

**GYU-KAKU**

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**STATE SPECIFIC ADDENDA**

**EXHIBIT F**

## CALIFORNIA

### ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR CALIFORNIA FRANCHISEES

1. California Business and Professions Code sections 20000 through 20043 (the "Act") provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 *et seq.*)
3. The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California Law.
4. The agreements contain a liquidated damage clause, under Civil Code, Section 1671, certain liquidated damage clauses are enforceable.
5. The Franchise Agreement requires binding arbitration. The arbitration will occur in Los Angeles County, California with the costs being borne equally by both parties. Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside of California.
6. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
7. Section 31125 of the California Corporations Code requires the franchisor to give you a disclosure document, in a form and containing information that the Commissioner of Financial Protection and Innovation may by rule or order require, before solicitation of a proposed material modification of an existing franchise.
8. The franchise agreement requires you to execute a general release of claims upon renewal or transfer of the franchise agreement. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.
9. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).
10. Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq.*), suspending or expelling these persons from membership in such association or exchange.
11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
12. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

# CALIFORNIA

## AMENDMENT TO FRANCHISE AGREEMENT FOR CALIFORNIA FRANCHISEES

The Franchise Agreement is amended as follows:

1. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.
2. In sections 14.4 and 14.7, "30 days" is amended to "60 days".
3. Under California law, Franchisor has the obligation under certain conditions to purchase assets of Franchisee's business if Franchisee does not continue to operate a retail restaurant featuring Mediterranean style cuisine at its location after the Franchise Agreement is terminated or not renewed.
4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
5. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.
6. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
7. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

This Amendment to Franchise Agreement may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

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

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

FRANCHISEE:

FRANCHISOR:

\_\_\_\_\_

REINS USA FRANCHISE COMPANY, INC.

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

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

Ryo Tozu  
Chief Executive Officer

PRINTED NAME AND TITLE

## **HAWAII**

### **REGISTRATION OF FRANCHISES IN OTHER STATES**

1. This proposed registration is effective in all states not requiring franchise registration and in the following states requiring franchise registration or notification:
  - Hawaii
2. This proposed registration (or one substantially similar) is or will be shortly on file in:
  - California
  - Maryland
  - Michigan
  - Minnesota
  - New York
  - Virginia
  - Washington
3. No states have refused, by order or otherwise, to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

## HAWAII

### ADDITIONAL RISK FACTORS REQUIRED TO BE DISCLOSED IN HAWAII

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN HAWAII.
2. THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
3. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
4. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

**Registered agent in the state authorized to receive service of process:** Commissioner of Securities, the Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

**MARYLAND**

**ADDENDUM FOR MARYLAND FRANCHISEES**

The Maryland Division of Securities requires the following specific disclosures to be made to prospective Maryland franchisees, and the amendments to the (i) Franchise Disclosure Document, and (ii) Franchise Agreement that have been agreed to by the parties:

1. Termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C Section 101 *et seq.*).

2. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Regulation and Disclosure Law.

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

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

6. All fees shall be deferred pending satisfaction of all of the franchisor's pre-opening obligations to the franchisee.

This Addendum may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

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

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

FRANCHISEE:  
\_\_\_\_\_

FRANCHISOR:  
REINS USA FRANCHISE COMPANY, INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

ITS: \_\_\_\_\_

**MARYLAND**

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR MARYLAND FRANCHISEES**

The Franchise Agreement is amended as follows:

1. Section 18 of the Franchise Agreement is amended to provide that a franchisee may sue in Maryland for claims arising under the Maryland Franchise Regulation and Disclosure Law. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

3. Any general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. This Franchise Agreement provides that disputes are 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 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.

5. All fees shall be deferred pending satisfaction of all of the franchisor's pre-opening obligations to the franchisee.

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.

This Addendum may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

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

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

FRANCHISEE:  
\_\_\_\_\_

FRANCHISOR:  
REINS USA FRANCHISE COMPANY, INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

ITS: \_\_\_\_\_

## MICHIGAN

### ADDENDUM FOR MICHIGAN FRANCHISEES

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.

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 that deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need to 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 that have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than five years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six 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 that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

(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.

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General  
Consumer Protection Division  
670 Law Building  
Lansing, Michigan 48913  
(517) 373-7117

## MINNESOTA

### ADDENDUM FOR MINNESOTA FRANCHISEES

The Minnesota Department of Commerce requires the following specific disclosures to be made to prospective Minnesota franchisees:

1. With respect to Item 17(b) of the Disclosure Document and Article 3.2 of the Franchise Agreement, please note that if you do not elect to extend your Franchise for an additional term, you will be given an opportunity to operate your Franchise over a sufficient period of time to enable you to recover the fair market value of the Franchise as a going concern, as determined and measured from the date of the failure to renew. Gyu-Kaku will not refuse to renew a Franchise for the purpose of converting your business premises to an operation that will be owned by Gyu-Kaku for our own account.

2. Notwithstanding Item 17(d) of the Disclosure Document and Article 14.7 of the Franchise Agreement, Minnesota Statutes Section 80C.14, Subdivision 3, 4 and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement. To the extent the notice provisions of this Agreement are inconsistent with the foregoing, the aforesaid Minnesota statute will govern.

Notwithstanding the immediately preceding paragraph, notice of termination or cancellation of the Franchise shall be effective immediately upon receipt where the alleged grounds for termination or cancellation are:

(i) voluntary abandonment of the Franchise relationship by you;

(ii) your conviction of an offense directly related to the business conducted pursuant to the Franchise; or

(iii) failure to cure a default under the Franchise Agreement which materially impairs a goodwill associated with Gyu-Kaku's trade name, trademark, service mark, logo type or other commercial symbol after you have received written notice to cure at least 24 hours in advance.

3. Notwithstanding Items 17c, 17d, and 17m of the Disclosure Document and Articles 3.2 - 3.4, 14.7, 13.2 and 13.3 of the Franchise Agreement, Minnesota Rule 2860.4400D prohibits Gyu-Kaku from requiring you to assent to a general release.

4. Notwithstanding the provisions of Item 17u of the Disclosure Document and Article 18 of the Franchise Agreement, Minnesota Rule 2860.4400J prohibits waiver of a jury trial.

5. Notwithstanding Article 18 of the Franchise Agreement, under Minnesota Rule 2860.4400J, (i) the franchisor cannot require you to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this rule does not bar an exclusive arbitration clause and (ii) only a court may determine if a bond is required. Also, the franchisee cannot be required to consent in advance to the franchisor obtaining injunctive relief. However, the franchisor may seek injunctive relief.

6. Throughout the Disclosure Document, wherever consent is required, it shall not be unreasonably withheld within the meaning of Minnesota Statutes section 80C.14, part 2860.4400J.

7. Minnesota Statutes section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

8. Notwithstanding Item 13 of the Disclosure Document and Article 9 of the Franchise Agreement, Gyu-Kaku will defend you at our cost and expense against liability or claims in connection with your authorized use of our Name or Marks. You will not be responsible for the costs of any litigation to protect or defend the Name or Marks unless your unauthorized use of the Name or Marks caused it. Minnesota considers it unfair to not protect your right to use Gyu-Kaku's trademarks pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g).

9. Minnesota Statutes Section 80C.17, Subdivision 5 limits claims against Gyu-Kaku to 3 years.

10. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

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

To the extent necessary our signatures below amend the Franchise Agreement between Gyu-Kaku and you in accordance with the above sections 1 through 10.

This Addendum may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

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

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

Franchisor:  
REINS USA FRANCHISE COMPANY, INC.

Franchisee:

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

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

## NEW YORK

### NEW YORK STATE ADDENDUM

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 E OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND 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 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

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

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**VIRGINIA**

**APPENDIX FOR VIRGINIA FRANCHISEES**

The Division of Securities and Retail Franchising of Virginia requires the following specific disclosures to be made to prospective Virginia franchisees.

In recognition of the restriction contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Reins USA Franchise Company, Inc., for use in the Commonwealth of Virginia shall be amended as follows:

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 grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause", as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

This Appendix may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

DATED: \_\_\_\_\_

FRANCHISOR: \_\_\_\_\_  
(Signature)

DATED: \_\_\_\_\_

FRANCHISEE: \_\_\_\_\_  
(Signature)

## WASHINGTON

### WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, 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.

The undersigned does hereby acknowledge receipt of this addendum.

This Addendum may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

FRANCHISOR:  
Reins USA Franchise Company, Inc.

FRANCHISEE:

By \_\_\_\_\_  
(Authorized Signature)

By \_\_\_\_\_  
(Authorized Signature)