law, and the policies of the office of the State of North Dakota Securities Commission, are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, Rhode Island Code §§ 19-28.1-1 – 19-28.1-34, the Franchise Disclosure Document for SAH Holdings in connection with the offer and sale of franchises for use in the State of Rhode Island shall be amended to include the following:

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

§ 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. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA**

In recognition of the requirements of the South Dakota Franchise Act, South Dakota Codified Laws Chapter 37-5B, the Franchise Disclosure Document for SAH Holdings in connection with the offer and sale of franchises for use in the State of South Dakota shall be amended to include the following:

1. Except as may be described in Item 3 of this Franchise Disclosure Document, neither we nor any person identified in Item 2 of this Disclosure Document has any material arbitration proceeding pending, or has during the 10 year period immediately preceding the date of this Franchise Disclosure Document been a party to concluded material arbitration proceedings.
2. Although the franchise agreement requires all arbitration proceedings to be held in Minneapolis, Minnesota, the site of any arbitration started pursuant to the franchise agreement will be at a site mutually agreed upon by you and us.
3. We may not terminate the franchise agreement for a breach, for failure to meet performance standards and/or for failure to make royalty or advertising payments unless you receive 30 days prior written notice from us and you are provided with an opportunity to cure the defaults.
4. Covenants not to compete upon termination or expiration of the franchise agreement are generally unenforceable in the State of South Dakota.
5. The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the franchise agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Minnesota.
6. Any provisions in the franchise agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.
7. Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.
8. 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.
9. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Franchise Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for SAH Holdings for use in the Commonwealth of Virginia shall be amended as follows:

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

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 is defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

3. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Addendum to the Franchise Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW 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.

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.

Fee Deferral. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the Franchisee has (a) received all pre-opening and initial training obligations that is entitled under the Franchise Agreement or offering circular, and (b) is open for business.

**ADDENDUM TO SAH HOLDINGS, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN**

Item 17 of the Disclosure Document is amended by the addition of the following paragraph:

“For franchisees subject to the Wisconsin Fair Dealership Law, Ch. 135, Wisconsin Stats. 1981-82, provisions in the Fair Dealership Law supersede any inconsistent provisions of the Franchise Agreement or a related contract.”

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.

Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Franchise Law or the Rules and Regulations promulgated thereunder are met independently without reference to this addendum to the Franchise Disclosure Document.

EXHIBIT L TO FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is executed on _____
by _____
 (“Releasor”), _____
 (“Guarantors”), and/or _____
 (“Transferee”) as a condition of [CHECK ONE]:

_____ (a) the transfer of the Franchise Agreement dated _____ between SAH Holdings, LLC (“SAH Holdings”) and Releasor (“Franchise Agreement”); or

_____ (b) the execution of a renewal Franchise Agreement between Releasor and SAH Holdings. (If this Release is executed under the conditions set forth in (b), all references in this Release to “Transferee” shall be ignored.)

1. **Release by Releasor, Transferee, and Guarantors.** Releasor and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the “**Releasing Parties**”) freely and without any influence forever release (i) SAH Holdings, (ii) SAH Holdings’ past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) SAH Holdings’ parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the “**Released Parties**”), from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “**Claims**”), which any Releasing Party ever owned or held, now owns or holds, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the Franchise Business or the Franchise Agreement, and all other agreements between any Releasing Party and SAH Holdings or SAH Holdings’ parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. **Risk of Changed Facts.** Releasor, Transferee, and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Releasor, Transferee, and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **Covenant Not to Sue.** Releasor, Transferee, and Guarantors (on behalf of the Releasing Parties) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. **No Prior Assignment and Competency.** Releasor, Transferee, and Guarantors represent and warrant that: (i) the Releasing Parties are the sole owners of all Claims and rights released in Section 1 and that the Releasing Parties have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (ii) each Releasing Party has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of

any contract or agreement between them or any court order; and (iii) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

5. **Complete Defense.** Releasor, Transferee, and Guarantors: (i) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasing Party.

7. **Counterparts.** This Release may be executed in two or more counterparts (including by facsimile), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

8. **Capitalized Terms.** Any capitalized terms that are not defined in this Release shall have the meaning given them in the Franchise Agreement.

This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Releasor, Transferee, and Guarantors have executed this Release as of the date shown above.

RELEASOR:

By: _____

Print Name: _____

Title: _____

Date: _____

TRANSFEEE (IF APPLICABLE):

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

EXHIBIT M TO FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES AND RECEIPTS

STATE EFFECTIVE DATES

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

This Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	Pending
Illinois	See Separate FDD
Indiana	Pending
Maryland	Pending
Minnesota	Pending
Washington	See Separate FDD
Wisconsin	April 29, 2024

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

RECEIPT

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

If SAH Holdings, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires SAH Holdings, LLC to provide you with this disclosure document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment of any consideration to, it or one of its affiliates in connection with the proposed sale. Michigan requires that SAH Holdings, LLC provide you with this disclosure document ten business days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale.

If SAH Holdings, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit F.

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows: Nay Hla, Nay Lin, H.J. Kim, and Jordan Lisowski, all with an address of 895 Blue Gentian Rd., #6, Eagan, MN 55121, (651) 294-7000 and _____ (blank completed only if applicable).

The issuance date of this Disclosure Document is: April 30, 2024.

See Exhibit G for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated April 30, 2024, that included the following Exhibits:

- | | |
|--|--|
| Exhibit A – Franchise Agreement | Exhibit G – Agents for Service of Process |
| Exhibit B – Training and Confidentiality Agreement | Exhibit H – Financial Statements |
| Exhibit C – Statement of Ownership | Exhibit I – List of Franchisees |
| Exhibit D – Promissory Note | Exhibit J – Table of Contents to Confidential Operations Manuals |
| Exhibit E – Non-Compete/Non-Solicitation Agreement | Exhibit K – State Addenda |
| Exhibit F – State Administrators | Exhibit L – General Release |
| | Exhibit M – State Effective Dates and Receipts |

Date

Prospective Franchisee

Printed Name

RECEIPT

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

If SAH Holdings, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires SAH Holdings, LLC to provide you with this disclosure document at the earlier of the first personal meeting or ten business days before you sign a franchise or other agreement with, or make payment of any consideration to, it or one of its affiliates in connection with the proposed sale. Michigan requires that SAH Holdings, LLC provide you with this disclosure document ten business days before you sign a binding agreement with, or make payment to, it or one of its affiliates in connection with the proposed sale.

If SAH Holdings, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit F.

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| | Exhibit M – State Effective Dates and Receipts |

Date

Prospective Franchisee

Printed Name

Please return one signed copy of this Receipt to the attention of Nay Hla, Manager and President/Chief Executive Officer, SAH Holdings, LLC, 895 Blue Gentian Rd., #6, Eagan, Minnesota 55121.