

FRANCHISE DISCLOSURE DOCUMENT



M. H. Franchise Company Inc.

A Colorado Corporation

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Denver, Colorado 80246

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www.teriyakimadness.com

Teriyaki Madness businesses operate fast casual restaurants that make and sell Japanese-style teriyaki dishes and other specialty food items, beverage items, and other items (“Teriyaki Madness Business(es)”).

The total investment necessary to begin operation of a single Teriyaki Madness franchise is between \$392,667 to \$1,121,405. This includes ~~\$84,585~~ \$83,400 to ~~\$92,085~~ \$90,900 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation under the Development Agreement (for a 3 Teriyaki Madness franchise deal and the first franchise) is \$446,667 to \$1,175,405. This includes ~~(i) \$99,000~~ \$137,400 to \$144,900 that must be paid to the franchisor or its affiliate(s); ~~and (ii) \$347,667 to \$1,076,405, which reflects the estimated initial investment to open 1 Teriyaki Madness Businesses. The minimum number of outlets required to be opened under the Development Agreement is 3.~~

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 in connection with, the franchise sale. **Note 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 Michael Haith at 950 S. Cherry Street, Suite 850, Denver, Colorado 80246 and 303-997-0730.

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, DC 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: March 18, 2026

liability and other obligations concerning food service ware and/or food packaging materials. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

You must also obtain all necessary permits, licenses, and approvals to operate your Teriyaki Madness Business. In addition to complying with local and state regulations, one of your owners who is a natural person with at least a 51% ownership interest and voting power in you and has the authority of a chief executive officer (“Managing Owner”) or your Designated Manager (as defined in Item 15), must complete the ServSafe Manager food and beverage safety training and certificate program administered by the U.S. National Restaurant Association.

ITEM 2. BUSINESS EXPERIENCE

Chief Executive Officer, Chairman: Michael Haith

Mr. Haith has served as the founding principal, our Chief Executive Officer and Chairman of our Board of Directors in Denver, Colorado since February 2016.

President, Chief Operating Officer, Board Member: Erin Hicks

Ms. Hicks has served as our President since August 2022 and as our Chief Operating Officer and a member of our Board of Directors since April 2018, [each in Denver, Colorado](#). She served as our Executive Vice President and a member of our Board of Directors in Denver, Colorado from February 2016 until April 2018. ~~Ms. Hicks is based in Denver, Colorado.~~

Chief Marketing Officer: Jodi Boyce

Ms. Boyce has served as our Chief Marketing Officer in Denver, Colorado since February 2021, and served as our Executive Vice President of Marketing [in Denver, Colorado](#) from September 2016 until February 2021.

Chief Restaurant Officer: Scott Shotter

Mr. Shotter has served as our Chief Restaurant Officer since November 2025 in Denver, Colorado. Prior to joining us, he served as Chief Operating Officer for Fuzzy’s Taco Shop in Irving, Texas from October 2021 to October 2024, and served as President for Condado Tacos in Columbus, Ohio from October 2020 to April 2021. He was in between positions from October 2024 to November 2025 and from May 2021 to September 2021.

Executive Director, Franchise Development: Patrick Pounders

Mr. Pounders has served as our Franchise Development Executive Director in Denver, Colorado since March 2023. Prior to that, Mr. Pounders served as our Franchise Development Manager in Denver, Colorado from July 2021 to March 2023. From October 2014 to December 2021 he owned Biz Ven Inc, in Centennial, Colorado.

Development Specialist: Nathan Weitzl

Mr. Weitzl has served as our Development Specialist since June 2023 in Ida Grove, Iowa. He joined us as our Development Coordinator in [Ida Grove, Iowa](#) in December 2022. Prior to joining us, Mr. Weitzl served as an Account Executive for Trakstar in Seattle, Washington from February 2022 until

October 2022. He was in between positions in November 2022. Prior to that, Mr. Weitzl was a Service Manager for Orkin in Sioux City, Iowa from August 2019 until January 2022.

Senior Development Coordinator: Matthew Gosselin

Mr. Gosselin has served as our Senior Development Coordinator since October 2021 and served as our Development Coordinator from February 2021 until October 2021, each in Denver, Colorado.

ITEM 3. LITIGATION

M.H. Franchise Company Inc. v. Stephen Alexander, LFG Restaurant Group Inc., TMAD Arizona 1 LLC, TMAD Arizona 2 LLC, TMAD Arizona 3 LLC, TMAD Arizona 4 LLC, TMAD Tampa Bay I LLC, TMAD Tampa Bay II LLC, TMAD Tampa Bay 3 LLC, and TMAD Tampa Bay 4 LLC, Case No. 01-24-0008-3563 (American Arbitration Association in Denver, Colorado). On October 23, 2024, we filed an arbitration demand against a former franchisee and the former franchisee’s operating entities (“Respondents”) asserting claims for breach of contract arising out of the premature closure of their Teriyaki Shops in Arizona and Florida. On November 7, 2024, Respondents filed counterclaims against us for breaches of contract and the covenant of good faith and fair dealing, and counterclaims against us and MH, MH International, Restaurant Sherpas, Mr. Haith, and Ms. Hicks (the “Third-Party Respondents”) for fraudulent inducement and omission, negligent misrepresentation and omission, violation of Arizona, Florida and federal securities laws, violation of the Florida Deceptive and Unfair Trade Practices Act, and violations of the Arizona Consumer Fraud Act, seeking unspecified damages and/or rescission, interest, costs, attorneys’ fees, and other relief. Respondents’ counterclaims allege that we and the Third-Party Respondents made misrepresentations and omissions upon which the Respondents relied in deciding to purchase their franchise and open their Teriyaki Shops, failed to provide operational support and misused marketing funds. On December 12, 2024, we filed an answer denying respondents’ allegations and the Third-Party Respondents filed a motion to dismiss the counterclaims against them because they did not consent to arbitrate. An arbitrator has been appointed, and the parties are engaged in discovery.

Other than the action above, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

On May 22, 2017, Patrick Pounders, who serves as our Executive Director, Franchise Development, filed a bankruptcy petition in the United States District Court for the District of Colorado under the case name *In re: Pounders, No. 17-14737-JGR (D. Colo. 2017)* to reorganize under the provisions of Chapter 13 of the U.S. Bankruptcy Code. Mr. Pounders’ plan of reorganization was confirmed on September 13, 2017 and dissolved in September 2022.

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

ITEM 5. INITIAL FEES

Initial Franchise Fee Under Development Agreement & Franchise Agreement

The initial franchise fee (“Initial Franchise Fee”) for franchise packages is as follows:

Franchise Type	Number of Teriyaki Madness Businesses	Initial Franchise Fee
Standard Franchise (Development Agreement)	3	\$99,000
Single Franchise (Franchise Agreement)	1	\$45,000

During our last fiscal year, we collected Initial Franchise Fees ranging from \$38,250 to \$45,000 for Single Franchises and \$84,150 to \$99,000 for Standard Franchises. In some cases, we allowed existing franchisees to acquire development rights to develop 2 additional Teriyaki Shops for a total Initial Franchise Fees of \$66,000 for both shops.

The Initial Franchise Fee is fully earned by us, payable in lump sum when you sign your Franchise Agreement for a Single Franchise deal or Development Agreement for a Standard Franchise (as applicable), and is non-refundable under any circumstances, even if you fail to open any Teriyaki Madness Businesses.

Discounts and Reductions

We currently offer a 15% discount to individuals who have been in a management or ownership position in the hospitality industry (food, retail and/or hotel). The discount is \$6,750 for a Single Franchise based on our current \$45,000 Initial Franchise Fee for a Single Franchise; and it is \$14,850 for a Standard Franchise based on our current \$99,000 Initial Franchise Fee for a Standard Franchise. In order to qualify, you must: (a) maintain at least a 51% ownership interest in the franchise (or at least a 51% ownership interest in the entity that is the franchisee, if the franchisee is a legal entity); and (b) provide us with a copy of your W-2 statements or similar forms reflecting your work history, before the Franchise Agreement is signed.

Teriyaki Shop Opening Assistance Fee

In addition to the Initial Franchise Fee, you must pay our affiliate, MH International, a “Shop Opening Assistance Fee” of \$27,500. If you have purchased a Standard Franchise under the Development Agreement, the Shop Opening Assistance Fee for the second and each additional Teriyaki Shop opened in accordance with the Development Agreement will only be payable if you request and we provide the shop opening assistance. You will pay the Shop Opening Assistance Fee in a lump sum when you sign the Franchise Agreement. In our last fiscal year, we charged a franchisee a discounted Shop Opening Assistance Fee of \$10,000 and another a discounted Shop Opening Assistance Fee of \$12,000.

Shop Opening Assistance Fees are fully earned by MH International when you sign your Franchise Agreement and, except as specifically stated, are not refundable under any circumstances.

Extension Fee

If you fail to: (1) fully execute a lease agreement for your Teriyaki Shop within the following applicable timeframes (a) 9 months of the effective date of the Franchise Agreement for a Single Franchise, or (b) 9 months after the effective date of the Development Agreement and every 9 months after execution of your Development Agreement for each additional Teriyaki Shop you are required to

develop for a Standard Franchise, or (2) fail to open your Teriyaki Shop within 210 days after signing your lease agreement for each Teriyaki Shop; then you will be required to pay us an “Extension Fee” of \$2,500 per month (up to \$7,500), until the lease for the Teriyaki Shop is executed or until the date the Teriyaki Shop is open, as applicable.

We may waive the Extension Fee if requested in writing no less than 60 days prior to the date your lease is required to be executed or the date your Teriyaki Shop is required to be open if we believe in our sole discretion that you are making a satisfactory attempt to comply with the terms of the Franchise Agreement. If you have a Standard Franchise package, the Extension Fee applies to each lease agreement you fail to fully execute and each Teriyaki Shop you fail to open within the timeframes required under the Development Agreement for each of the Teriyaki Shops you are required to develop under your Development Agreement. This fee is payable in ~~lump sum and~~ monthly installments and is non-refundable under any circumstances.

Technology Fee

For your first Teriyaki Shop, you will pay a technology fee of \$99.95 per month until your Teriyaki Shop commences business (up to \$900 if you open your Teriyaki Shop within ten months of signing the franchise agreement). The pre-opening technology fee will not apply to your second or subsequent Teriyaki Shop(s). We start collecting ~~payment of the~~ pre-opening technology fee in monthly installments in the month following the execution of this Agreement. This fee is non-refundable under any circumstances.

Grand Opening Promotion Fee

You must pay us or our affiliate in lump sum a \$10,000 Grand Opening Promotion Fee at the start of construction of your Teriyaki Shop that will be used for an opening advertising, marketing and promotional campaign for your location. If you acquire an existing Teriyaki Shop then you must pay us in lump sum the Grand Re-Opening Promotion Fee in an amount equal to \$20,000. These fees are non-refundable under any circumstances.

**ITEM 6.
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee ⁽¹⁾	6% of Net Sales ⁽²⁾	Thursday of each week based on Net Sales during the previous week.	Payments are made via electronic funds transfer (“EFT”) or other manner we designate.
Marketing Fund Contribution	4% of Net Sales	Payable at the same time and in the same manner as the Royalty Fee.	Payable directly to the Marketing Fund which is discussed in more detail in Item 11.

20. Initial and Hands-On Training Expenses. This estimates the expense you will incur in sending two individuals to our initial training and hands-on training programs, including travel expenses and the cost for your Managing Owner and Designated Manager to attend ServSafe Manager Food and Safety Training. We do not charge a fee for initial training or hands-on training. These estimates do not include any salary or wages you may pay to any of your trainees for the time they spend in training. See Item 11 for additional details regarding training.

21. Extension Fee. If you fail to fully execute your Teriyaki Shop lease within the 9 months of the effective date of the Franchise Agreement or open your Teriyaki Shop within 210 days after signing your lease, you will be required to pay us an Extension Fee of \$2,500 per month until the lease is fully executed or the Teriyaki Shop is open, as applicable. The low estimate assumes you fully execute a lease within 9 months and open on time, and the high estimate assumes a 3-month extension. If you sign a Development Agreement, your deadline to sign a lease is 9 months for a Standard Franchise. See Item 5 for more details.

22. Technology Fee. This includes (i) the reduced pre-opening technology fee of \$99.95 per month payable until your Teriyaki Shop opens, based on an estimated term of 9 months after the execution of the Franchise Agreement; and (ii) post-opening Technology Fee of \$395 per month for the period of 3 months after opening. See Item 5 for more details. The pre-opening technology fee of \$99.95 per month will not apply to your second or subsequent Teriyaki Shop(s).

23. Additional Funds – 3 Months. This estimates your initial startup expenses such as labor, additional supplies, etc. (other than the items identified separately in the above table,) and is based on our experience, the experience of our affiliates, and our current requirements for Teriyaki Madness Franchises. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Teriyaki Madness Businesses. These estimates are based on an initial period of three months.

24. Total Estimated Initial Investment. We have relied on the experience of our affiliates, and officers to arrive at these estimates. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral and lending policies of financial institutions from which you request a loan.

TABLE B – DEVELOPMENT AGREEMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure (1)	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Standard Franchise Package – Initial Franchise Fee (2)	\$99,000	\$99,000	Lump Sum	At Signing of Development Agreement	Us

None of our officers owns any interest in any Approved Suppliers with whom you must or are required or recommended to do business.

We and our affiliates may receive some but not all of the following consideration from Approved Suppliers based on franchisee purchases of goods and services: (i) \$0.58 to \$11.35 per case from vendors or distributors of food products; (ii) 3% of the aggregate purchase amount from a distributor of miscellaneous items; and (iii) a fixed fee of \$1,675 for each Teriyaki Shop that opens in 2026, as well as \$1 per gallon from a beverage supplier. In addition, beverage suppliers may provide additional cash-back payments if aggregate purchases across the entire Teriyaki Madness franchise system reach specified volume thresholds.

During the last fiscal year, [which ended on December 31, 2025](#), neither we nor our affiliates received any revenue from direct sale of goods and services to franchisees. During the last fiscal year, [which ended on December 31, 2025](#), we received \$2,235,447 (i.e.; 14% of our total revenue of \$15,453,828) from Approved Suppliers based on franchisees' purchase of products and services.

Purchases According to Our Specifications

All other purchases or leases of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, mobile application services, online and digital ordering and delivery services, and real estate related to establishing and operating the Teriyaki Madness Franchise must be purchased according to our specifications and meet System Standards and must be purchased from suppliers we designate, or from suppliers that you select that meet our criteria for suppliers.

We require you to accept major credit cards (Visa, MasterCard, American Express, and Discover) for customer purchases, participate in our Gift Card and Loyalty Programs, and participate in our in-shop mobile and online ordering program. These programs may require that you invest in additional equipment and incur fees from the designated credit card processing vendors, gift card processing vendors, and other hardware and software vendors that we designate.

You must purchase the insurance coverage that we require for your Teriyaki Madness Franchise. You currently must have the following insurance coverage: (1) commercial general liability insurance with limits of at least \$1 million per occurrence, at least \$2 million aggregate, at least \$1 million per person, and at least \$1 million for hired non-owned auto coverage if you do not own or operate a vehicle, with \$5,000 per person medical benefits and a maximum deductible of \$15,000; (2) all risks coverage insurance and/or business personal property insurance on all furniture, fixtures, equipment, inventory, supplies, and other property used in the operation of the Teriyaki Shop (including flood and/or earthquake coverage where there are known risks) for full replacement value, with limits of at least \$220,000; (3) employment practices liability insurance with limits of at least \$250,000 per occurrence covering wage and hour claims and third-party claims; (4) cyber liability insurance with limits of at least \$100,000 per occurrence; (5) commercial auto liability insurance with limits of at least \$1,000,000 for all autos, including hired non-owned coverage and owned auto coverage, if you own and/or operate a motor vehicle in your name or your business name; and (6) workers' compensation insurance consistent with applicable law. The insurance policies must be purchased from a supplier rated A or better by A.M. Best & Company, Inc., or meet other criteria we may periodically establish, including but not limited to naming us as additional insured. Our insurance requirements are subject to change, and you agree to promptly comply with each such change when informed.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional insured parties and provide for 30 days prior written notice

- (a) Provide you with our standard site selection criteria and approve or reject your proposed location for the Teriyaki Shop (See Franchise Agreement – Section 5.1; [Development Agreement – Sections 1.2 and 2.2](#))
- (b) Provide you with assistance or consultation, we deem fit, on-site selection. (See Franchise Agreement – Section 5.1)
- (c) Provide you with our letter of intent template, landlord work letter and additional templates to assist in letter of intent negotiations. (See Franchise Agreement – Section 5.2)
- (d) Provide a reference list of licensed real estate attorneys to assist in your lease negotiations. (See Franchise Agreement – Section 5.2)
- (e) Review your lease agreement for the Teriyaki Shop to ensure that its terms contain our required provisions and otherwise meet our minimum standards (See Franchise Agreement – Section 5.2 and Teriyaki Shop Lease Addendum as [Attachment B](#) to the Franchise Agreement). We generally do not own the premises and lease it to the franchisee.

2. Design and Construction Documentation.

- (a) Provide you with our standard Teriyaki Shop layout plans and specifications. (See Franchise Agreement – Section 5.1).
- (b) Provide you a list of approved architects to complete a set of construction documents for your Teriyaki Shop at your expense. (See Franchise Agreement – Section 5.3).
- (c) Provide you with the consultation we deem advisable regarding plan submissions (and receiving approvals) and constructing, remodeling, or build-out of the Teriyaki Shop and the related processes. (See Franchise Agreement – Section 5.3)
- (d) Provide you a list of approved contractors for you to choose from. (See Franchise Agreement – Section 5.3)

3. Provide you with a complete list of our Approved Suppliers for the development of your Teriyaki Shop, including, furniture, fixtures, equipment, inventory, and supplies. (See Franchise Agreement – Sections 5.3, 5.4, and 6.6)

4. Counsel you on necessary pre-opening procedures and assist you with inventory ordering of products, equipment, and supplies, through our affiliate or other suppliers, as applicable, which are necessary for commencement of operations. (See Franchise Agreement – Sections 5.3, 5.4, 6.3, and 6.6)

5. Loan to you or make available to you one copy of the Manual, which may include electronic media, and/or written materials. The Manual contains mandatory and suggested specifications, standards, operating procedures, and rules. The Manual includes approximately 174 pages. The table of contents for the Manual is attached to this Franchise Disclosure Document as Exhibit E. (See Franchise Agreement – Section 10.1)

6. Maintain and administer marketing programs and the Marketing Fund, described in greater detail immediately below in this Item 11. (See Franchise Agreement – Sections 7.1 and 7.2).

7. Maintain and administer one or more websites to advertise, market and promote Teriyaki Madness Businesses and the services and products offered (each a “System Website”). (See Franchise Agreement – Section 7.10)

8. Review requests for approval of alternate items, services and/or suppliers, and notify you of our decision. (See Franchise Agreement – Section 6.5)

9. Review samples of all marketing materials and other materials bearing our Marks you submit to us for approval and notify you of our decision. (See Franchise Agreement – Section 11.3)

10. If legally permitted, recommend maximum and minimum retail prices for approved items or services; however, you will not be bound by our recommended prices. (See Franchise Agreement – Section 6.3)

Site Development

Site Selection

We and MH International will provide you with our site selection criteria and assistance we deem necessary for you to select and acquire a site for your Teriyaki Madness Business which meets our site selection criteria. You may not lease or purchase a site for your Teriyaki Madness Business until after we have approved the site in writing. The factors we consider in approving sites include location, size, suitability, layout, access and visibility of the proposed location, proximity to other businesses, location and nature of any competitors, population density and demographics, vehicle traffic, pedestrian traffic, existing tenant mix, parking convenience, and other factors that may be relevant to your market.

Our approval only indicates that we believe that the site falls within our minimum site selection criteria. There are no deadlines for our approval or disapproval of your proposed site, although we will typically be able to respond within two weeks after you submit to us all of the required information. Once we have approved your location, the Franchise Agreement and Teriyaki Shop Approved Location Acceptance attached as Attachment A to the Franchise Agreement will be amended to show the Approved Location as the only location where you are authorized to operate the Teriyaki Madness Business.

You must obtain our prior written approval of your lease. Your lease must meet our lease approval criteria. Our approval is conditioned on you and your landlord executing a Teriyaki Shop Lease Addendum, in the form attached to Attachment B to the Franchise Agreement which contains mandatory lease provisions that we require for our protection.

Although we will consult with you on your site, assist you in finding an acceptable location, and require that your site be subject to our final authorization, you have the ultimate responsibility in choosing, obtaining and developing the site for your Teriyaki Madness Business.

If we cannot agree on a site for your Teriyaki Madness Business and you do not fully execute a lease for your Teriyaki Madness Business according to the deadline explained below or pay the Extension Fee, we will have the right to terminate the Franchise Agreement without providing you a refund of any fees you paid to us. We may waive the Extension Fee if requested in writing no less than 60 days prior to

The Area of Protection is based on the geographic area and population and properties within that territory and other relevant demographic characteristics. During the term of the Franchise Agreement, except as provided below, we will not establish or operate, or franchise any person to establish or operate, a business using the Marks and System at any location within the Area of Protection for each Teriyaki Madness Business. ~~Neither we nor any of our affiliates operate, franchise, or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer.~~ The scope of the area will likely differ among franchisees, and will be determined by population density and demographics, and geographical and political boundaries. As a general rule, the Area of Protection will include an area with a population of approximately 25,000 people. Your Area of Protection may include less than 25,000 people if your Teriyaki Madness Business is located in an area with high non-resident traffic. The boundaries of your Area of Protection may be described in terms of contiguous zip codes, street boundaries, and county boundaries or depicted on a map that is attached to your Franchise Agreement. Once we establish your Area of Protection, we will not change or modify it without your consent.

You must follow our off-site policies and procedures in the Manual, which may allow you to provide catering services in the territories of other Teriyaki Madness Businesses without compensating the operator of those restaurants. Under these policies, we, our affiliates, or other Teriyaki Madness Businesses may provide catering and delivery services in your Area of Protection without compensating you. We may impose restrictions in the future that prevent you from providing catering and delivery services outside of your Area of Protection.

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. Although you will have an Area of Protection, we retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights to do the following:

1. to own, franchise, or operate Teriyaki Madness Businesses at any location outside of the Area of Protection regardless of the proximity to your Approved Location or the impact on your existing or potential customers;
2. to own, acquire, establish and/or operate, and license others to establish and operate, businesses under other trademarks other than the Marks or other systems, at any location within or outside the Area of Protection (even if these businesses are in competition with you);
3. to own, acquire, establish and/or operate, and license others to establish and operate, businesses using any proprietary marks or systems (including the Marks and System) at any airport, train station, other transportation facility, arena, ballpark, stadium, racetrack, other sports facility, theater, auditorium, concert hall, theme park, amusement park, cruise ship, casino, or other entertainment facility, grocery store, convenience store, gas station, university, college campus, or military base, within any outlet mall or other area mall, in any other facility with a captive or semi-captive audience, or by way of a mobile food truck, within or outside the Area of Protection;
4. to use any proprietary marks or systems (including the Marks and the System) to sell or distribute at retail or wholesale locations or otherwise or license others to sell or distribute at retail or wholesale locations or otherwise any products, including proprietary items such as bottled teriyaki sauces and salad dressings and including products that are the same or similar to those which you will sell, within or outside the Area of Protection;
5. to use any proprietary marks or systems (including the Marks and System) to sell any products, including products that are the same or similar to those which you will sell through any

alternative channels of distribution within or outside of the Area of Protection, regardless of their proximity to the Approved Location or their impact on your existing or potential customers. We exclusively reserve the Internet, including computerized or remote entry ordering systems, as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce unless you have received our prior written permission or unless such activities are expressly authorized by the Manual;

6. to acquire, or be acquired by, any competing system, including a competing system that has one or more locations within your Area of Protection; and

7. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

You do not have the right to use the Marks for outside delivery providers or directly market or solicit customers located outside of your Area of Protection, and thus [you](#) are strictly prohibited from directly entering into any agreement or contract with an outside delivery provider without our prior written consent, which may be withheld by us.

We are not required to pay you if we exercise any of the rights specified above within your Area of Protection.

Development Agreement

If you execute a Development Agreement, you will have the right and undertake the obligation to sign the then current Franchise Agreement and open additional Teriyaki Madness Businesses. We determine the Primary Search Area before you sign the Development Agreement [and approve or reject locations](#) based on various market and economic factors like market demographics, the penetration of Teriyaki Shops and similar businesses in the market, expansion potential, the availability of appropriate sites and growth trends in the market. The Primary Search Area may be all or a portion of a city, a contiguous number of zip codes, a single or multi-county area, or some other geographically identifiable area, which will be described in the Development Agreement.

You are not required to develop Teriyaki Shops in the Primary Search Area as outlined in the development schedule in the Development Agreement, but all of your Teriyaki Shops must be developed and opened within the state in which the Primary Search Area is located, unless we otherwise agree. We must agree to the development schedule before signing the Development Agreement.

If you purchase the rights to open additional Teriyaki Shops by executing a Development Agreement and fail to sign lease agreements and open the Teriyaki Madness Businesses in accordance with the terms of the Development Schedule for your Development Agreement, you will forfeit the right to open any remaining undeveloped Teriyaki Madness Businesses. You have no rights, protection or exclusivity to the Primary Search Area.

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.

Relocation, Right of First Refusal, Solicitation of Customers

You may not relocate the Teriyaki Madness Business without our approval in writing. Our decision to approve will be based in part upon where your new Teriyaki Shop will be located, whether or

not such relocation will infringe upon the rights of other Teriyaki Madness Businesses, and the time it will take to relocate your Teriyaki Madness Business. Aside from cases of force majeure, the Teriyaki Shop must be open and operating at the new Approved Location prior to the closure of your current Approved Location. You must also pay us a relocation fee in an amount equal to \$12,500.

You are not granted any rights of first refusal or any other similar right to acquire additional franchises under the Franchise Agreement or the Development Agreement.

You are not prohibited from directly marketing to or soliciting customers located outside of your Area of Protection. However, you may not market or solicit customers within the Area of Protection of another Teriyaki Shop. You may sell products to customers located outside of the Area of Protection so long as they are sold from your Approved Location or in connection with catering orders in the manner approved by us. You may not sell our proprietary products or any other products to any business or other customer at wholesale or for resale or through any other channels of distribution such as the Internet.

Neither we nor any of our affiliates operate, franchise, or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer.

ITEM 13. TRADEMARKS

The Marks and the System are owned by MH and are licensed to us. MH has granted us a license (“Trademark License”) to use the Marks for purposes of franchising the System around the world. The Trademark License is perpetual. In the event the Trademark License is terminated, MH has agreed to license the use of the Marks directly to our franchisees until such time as each Franchise Agreement expires or is otherwise terminated. Otherwise, the license agreement may be terminated by MH for cause upon any affirmative act of insolvency (or similar events) or upon our breach of the license agreement. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks listed above in a manner material to the Franchises.

The Franchise Agreement grants you the non-exclusive right and license to use the System, which includes the use of the proprietary Marks. You must use the Marks as we require. You may not use any of the Marks as part of your firm name, corporate name, or domain name. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Teriyaki Madness Franchise or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us.

The following Marks used (or intending to be used) with the System are registered on the Principal Register with the United States Patent and Trademark Office (“USPTO”).

Mark	Filing or Registration Date	Serial or Registration Number	Status
TERIYAKI MADNESS	May 7, 2013	4331710	Registered on the Principal Register

Confidentiality Agreement. If you are an entity, each owner (i.e., each person holding an ownership interest in you), must sign the Owners Agreement, the form of which is attached to the Franchise Agreement as Attachment F. If you are a partnership, we require that one owner has more than fifty percent (50%) ownership of the voting equity interests in the partnership.

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

You are required to offer for sale only those products and services that have been approved and specified by us in writing. You may not offer for sale any products or services not specifically approved by us in writing and you may not use your Teriyaki Madness Business premises for any other purpose than the operation of a Teriyaki Madness Business and the sale of products or services approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Manual. There are no limits on our ability to make changes to the products or services we require you to sell.

You must offer and sell all services and products that we periodically require for Teriyaki Madness Franchises. You may not perform any services or offer or sell any products that we have not authorized in writing. You must participate in our gift card program, loyalty program and all national promotions. Our System Standards may regulate required and/or authorized services and products. We periodically may change required and/or authorized services and products. There are no limits on our right to do so.

You may not sell any items at wholesale or to any purchaser whom you know (or have reasonable grounds to suspect) intends to resell the items. You may sell your items and offer your services at any prices you determine and will in no way be bound by any price we recommend or suggest, but in determining your prices, you must consider the general image of the Teriyaki Madness Business and the System. If you offer any items at a price suggested by us, we do not guarantee that you will earn any level of revenues or profitability. ~~Otherwise, except as provided in Item 12, we place no restrictions upon your ability to serve customers provided you do so from the Approved Location under our policies.~~

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

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
(a) Term of the franchise term	3.1	10 years.
(b) Renewal or extension of term	3.2	Two 5-year renewal period if you meet certain conditions.
(c) Requirements for franchisee to renew	3.3	Requirements include written notice at least six (6) months before the end of the term of the Agreement, full compliance, sign then-current

Provision	Section in Franchise Agreement	Summary
		form of Franchise Agreement, sign release, maintain possession of Teriyaki Madness Business location, complete upgrade of your Teriyaki Shop to make it consistent with the then-current System Standards for new Teriyaki Shops, and pay renewal fees. You may be asked to sign a contract with materially different terms and conditions than your original contract, and the boundaries of your territory may change.
(d) Termination by franchisee	Not applicable	You may seek to terminate the Franchise Agreement with us under any grounds available to you by law.
(e) Termination by franchisor without cause	Not applicable	We will not terminate the Franchise Agreement without cause.
(f) Termination by franchisor with cause	16.1, 16.2, 16.3	We have the right to terminate your Franchise Agreement in certain circumstances described in rows (g) and (h).
(g) “Cause” defined – curable defaults	16.1 , 16.2, 16.3	10 days to pay amounts owed and obtain required insurance; 30 days for all other defaults. Failure to timely cure defaults by you (or your affiliates) under one agreement with us (or our affiliates) may result in a termination of all agreements between you (or your affiliates) and us (or our affiliates).
(h) “Cause” defined – non-curable defaults	16.1	Material misrepresentation; failure to open your Teriyaki Shop within 480 days of the effective date of your Franchise Agreement or 210 days of the fully executed lease agreement; intentionally understating revenue; bankruptcy, insolvency, assignment for benefit of creditors, or unable to pay your debts; failure to execute the lease agreement within 9 months after the effective date of your franchise agreement; failure to operate the shop for more than 3 consecutive business days; failure to complete our training program; failure to operate under system standards that present health and/or safety risks;

State	Year	Number of Transfers
Illinois	2023	2
	2024	0
	2025	1
Massachusetts	2023	0
	2024	1
	2025	0
Michigan	2023	0
	2024	1
	2025	1
Nevada	2023	5
	2024	3
	2025	0
New Jersey	2023	0
	2024	0
	2025	1
North Carolina	2023	0
	2024	0
	2025	0
Oregon	2023	0
	2024	0
	2025	1
Pennsylvania	2023	1
	2024	0
	2025	1
South Dakota	2023	1
	2024	0
	2025	0
Texas	2023	1
	2024	0
	2025	1
Virginia	2023	1
	2024	0
	2025	0
Total	2023	16
	2024	8
	2025	98

**Table No. 3
Status of Franchised Outlets
for Years 2023 to 2025**

LIST OF STATE ADMINISTRATORS

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7505
Toll Free: (866) 275-2677
651 Bannon Street
Sacramento, CA 95811
(916) 445-7205
(866) 275-2677

1455 Frazee Rd., Suite 315
San Diego, CA 92108
(619) 610-2093

(866) 275-2677

One Sansome Street, Suite 600
San Francisco, CA 94104-4428
(415) 972-8559
(866) 275-2677

Florida

Department of Agriculture and Consumer Services
Division of Consumer Services
Terry Lee Rhodes Building
2005 Apalachee Parkway
Tallahassee, FL 32399-6500
(800) 410-3804

Hawaii

Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, HI 96813
(808) 586-2722
www.investing.hawaii.gov

Illinois

Franchise Bureau
Illinois Attorney General's Office
500 South Second Street
Springfield, IL 62701
(217) 782-4465

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Michigan Attorney General's Office
Corporate Oversight Division
Attention: Franchise Section
G. Mennen Williams Building, 5th Floor
525 W. Ottawa Street
Lansing, MI 48913
(517) 335-7567

Minnesota

Minnesota Department of Commerce
Securities Section
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

Nebraska

Department of Banking and Finance
1526 K Street, Suite 300
Lincoln, NE 68508-2732
(402) 471-2171

New York

~~NYS~~[New York State](#) Department of Law
Investor Protection Bureau
28 Liberty St., 21st FL
New York, NY 10005
(212) ~~416-8236~~[416-8222](#)

North Dakota

North Dakota Insurance and Securities
Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2910

Oregon

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310
(503) 378-4387

Rhode Island

Department of Business Regulation
Division of Securities
John O. Pastore Complex – Building 69-1
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-9645

South Dakota

South Dakota Department of
Labor and Regulation
Division of Insurance - Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Texas

Secretary of State
Registrations Unit
1019 Brazos Street
Austin, TX 78701
(512) 475-0775

Virginia

State Corporation Commission
Division of Securities and
Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington

Washington State Department of Financial
Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8760

Wisconsin

Securities and Franchise Registration
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, WI 53703
(608) 266-1064

LIST OF AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and Innovation
California Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7505
(866) 275-2677

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203

Honolulu, HI 96813

(808) 586-2722

Illinois

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

(217) 782-4465

Indiana

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204

(317) 232-6531

Maryland

Maryland Securities Commissioner at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2021
(410) 576-6360

Michigan

Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, MI 48909

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

New York

~~Attention: New York Secretary of State of New York~~
~~New York Department of State~~
~~99 Washington Avenue~~
~~One Commerce Plaza~~
~~Albany, NY 12231~~
~~99 Washington Avenue, 6th Floor~~
~~(518) 473-2492~~

~~Albany, NY 12231-0001~~
~~(518) 473-2492~~

North Dakota

~~North Dakota~~
~~Insurance Commissioner~~
~~600 E. Boulevard Avenue, Dept. 401~~
~~600 E. Boulevard Avenue, Dept. 401~~
~~Bismarck, ND 58505~~
~~(701) 328-2910~~
~~(701) 328-2910~~

Oregon

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, N.E., Room 410
Salem, OR 97310-3881
(503) 378-4387

Rhode Island

Department of Business Regulation
Division of Securities
John O. Pastore Complex, Building 69-1
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-9500

South Dakota

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia

Clerk of the State Corporation

Commission

1300 East Main Street, 1st Floor

Richmond, VA 23219
(804) 371-9672

Washington

Director

Department of Financial Institutions

150 Israel Road, S.W.
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, WI 53708-8861
(608) 261-9555

collection agency, you will be liable to us for all costs and expenses of enforcement and collection including, but not limited to, court costs and reasonable attorney fees and expenses incurred by us (including the fair market value of any time expended by in-house legal counsel).

18.6 Jurisdiction. The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties consent to the exclusive jurisdiction of the state or federal court in which our principal place of business is then located, which is currently Denver, Colorado, for any litigation relating to this Agreement or the operation of the Teriyaki Shop hereunder; provided that we have the option to bring suit against you in any state or federal court within the jurisdiction where your Teriyaki Shop is or was located or where any of your owners lives, and provided that provisional remedies shall be conducted in accordance with Section 18.4. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. THE PARTIES WAIVE ANY RIGHT TO JURY TRIAL, AND ANY RIGHT TO RECEIVE PUNITIVE DAMAGES, THAT THEY MAY HAVE IN ANY ACTION ARISING OUT OF OR UNDER THIS AGREEMENT. IT IS THE INTENT OF THE PARTIES THAT ANY LITIGATION BETWEEN THEM WILL BE OF INDIVIDUAL CLAIMS, AND THAT THE CLAIMS SUBJECT TO LITIGATION WILL NOT BE LITIGATED AS A JOINT ACTION OR CLASS ACTION. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of one year from the date the conduct or event that forms the basis of the legal action or proceeding occurred.

19. GENERAL PROVISIONS

19.1 Entire Agreement. This Agreement and the Attachments hereto contain the entire agreement between the parties and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. ~~No party relied upon any representation or warranty, whether written or oral, made by any other party or any of its respective officers, directors, managers, employees, agents or representatives, in making its decision to enter into this Agreement.~~ Nothing in this or any related agreement is intended to disclaim the representations we made in the latest Franchise Disclosure Document that we furnished to you.

19.2 Amendment and Modifications. This Agreement may not be amended, modified or supplemented except by an instrument or instruments in writing signed by the party against whom enforcement of any such amendment, modification or supplement is sought.

19.3 Partial Invalidity. If all or any part of a provision of this Agreement violates applicable law, the affected provision or part will not be given effect. If all or any part of a provision of this Agreement is declared invalid or unenforceable, for any reason, or is not given effect by reason of the prior sentence, the remainder of the Agreement will not be affected, and

respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance, or omission of Franchisor to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions, or covenants of this Agreement, affect or impair Franchisor's rights, nor shall the same constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

14. SEVERABILITY AND CONSTRUCTION; SURVIVAL

14.1 Each provision of this Agreement shall be deemed severable from the others.

14.2 Nothing in this Agreement shall confer upon any person or legal entity other than Franchisor or Developer and such of their respective successors and assigns as may be contemplated by Section 8 of this Agreement, any rights or remedies under or by reason of this Agreement.

14.3 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 of this Agreement.

14.4 All references in this Agreement to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgements, promises, covenants, agreements and obligations made or undertaken by Developer shall be deemed jointly and severally undertaken by all the parties which execute this Agreement on behalf of Developer.

14.5 This Agreement may be signed in duplicate and each copy so signed shall be deemed an original.

14.6 The provisions of this Agreement relating to confidentiality, non-competition, and indemnification, including but not limited to Sections 6, 8, and 10 of this Agreement shall survive any termination or expiration of this Agreement for any reason.

14.7 Developer agrees that whenever this Agreement allows or requires Franchisor to take actions or make decisions, Franchisor may in doing so exercise its sole and unfettered discretion, even if Developer believes Franchisor's action or decision is unreasonable, unless the Agreement expressly and specifically requires that Franchisor acts reasonably or refrains from acting unreasonably in connection with the particular action or decision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire, full, and complete agreement between Franchisor and Developer concerning the subject matter of this Agreement and supersedes all prior agreements. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and signed by themselves or their authorized officers or agents in writing. ~~With the exception of the Franchise Disclosure Document, no other representation has induced Developer to execute this Agreement, and there are no representations, inducements, promises, or agreements oral or otherwise, between the parties not embodied in this Agreement, which are of any force or effect with reference to this Agreement~~

~~or otherwise. Nothing in this~~ Nothing in the Agreement or in any related agreement, ~~however,~~ is intended to disclaim the representations ~~Company~~ made in the Franchise Disclosure Document ~~that Company furnished to Developer.~~

16. SUPERIORITY OF FRANCHISE AGREEMENT

For each Teriyaki Madness individual unit Teriyaki Shop developed in the Primary Search Area, a separate Franchise Agreement shall be signed. All Franchise Agreements signed in connection with Teriyaki Madness individual Teriyaki Shops are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement, the latter shall have precedence and superiority over the former.

17. APPLICABLE LAW; MEDIATION AND ARBITRATION

17.1 THIS AGREEMENT TAKES EFFECT UPON ITS ACCEPTANCE AND EXECUTION BY FRANCHISOR IN COLORADO, AND, EXCEPT FOR ITS LAWS RELATING TO CONFLICTS OF LAWS, AND, IF THE PRIMARY SEARCH AREA IS LOCATED OUTSIDE COLORADO. THE PARTIES ALSO ANTICIPATE THAT THE PERFORMANCE OF CERTAIN OF DEVELOPER'S OBLIGATIONS ARISING UNDER THIS AGREEMENT, INCLUDING THE PAYMENT OF CERTAIN MONIES DUE FRANCHISOR, WILL OCCUR IN DENVER, COLORADO. THIS AGREEMENT AND THE RIGHTS OF THE PARTIES SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF COLORADO, WHICH LAWS SHALL PREVAIL IN THE EVENT OF ANY CONFLICT OF LAW. IF, HOWEVER, ANY PROVISION OF THIS AGREEMENT WOULD NOT BE ENFORCEABLE UNDER THE LAWS OF COLORADO, AND IF THE DEVELOPER'S PRIMARY SEARCH AREA IS LOCATED OUTSIDE OF COLORADO AND SUCH PROVISION WOULD BE ENFORCEABLE UNDER THE LAWS OF THE STATE IN WHICH THE PRIMARY SEARCH AREA IS LOCATED, THEN SUCH PROVISION SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THAT STATE. NOTHING IN THIS SECTION 17 IS INTENDED BY THE PARTIES TO SUBJECT THIS AGREEMENT TO ANY FRANCHISE OR SIMILAR LAW, RULE, OR REGULATION OF THE STATE OF COLORADO TO WHICH IT WOULD NOT OTHERWISE BE SUBJECT.

17.2 EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE MAKING, PERFORMANCE, BREACH, OR INTERPRETATION OF THIS AGREEMENT, EXCEPT FOR ANY ACTIONS BROUGHT WITH RESPECT TO: I) OWNERSHIP OR USE OF THE MARKS; II) SECURING INJUNCTIVE RELIEF PURSUANT TO SECTION 17 OF THIS AGREEMENT; III) ANY COVENANT LISTED WITHIN SECTION 8 OR CONDITIONS IN THIS AGREEMENT; IV) THE RIGHT TO INDEMNIFICATION OR THE MANNER IN WHICH IT IS EXERCISED; SHALL FIRST BE THE SUBJECT OF AN INFORMAL MEETING BETWEEN THE PARTIES TO RESOLVE THE DISPUTE AND THEN SUBJECT TO NON-BINDING MEDIATION. THE PARTIES AGREE TO CONDUCT THE MEDIATION IN ACCORDANCE WITH THE THEN CURRENT COMMERCIAL MEDIATION PROCEDURES OF THE AMERICAN ARBITRATION ASSOCIATION (THE

The success of the business venture contemplated to be undertaken by Developer by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Developer as an independent businessman, and his active participation in the daily affairs of the business as well as other factors. ~~Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.~~

22. FRANCHISOR'S BUSINESS JUDGMENT

Notwithstanding any contrary provisions contained in this Agreement, Franchisor and Developer acknowledge and agree that:

22.1 This Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Developer's explicit rights and obligations hereunder that may affect favorably or adversely Developer's interests;

22.2 Franchisor's use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and Teriyaki Shops generally (including Franchisor, and its affiliates and other Developers), and specifically without considering Developer's individual interests or the individual interests of any other particular Developer (examples of items that promote or benefit the System and Teriyaki Shops generally include, without limitation, enhancing the value of the Marks, improving customer satisfaction, improving quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System);

22.3 Franchisor shall have no liability to Developer for the exercise of its discretion in this manner; and

22.4 Even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised and such action or decision shall not be subject to challenge for abuse of discretion.

IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR FRANCHISOR'S DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

23. ACKNOWLEDGEMENTS

23.1 This Agreement and our Franchise Disclosure Document, or "FDD", have been in Developer's possession for at least fourteen (14) days before Developer signed this Agreement

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois law governs the Franchise Agreement(s).

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 a franchise 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.

All of the Franchisor's financial obligations are absolutely and unconditionally guaranteed by M.H. Enterprises International, Inc. An executed Guarantee of Performance is included with the financial statements (see Item 21) attached to the Franchise Disclosure Document.

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS, AND DEVELOPMENT AGREEMENT.

The following risk factor is added to the “Special Risks to Consider About This Franchise” page:

Spousal Liability. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

Mandatory Minimum Payments. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

Item 17 of the FDD and the Franchise Agreement are amended to state: “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.”

Representations in the Franchise Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that 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.

Exhibit I to the FDD is amended as follows: Any portion of the Statement of Prospective Franchisee which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any of these representations 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.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Item 5, Additional Disclosures.

A surety bond in the amount of \$200,000 has been obtained by the Franchisor. The State of Maryland has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Maryland Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

MARYLAND ADDENDUM TO DEVELOPMENT AGREEMENT

1. Notwithstanding anything to the contrary contained in the [FranchiseDevelopment Agreement](#), to the extent that the [FranchiseDevelopment Agreement](#) contains provisions that are inconsistent with the following, such provisions are hereby amended:

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.

Nothing in the Development Agreement shall be deemed to prevent the developer from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Development Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

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

~~Item 5. Additional Disclosures.~~

The following language is added as a new Section 4.9 to the Franchise Agreement and a new Section 2.4 to the Development Agreement: A surety bond in the amount of \$200,000 has been obtained by the Franchisor. The State of Maryland has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Maryland Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

5. Item 6 of the FDD and Section 4.6 of the franchise agreement is hereby amended to limit the insufficient funds charge to \$30 per occurrence pursuant to Minnesota statute 604.113.

6. The following language is added to the end of Item 5 of the FDD, as a new Section 4.9 to the Franchise Agreement, and as a new Section 2.4 to the Development Agreement:

Pursuant to an order of the Minnesota Commissioner of Commerce, we have posted a Surety Bond in the amount of \$99,000.00 from Travelers Casualty and Surety Company of America. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have opened your Teriyaki Shop. A copy of the Surety Bond is on file with the Minnesota Department of Commerce.

NEW YORK

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 SOURCES ~~OF~~ FOR 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 ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTORS PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271~~ THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE OR DEVELOPER TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The following is added at the end of Item 3:

~~With the e~~ Exception of what is stated as provided above, the following applies 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~~ that is 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-ten~~ years ~~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.

The following is added to the end of Item 4:

~~Neither we, our affiliate, predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10 year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.~~

The following is added to Item 5:

~~We apply the initial franchise fee to defray our costs for site review and approval, sales, legal compliance, salary, and general administrative expenses and profits.~~

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 intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

The following language replaces the “Summary” section of Item 17(d), titled “Termination by Franchisee”:

You may terminate the Franchise Agreement on any grounds available by law.

The following is added to Item 17(j), entitled “Assignment of contract by franchisor”:

~~However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Development Agreement or Franchise Agreement.~~

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.

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.

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 earliest 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. The following language is removed from Section 19.1 of the Franchise Agreement: “No party relied upon any representation or warranty, whether written or oral, made by any other party or any of its respective officers, directors, managers, employees, agents or representatives, in making its decision to enter into this Agreement.”

20. The following language is removed from Section 15 of the Development Agreement: “With the exception of the Franchise Disclosure Document, no other representation has induced Developer to execute this Agreement.”

21. Section 8.1 of the Owners Agreement (Attachment F) and Section 7.1 of the Owners Agreement (attached to the Development Agreement) do not apply in Washington.

22. As required by the Director of the Department of Financial Institutions, we hereby agree not to collect liquidated damages from you in an amount greater than the net present value of the Royalty Fee and Marketing Fund contributions that would have become due had the Franchise Agreement not been terminated, from the date of termination to the earlier of: (i) 2 years following the date of termination; or (ii) the scheduled expiration of the Term.

Parties ever had, now have or may in the future have, for or by reason of any cause, matter or thing whatsoever that arose or occurred on or prior to the Effective Date with respect to any of the Released Parties (collectively, the “Claims”), including, but not limited to, any and all Claims relating to or arising under or in connection with the Franchise Agreement and the offer and sale of the franchise related thereto, if applicable, and any other agreements, written or oral, express or implied, to which any of Releasors and Franchisor are, or may in the past have been, a party.

If the Teriyaki Madness business is located in Washington or if you are a resident of Washington, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

(b) No Transfer of Claims. Releasors hereby represent and warrant that none of the Releasing Parties has sold, assigned, transferred or otherwise conveyed to any other person or entity, whether voluntarily or by operation of law, all or any portion of the Claims, and Releasors hereby covenant and agree that none of the Releasing Parties will sell, assign, transfer or otherwise convey, to any other person or entity, whether voluntarily or by operation of law, all or any portion of the Claims.

(c) No Future Claims. Releasors further covenant and agree that: (i) none of the Releasing Parties will sue or bring, or assign to any third person, any Claims or charges against any of the Released Parties with respect to any matter covered by the release set forth above, and (ii) none of the Releasing Parties will assert against any of the Released Parties any action, grievance, suit, litigation or proceeding for any matter covered by the release set forth above.

(d) CALIFORNIA SPECIFIC DISCLOSURE: IF THE FRANCHISE OPERATED PURSUANT TO THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS THE INTENTION OF RELEASORS, ON THEIR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY RELEASORS OR THE RELEASING PARTIES. RELEASORS RECOGNIZE THAT THEY OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST ANY OF THE RELEASED PARTIES OF WHICH THEY ARE TOTALLY UNAWARE AND UNSUSPECTING, WHICH THEY ARE GIVING UP BY EXECUTING THIS RELEASE. IT IS THE INTENTION OF RELEASORS, ON THEIR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE THEM OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT THEM FROM ASSERTING IT AGAINST ANY OF THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, RELEASORS, ON THEIR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the Franchised Business is located in Washington or if you are a resident of Washington, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

3. Consent to Requested Transfer of Franchised Business. Franchisor hereby consents to the Requested Transfer of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement; provided that, the termination of the Former Franchise Agreement does not (a) affect any obligations of Former Franchisee or Owners that arose or accrued under the Former Franchise Agreement (or any other related agreements to which they were a party) prior to the termination, or (b) release Transferor from any obligations that, as provided in the Former Franchise Agreement (or any other related agreements to which they were a party), survive or are triggered by the termination of those agreements (including, for example, the post-termination obligations regarding payment of amounts owed, confidentiality, noncompetition, cessation of use of Marks and other intellectual property, and all other such obligations described in the Former Franchise Agreement, and the indemnification obligations thereunder with respect to claims arising from or based on events which occurred prior to termination).

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Teriyaki Madness franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Transfer and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee and shall not involve Franchisor.

portion of the Claims. Former Franchisees and Owners further covenant and agree that: (i) none of the Releasing Parties will sue or bring, or assign to any third person, any Claims or charges against any of the Released Parties with respect to any matter covered by the release set forth above, and (ii) none of the Releasing Parties will assert against any of the Released Parties any action, grievance, suit, litigation or proceeding for any matter covered by the release set forth above.

CALIFORNIA SPECIFIC DISCLOSURE: IF THE FRANCHISE OPERATED PURSUANT TO THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS THE INTENTION OF FORMER FRANCHISEE AND OWNERS, ON THEIR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS AGREEMENT THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY FORMER FRANCHISEE AND OWNERS OR THE RELEASING PARTIES. FORMER FRANCHISEE AND OWNERS RECOGNIZE THAT THEY OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST ANY OF THE RELEASED PARTIES OF WHICH THEY ARE TOTALLY UNAWARE AND UNSUSPECTING, WHICH THEY ARE GIVING UP BY EXECUTING THIS AGREEMENT. IT IS THE INTENTION OF FORMER FRANCHISEE AND OWNERS, ON THEIR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE THEM OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT THEM FROM ASSERTING IT AGAINST ANY OF THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, FORMER FRANCHISEE AND OWNERS, ON THEIR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

FORMER FRANCHISEE AND OWNERS ACKNOWLEDGE AND REPRESENT THAT THEY HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS AGREEMENT AND THAT THEY UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS AGREEMENT SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

[If the Teriyaki Madness restaurant is located in Washington or if you are a resident of Washington, the following shall apply:](#)

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

8. Notice. Assignee agrees that any notices by Franchisor to Assignee under this Transfer Agreement shall be delivered to Assigned in the manner and at the location set forth in the Franchise Agreement.

9. Amendment. This Transfer Agreement may not be amended, modified or supplemented except by an instrument or instruments in writing signed by the party against whom enforcement of any such amendment, modification or supplement is sought.

10. Governing Law. This Transfer Agreement shall be governed by and interpreted in accordance with Colorado law applicable to contracts made and to be wholly performed therein without regard to its conflicts of law rules; *provided, however*, that this provision is not intended to subject this Transfer Agreement to any franchise or similar law, rule, or regulation of the State of Colorado to which it would not otherwise be subject. Any claims brought by any party hereto against any other party hereto shall be governed by the dispute resolutions provisions set forth in Section 18 of the Franchise Agreement.

11. Severability. If any provision of this Transfer Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable to any extent, the remainder of this Transfer Agreement shall remain in full force and effect and shall be reformed to render this Transfer Agreement valid and enforceable while reflecting to the greatest extent permissible the intent of the parties.

12. Interpretation. Any reference to the masculine, feminine or neuter gender shall include such other genders and any reference to the singular or plural shall include the other, in each case unless the context otherwise requires.

13. Counterparts. This Transfer Agreement may be executed in two or more counterparts and delivered electronically, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

14. Further Instruments. Upon notice from Franchisor, Assignor and Assignee will execute and deliver any supplemental agreement and other instruments and take any other action necessary to consummate the transactions contemplated in this Transfer Agreement and make this Transfer Agreement duly and legally effective, binding, and enforceable as between the parties hereto and as against third parties.

(Signature Page Follows)

voluntarily or by operation of law, all or any portion of the Claims. Assignor further covenants and agrees that: (i) none of the Releasing Parties will sue or bring, or assign to any third person, any Claims or charges against any of the Released Parties with respect to any matter covered by the release set forth above, and (ii) none of the Releasing Parties will assert against any of the Released Parties any action, grievance, suit, litigation or proceeding for any matter covered by the release set forth above.

CALIFORNIA SPECIFIC DISCLOSURE: IF THE FRANCHISE OPERATED PURSUANT TO THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS THE INTENTION OF ASSIGNOR, ON ASSIGNOR'S OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS AGREEMENT THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY ASSIGNOR OR THE RELEASING PARTIES. ASSIGNOR RECOGNIZES THAT ASSIGNOR OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST ANY OF THE RELEASED PARTIES OF WHICH ASSIGNOR IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH ASSIGNOR IS GIVING UP BY EXECUTING THIS AGREEMENT. IT IS THE INTENTION OF ASSIGNOR, ON ASSIGNOR'S OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE ASSIGNOR AND THE RELEASING PARTIES OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT THEM FROM ASSERTING IT AGAINST ANY OF THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, ASSIGNOR, ON ASSIGNOR'S OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVES ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

ASSIGNOR ACKNOWLEDGES AND REPRESENTS THAT ASSIGNOR HAS CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS AGREEMENT AND THAT ASSIGNOR UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS AGREEMENT SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

[If the Teriyaki Madness Business is located in Washington or if you are a resident of Washington, the following shall apply:](#)

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

9. Assignee agrees that any notices by Franchisor to Assignee under this Agreement, the Franchise Agreement or the Other Agreements may be given to Assignee at the location of its Teriyaki Madness Business, at any other business address of Assignee set forth in the Franchise Agreement or otherwise delivered to Franchisor, or at the residence of any officer, director, shareholder, member, or agent of Assignee.

10. The laws of the State of Colorado govern all rights and obligations of the parties under this Agreement. Franchisor, Assignor, and Assignee agree that the dispute resolution and attorneys' fees provisions in the Franchise Agreement will also apply to this Agreement.

11. Assignor and Assignee will take all additional actions and execute all other documents, if any are necessary, to consummate the transactions contemplated in this Agreement.

ASSIGNOR:

ASSIGNEE:

Signature

Entity Name

Printed Name

By: _____

Date: _____

Printed Name: _____

Title: _____

Signature

Date: _____

Printed Name

Date: _____

FRANCHISOR:

M. H. FRANCHISE COMPANY INC:

By: _____

Name: _____

Title: _____

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	_____ <u>March 25, 2026</u>
Illinois	March 18, 2026 <u>Pending</u>
Indiana	Pending <u>March 27, 2026</u>
Maryland	Pending
Michigan	March 18, 2026
Minnesota	Pending
New York	Pending
North Dakota	Pending <u>March 18, 2026</u>
Rhode Island	Pending <u>April 19, 2026</u>
South Dakota	March 18, 2026
Virginia	March 19, 2026
Washington	Pending
Wisconsin	March 18, 2026

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.