FRANCHISE DISCLOSURE DOCUMENT
ACE SUSHI FRANCHISE CORPORATION
A California Corporation
22771 S Western Avenue
Torrance, California 90501
310-327-2223
www.acesushi.com

Ace Sushi Franchise Corporation grant franchises for the operation of Sushi Bar departments in grocery stores, supermarkets and other locations under the trade name "**ACE SUSHI**" which will offer fresh, healthy, high quality, raw and cooked sushi and other related Asian fusion food products for sale at competitive prices for eat-and-go and carry-out consumption.

In this disclosure document, we offer 1 franchise program:

Non-Traditional Program. Under this program, you will sign a Franchise Agreement to operate an Ace Sushi franchise on a university or college campus or inside a hospital (a "**Non-Traditional Host Venue**"). Under the Non-Traditional Program, you may have a single stand-alone Ace Sushi Bar, or you may prepare sushi and related food products from your Ace Sushi Bar or a central kitchen facility at the Host Venue which are delivered to locations throughout the campus or hospital (each a "**Satellite Location**"). The total investment necessary to begin operations of a franchise at a Non-Traditional Venue ranges from: (i) $18,275 to $110,625 for a Main Sushi Bar, (ii) $19,875 to $117,125 for a Main Sushi Bar and a Satellite Location; (iii) or $20,875, $217,125 if you purchase an existing Ace Sushi Bar from the franchisor. These amounts include $12,525 - $93,725, which must be paid to the Franchisor or an affiliate for a Main Sushi Bar; (ii) $14,125 - $100,225, which must be paid to the Franchisor or an affiliate for a Main Sushi Bar and a Satellite Location; or (iii) $15,125 - $200,225, which must be paid to the Franchisor or an affiliate if you purchase an existing Ace Sushi Bar from the franchisor.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Executive Vice President, Chris Chin, 22771 S Western Avenue, Torrance, California 90501, 310-327-2223.

The terms of your contract will govern your franchise relationship. Don't rely on the 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 local 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS APRIL 20, 2023 AS AMENDED NOVEMBER 1, 2023.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

3. **Spousal Guaranty.** 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.

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

a. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

b. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ACE SUSHI FRANCHISE CORPORATION
DISCLOSURE DOCUMENT
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, **"Ace", "we"** or **"us"** means Ace Sushi Franchise Corporation, the franchisor of this business. "**You**" means the person who buys the franchise, and includes your owners if you are a partnership, limited liability company, corporation or other entity.

The Franchisor

We were incorporated in California on October 7, 2004. Our principal business address is 22771 S Western Avenue, Torrance, California 90501. We do business under our corporate name as well as under the trade name "**Ace Sushi**." We do not do business under any other names.

Our agents for service of process are listed in **Exhibit A**.

Our Parents, Predecessors and Affiliates

We have been licensed by our "**affiliate**", Asiana Management Group, Inc., a California corporation ("**AMG**"), to offer and sell franchises for Ace Sushi Bars. AMG will provide fresh, healthy, high quality, raw and cooked sushi and other related Asian fusion food products (the "**Proprietary Products**") to our franchisees and will provide them with the services described in this Disclosure Document. AMG was incorporated on December 23, 2002. AMG's principal business address is 22771 S Western Avenue, Torrance, California 90501. We have no other affiliates. We have no predecessors or parents.

Licensees

Beginning in April 2003, AMG entered into Contracts for Services ("**Contracts for Services**") under which AMG granted licenses to individuals ("**Licensees**"), to operate Ace Sushi Bars in grocery stores and supermarkets in various states in the United States. As of December 31, 2006, all Contracts for Services had expired. Licensees who desired and were qualified to continue to operate their Ace Sushi Bars signed Franchise Agreements and became members of the franchised system.

The System

Ace Sushi Bars ("**Ace Sushi Bars**") are identified by certain trade names, service marks and trademarks, such as "**ACE SUSHI**" (the "**Proprietary Marks**"), and by their fresh, healthy, high quality products, which are offered for sale at competitive prices as eat-and-go or carry-out items. Ace Sushi Bars (**"Ace Sushi Bars**") are generally located in mainstream grocery stores, supermarkets, universities, colleges, hospitals and other locations (the "**Host Venues**") owned and operated by third-party operators (the "**Venue Owners**") who have entered into oral or written agreements (the "**Sushi Supply Agreements**") to have Proprietary Products provided for sale at the Host Venues, either at sushi bar departments in the Host Venues where franchisees prepare the sushi and related offerings as an on-site sushi chef (a "**Main Sushi Bar**"), or pre-packaged in display and merchandising cases at Host Venues at or in the general geographical vicinity of Main Sushi Bars ("**Satellite Stores**" or '**Satellite Locations**") without a sushi bar department or sushi chef on-site (the "**System**"). Your franchised business ("**Franchised Business**") will be at a Host Venue selected by us for which the Venue Owner has entered into a Sushi Supply Agreement with AMG. We may, without obligation, offer you the opportunity to develop an Ace Sushi Bar at a location we propose. Your Ace Sushi Bars may be at Host Venues for which the Venue Owner has entered into a Sushi Supply Agreement with AMG. You will not have the right to enter into Sushi Supply Agreements (or similar agreements), except with our prior written consent.

We have, and expect to continue to, automate the operation, ordering and inventory maintenance process, as well as customer ordering and payment, for franchisees so that you can focus on food preparation at your Main Sushi Bar rather than administration by developing and implementing an Internet-based management system or systems, which permits us, AMG and you, to communicate effectively and efficiently for the benefit of your Ace Sushi Bar, implementing on-line and application based customer ordering programs, and by developing and implementing a daily, weekly, monthly and annual reporting process that will assist you and us in the operation and oversight of your Ace Sushi Bar, and the further development and technological advancement of the System. We have no obligation to continue to develop such technology or to make such technology continuously available to you.

The Franchises Offered

This disclosure document describes the typical terms and conditions relating to agreements for franchises located at universities, colleges and hospitals ("**Non-Traditional Host Venues**"). Under a different disclosure document, we offer Area Development Agreements, under which area developers are granted the right to develop and operate multiple Ace Sushi Bars and/or Satellite Stores within a specified period of time and in a defined geographic area, and single unit and satellite store franchises for Ace Sushi Bars at traditional locations, including grocery stores, supermarkets and other similar locations. Area Development Agreements and franchises operated at traditional locations are not offered pursuant to this disclosure document.

Non-Traditional Store Program

Pursuant to this disclosure document, we are offering a franchise to be operated at a Non-Traditional Host Venue that we select. Under this program, you will sign a Franchise Agreement (the "**Franchise Agreement**") which grants you the right either to establish and operate one Main Sushi Bar at the Non-Traditional Host Venue, or you may prepare sushi and related products from your Ace Sushi Bar or a central kitchen facility at the Non-Traditional Host Venue which are delivered to locations throughout the campus or hospital (each a "**Satellite Location**").

Hot Food Program

Under certain of our Sushi Supply Agreements, franchisees are able to offer, in addition to our traditional sushi offerings, certain hot food products from their Ace Sushi Bar (the "**Hot Food Program**"). The "**Hot Food Products**" offered as part of the Hot Food Program may include ramen (noodle) soup, rice bowls, noodle bowls and other hot food offering we determine and agree upon with the Venue Owner. Hot Food Products are included in the Proprietary Products referred to throughout this Disclosure Document. If you participate in the Hot Food Program, you will sign a Hot Food Program Addendum attached to your Franchise Agreement.

All of your respective rights and obligations under the Franchise Agreement are subject to the terms and conditions of the Sushi Supply Agreement, unless you have entered into the applicable Sushi Supply Agreement (or like occupancy arrangement) with the applicable Venue Owner, in which case your Franchise Agreement shall not be subject to the terms of the Sushi Supply Agreement.

The term of your Franchise Agreement will be 48 months; provided that if we have entered into the Sushi Supply Agreement with the Venue Owner for the Host Venue at which your Franchised Business is located, the term of your Franchise Agreement shall automatically expire if the Sushi Supply Agreement is terminated by the Venue Owner or expires without renewal prior to the expiration of your Franchise Agreement. Typically, the term of the Sushi Supply Agreement with the Venue Owner will range from 90 days to 48 months and options to extend, if granted, will range from 30 days to 36 months. In some cases, the Sushi Supply Agreement may provide for a month-to-month arrangement after the expiration of the initial term of the Sushi Supply Agreement, for automatic renewal for the same term as the initial term after the expiration of the initial term, that either party may terminate a Sushi Supply Agreement on 30 days' notice to the other party, and for termination of the Sushi Supply Agreement if the Venue Owner elects to close a Host Venue. Most Sushi Supply Agreements provide for immediate termination if any health department takes action for any violation of health codes or regulations at the Franchised Location and for other designated violations of the Sushi Supply Agreement. Unless you occupy the Host Venue pursuant to a Sushi Supply Agreement that you have entered into with the Venue Owner, the term of your Franchise Agreement will automatically expire upon the termination or expiration of the Sushi Supply Agreement for your Main Sushi Bar and Satellite Locations unless we provide you with at least 30 days' notice that your Franchise Agreement will be renewed. You do not have the right to extend or renew the Franchise Agreement when it expires. We have the right to grant you a successor franchise for the Franchised Business if you are eligible for a successor franchise and if the Sushi Supply Agreement is still in effect. We must give you 30 days written notice before the expiration date of your Franchise Agreement of your eligibility to acquire a successor franchise, except if we are provided fewer days' notice pursuant to the Sushi Supply Agreement, in which case we will provide you with prompt notice. If we have selected the Franchised Location and if the term of your Franchise Agreement expires before the scheduled expiration date for any reason other than your fault, we will use commercially reasonable efforts to relocate you to a new Non-Traditional Host Venue within 90 days. After relocation, you will have the right to operate your franchise at the new location for the remainder of the term of your Franchise Agreement. If we are unable to relocate you to a new franchised location in this 90 day period, your Franchise Agreement will expire. You will not be entitled to any refund of any fees you have paid us before the date of expiration.

Operating Experience

We do not operate a business of the type being franchised; however, AMG operated 48 Ace Sushi Bars as of December 31, 2022.

Franchising Experience

We have offered franchises for sale since June 2005. As of December 31, 2022, there were 374 franchised Ace Sushi Bars in the United States. **Exhibit F** is a list of our franchisees as of December 31, 2022. We do not conduct any other business activities. Neither AMG nor Ace has offered franchises for sale in any other line of business.

Forms of Agreements

Item 22 of this Disclosure Document describes the following forms of agreements, copies of which are attached to this Disclosure Document: our Initial Training Agreement (**Exhibit B**), our Franchise Agreement and Attachments (**Exhibit C**); and our Candidate Confidentiality Agreement (**Exhibit E**).

Competition

Ace Sushi Bars will generally be located in grocery stores, supermarkets, college and university campuses, hospitals and other locations we select. The market for sushi, Chinese and other Asian fusion food products is well established and very competitive. Ace Sushi Bars will compete with sushi bars in grocery stores, supermarkets, and other locations and with quick service and fine dining restaurants at or near the Non-Traditional Host Venue, including those that offer sushi, Chinese and other Asian fusion food products for both on-premises and off-premises consumption. Typically, restaurant and fast food businesses operate year round, but operating hours and periods for franchises at Non-Traditional Host Venues that are schools or universities may be may be subject to school calendars and prolonged breaks in classes, such as summer break, winter break, spring break and fall break. Sales at restaurant and food businesses are not typically seasonal.

Industry-Specific Regulations

You must comply with all local, state, and federal laws that apply to your Ace Sushi Bar on the preparation, labeling, storage, and sale of seafood and other perishable products, and the operation of your Franchised Business including health, sanitation, weights and measures, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. You must obtain health, business, and other licenses. In addition, the Federal government, State governments and local jurisdictions have enacted and may continue to enact various regulations and orders addressing the global COVID-19 pandemic, including "shelter in place," "safer at home" and "social distancing" orders, that may apply to the operation of your Ace Sushi Bar. These regulations and orders may, for example, require the temporary closure of what they define as "non-essential" businesses, temporarily restrict the products and services that you may offer, and limit hours and scope of operations. You should investigate whether there are regulations, orders or other requirements that may apply in the geographic area in which your Ace Sushi Bar would be located and should consider both their impact and cost of compliance. You should also consult with your attorney concerning these and other local laws and ordinances that may affect your Ace Sushi Bar.

ITEM 2
BUSINESS EXPERIENCE

Director, President and Chief Executive Officer: **Harlan H. Chin**

Mr. Chin has served as the Director, President and Chief Operating Officer of AMG in Torrance, California since January 1991 and as the President and Chief Executive Officer of Ace since October 7, 2004.

Senior Vice President, Sales and Store Operations **Brian Tan**

Mr. Tan has served as the Vice President, Sales and Store Operations of AMG in Torrance, California since June 2006. From June 1997 until June 2004, Mr. Tan served as the Director of Sales and Merchandising for AMG. Mr. Tan has served as the Vice President, Store Operations of Ace since October 7, 2004.

Executive Vice President: **Chris Chin**

Mr. Chin has served as the Executive Vice President of AMG in Torrance, California since October 2021. Mr. Chin served as the Vice President, Sales and Marketing of AMG from July 2017 until October 2021.

Senior Vice President: **Nikki Dashti**

Ms. Dashti has served as the Senior Vice President of AMG in Torrance, California since October 2021. Ms. Dashti served as an Executive Consultant to AMG from November 2018 until October 2021. Ms. Dashti served as a business coach and consultant for Strategy HR Alliance based in Los Angeles, California from March 2017 until November 2018.

ITEM 3
LITIGATION

State of Maryland Determination. In The Matter of: Asiana Management Group, Inc. D.B.A. ACE Sushi, Respondent. (Case No. 2004-0456.2005 WL 5159717 (Md.Sec.Div.)). In August 2004, the State of Maryland determined that the Contracts for Services offered and sold by AMG in Maryland were franchises under the Maryland Franchise Registration and Disclosure Law (the "**Maryland Franchise Law**") and violated the Maryland Franchise Law. On February 10, 2005, AMG entered into a Consent Order with the Office of the Attorney General of Maryland and agreed to cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law, to diligently pursue the completion of an application to register the Ace Sushi Bar franchise offering in Maryland, to enroll an officer who was responsible for franchise sales in an approved franchise law compliance training program, to notify Licensees with Ace Sushi Bars in Maryland of their right to rescind their Contracts for Services and to provide the Licensees with a copy of our then-current Disclosure Document after its registration for use in Maryland. None of our Maryland Licensees elected to rescind their Contracts for Services.

State of Rhode Island Determination. State of Rhode Island and Providence Plantations, Department of Business Regulation, Division of Securities. (Order No. 05-341). In June 2005, we voluntarily acknowledged to the State of Rhode Island Department of Business Regulation, Division of Securities, that the rights offered and sold by AMG in Rhode Island under the Contracts for Services may have been franchises within the meaning of the Rhode Island Franchise Investment Act (the "**Rhode Island Act**"). In October 2005, the State of Rhode Island Department of Business Regulation, Division of Securities, determined that the rights offered and sold by AMG in Rhode Island under the Contracts for Services were franchises within the meaning of the Rhode Island Act and violated the Rhode Island Act. We agreed to cease and desist from the offer and sale of franchises in violation of the Rhode Island Act, to offer all Rhode Island Licensees the right to rescind their Contracts for Services and paid a fine of $5,000 for these violations. None of our Rhode Island Licensees elected to rescind their Contracts for Services.

State of Virginia. Commonwealth of Virginia, Ex Rel. State Corporation Commission v. ACE Sushi Franchise Corporation and Asiana Management Group, Inc., Defendants. (Case No. SEC-2006-00001). In June 2005, we voluntarily acknowledged to the State of Virginia State Corporation Commission, Division of Securities and Retail Franchising, that the rights offered and sold by AMG in Virginia under the Contracts for Services may have been franchises within the meaning of the Virginia Retail Franchising Act (the "**Virginia Act**"). In September 2005, the State of Virginia State Corporation Commission, Division of Securities and Retail Franchising, determined that the rights offered and sold by AMG in Virginia under the Contracts for Services were franchises within the meaning of the Virginia Act and violated the Virginia Act. We agreed to cease and desist from the offer and sale of franchises in violation of the Virginia Act, to offer all Virginia Licensees the right to rescind their Contracts for Services and paid investigation costs of $1,500 and a penalty of $15,600 for these violations. None of our Virginia Licensees elected to rescind their Contracts for Services.

State of Washington. In the Matter of Determining Whether there has been a Violation of the Franchise Investment Protection Act Washington by: ACE Sushi Franchise Corporation, Asiana Management Group, Inc., their Agents and Employees, Respondents. (Order Number S-05-256-05-CO01). In June 2005, we voluntarily acknowledged to the State of Washington, Department of Financial Institutions, Securities Division, that the rights offered and sold by AMG in Washington under the Contracts for Services may have been franchises within the meaning of the Washington Franchise Investment Protection Act (the "**Washington Act**") and may have violated the Washington Act. On February 3, 2006, the Securities Division entered into a Consent Order with Ace and AMG. The Division alleged that AMG sold 2 franchises in the State of Washington prior to the filing of a registration application with the Securities Division and that AMG had not complied with Disclosure Document requirements. Ace and AMG agreed in the Consent Order to cease and desist from the offer and sale of franchises in violation of the Washington Act, to comply with the registration and Disclosure Document provisions of the Washington Act in the future and to reimburse the Securities Division $600 for its cost of investigation of the matter. Ace and AMG also waived their rights to a hearing or other further proceedings in this matter. None of our Washington Licensees elected to rescind their Contracts for Services.

Ngung Sang v. Ace Sushi Franchise Corporation; Polk County Iowa District Court – Small Claims Division, Case No. 675919. On December 3, 2021, former franchisee Ngung Sang ("Plaintiff") filed a lawsuit against us in the Small Claims Division of the Iowa District Court in Polk County, Iowa. Plaintiff's franchise, which was operated for approximately 8 weeks, was closed due to the Host Venue terminating its Sushi Supply Agreement. Upon closure of the franchise, we offered to refund $6,000 to the Plaintiff for fees paid and costs incurred in opening and operating the franchise. The payment was inadvertently not processed and the Plaintiff filed this action in Small Claims Court seeking $6,500 based on allegations of breach of contract, fraud, misrepresentation, nonpayment, court costs and interest. On March 11, 2022, the parties participated in a mediation and entered into a Stipulated Agreement and Order for Continuance, pursuant to which we made a $5,375.00 payment to plaintiff and the case was dismissed.

Other than these 5 actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Training Fee

To become eligible to purchase an Ace Sushi Bar franchise under our Non-Traditional Program, you must pay us $500 for each individual attending our initial training program (the "**Initial Training Program**") as an initial training fee (the "**Initial Training Fee**") when you sign our Initial Training Agreement. The Initial Training Fee is payable in full when you sign the Initial Training Agreement. If you successfully complete our Initial Training Program but we are not able to offer you a location for your Main Sushi Bar at a Non-Traditional Host Venue within 12 months of completing training, we will refund the initial training fee.

Initial Franchise Fee

If you successfully complete our Initial Training Program, in our judgment, you will be eligible to sign our Franchise Agreement and must then pay us an Initial Franchise Fee (the "**Initial Franchise Fee**") for your Main Sushi Bar. Your Initial Franchise Fee for your Main Sushi Bar is calculated under the schedules included below; however, all Ace Sushi franchisees may not pay the same Initial Franchise Fee for their Main Sushi Bar. We will determine the amount of your Initial Franchise Fee before you sign your Franchise Agreement.

If your franchise is to be operated at a college or university, we will calculate your Initial Franchise Fee based upon the student population of the college or university (your "**Market Area**") as follows:

TOTAL STUDENT ENROLLMENT	INITIAL FRANCHISE FEE
< 10,000	$6,000
>/= 10,000 - < 15,000	$7,500
>/= 15,000 - < 20,000	$10,000
>/= 20,000	$15,000

We use the currently available data on total student enrollment provided by the college or university, but we may use a substitute or successor source of total student enrollment if necessary. We will not refund any portion of your Initial Franchise Fee if the total student enrollment declines nor will we charge any additional fees if the total student enrollment increases after you sign your Franchise Agreement.

If your franchise is to be operated at a hospital, we will calculate your Initial Franchise Fee based upon the hospital's patient bed count (your "**Market Area**") as follows:

TOTAL HOSPITAL BEDS	INITIAL FRANCHISE FEE
< 300	$6,000
>/= 300 - < 600	$7,500
>/= 600 - < 1,000	$10,000
>/= 1,000	$15,000

We use the currently available data on total bed count provided by the hospital, but we may use a substitute or successor source of total patient bed count if necessary. We will not refund any portion of your Initial Franchise Fee if the total patient bed count decreases nor will we charge any additional fees if the total patient bed count increases after you sign your Franchise Agreement.

The Initial Franchise Fee for your franchise is either payable in full when you sign the Franchise Agreement, or if you prefer and we agree, in 2 - 12 equal monthly payments in the manner we require after you sign the Franchise Agreement. The Initial Franchise Fee is fully earned when paid and is not refundable.

If your franchise agreement grants you the right, in our sole discretion, to serve Satellite Locations at or within your Non-Traditional Host Venue, you must pay us a $500 initial fee for each Satellite Location (the "**Satellite Fee**"). Your Franchise Agreement will include an exhibit that identifies each Satellite Location. The Satellite Fee is fully earned when the Satellite Location is included on the exhibit, which may be at the same time you sign your Franchise Agreement or at a later date as Satellite Locations are assigned to you, and is fully earned when paid and is not refundable.

Purchase of Existing Location

If you purchase an existing Ace Sushi Bar from us, we will charge you an additional $1,000 to $100,000 for the Sushi Bar, assets, equipment and value of the established market of the Sushi Bar, as we determine in our sole discretion.

Other Initial Payments

For a Main Sushi Bar, you must also pay us the amounts listed below, which may range from $4,575 to $34,575, for the items listed below before you begin business at the Main Sushi Bar:

a. **Application Fee**. You must pay us $125 for each franchise application you submit to us.

b. **Insurance**. You must pay $400 - $4,100 annually to the insurance broker or us for the costs to obtain liability insurance and, if required by law, worker's compensation insurance for your Main Sushi Bar that AMG must maintain under the Sushi Supply Agreements with the Venue Owners. If you service any Satellite Locations, you must obtain, before the opening of the Sushi Bar, and maintain in full force and effect at all times during the term of your Franchise Agreement, at your expense, automobile liability insurance of at least $500,000. This estimate covers annual insurance premium for required coverages.

c. **Initial Food Inventory**. You must pay us or other suppliers $2,500 - $30,000 to stock your Main Sushi Bar with Proprietary Products necessary for 1 - 2 weeks after the opening of your Main Sushi Bar. If you participate in the Hot Food Program, you must pay us or other suppliers approximately $350 in addition to stock your Main Sushi Bar with an initial inventory of Hot Food Products.

d. **Initial Marketing, Small Wares, Supplies, Uniforms and Other Food Items**. You must pay us or other suppliers $1,000 - $4,000 for initial marketing materials, cooking and food preparation utensils, pots, knives, rice cooker, menu holders, and uniforms. If you participate in the Hot Food Program, you must pay us or other suppliers approximately $50 for additional cooking and food prep supplies.

e. **Equipment Purchase & Rental.** In some cases, the Venue Owner may require us to provide a refrigerated display case and refrigerated table for the Main Sushi Bar. If the Venue Owner requires us to do so, you must pay us $50 - $500 per month for a refrigerated display case and refrigerated table which will be deducted as an Expense before the payment of Commissions to you, including any Hot Food Commissions if applicable, and the payment of our compensation.

f. **Label Machine and Label Templates**. You will lease a label machine from us for 48 months and must pay us (i) a one-time payment of $500, (ii) $135 per month per machine for leasing the label machine; and (iii) $10.00 per month as a maintenance fee for the label machine, which will be deducted as an Expense before the payment of Commissions to you, including any Hot Food Commissions if applicable, and the payment of our compensation.

Different Initial Fees

We reserve the right to negotiate different Initial Training Fees and Initial Franchise Fees in our discretion.

ITEM 6
OTHER FEES

NAME OF FEE	AMOUNT	DATE DUE	REMARKS (NOTE 2)
Compensation to Ace	Varies. Typically 8% - 15% of chef or invoice price per unit. See Remarks and Note 1 for details	Monthly based on prior month's sales.	The Host Venue typically collects all sales from customers. The Host Venue will then remit to us or AMG the sales less the Host Venue's compensation, which it retains. Your compensation ("Commissions") and the compensation due to Ace are calculated based on a percentage (typically 55-70%) of pre-established "chef prices" per product unit sold. The pre-established chef price per unit, which is agreed upon by Ace and the Venue Owner, and the percentage that is remitted to you and retained by Ace for each product unit sold will be set forth in your franchise agreement. In addition, the Venue Owner may at times place, and be invoiced for, bulk and/or routine orders of sushi and related products based on pre-established invoice pricing, which may differ from the pre-established chef prices. Your Commission on such orders will be based on a percentage (typically 55-70%) of the pre-established invoice prices. The pre-established invoice price per unit agreed upon by Ace and the Venue Owner, and the percentage that is remitted to you and retained by Ace for each product unit ordered by the Venue Owner, will be set forth in your franchise agreement.
Purchases From us	Varies	Upon Demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	Applicable if you purchase food, freight services, insurance charges, insurance administration fee, equipment, services, or other items from us or our affiliates. See Note 3.

NAME OF FEE	AMOUNT	DATE DUE	REMARKS (NOTE 2)
Insurance Program Administration Fee:	2.88% of Gross Sushi Sales	Before the payment of Commissions to you and the payment of our compensation.	See Item 1, Item 8 and Notes 1, 2 and 3 for details.
Insurance Processing Administration Fee	$100 plus 15% of the insurance costs .	Upon Demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	If we obtain insurance on your behalf, you must pay us a flat fee of $100 plus 15% of the insurance costs as an Insurance Processing Administration Fee.
Marketing Fund Contribution	2% of Gross Sushi Sales	Monthly on Gross Sushi Sales for the prior month. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	Payable when and if we establish the Marketing Fund.
Administrative Fee	Up to $500 per default	Upon Demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	If you or your employees commit a default under the Franchise Agreement or the Confidential Operations Manual, in addition to our other rights and remedies, we may require you to pay us a fee of up to $500 for each default, as we reasonably determine, to reimburse us for our administrative costs to investigate the default and for our out-of-pocket costs associated with the default, including costs for attorneys' fees.
Equipment Purchase / Rental	Lease payments of $50.00 - $500	Monthly. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	If required by the Venue Owner.
Label Machine	$500 one-time payment (see Item 7 below); and monthly lease payments of $135 and monthly maintenance fees of $10.00 per machine.	Monthly. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	You will lease the label machine from us for 48 months and will use the machine to place price and ingredient labels on Proprietary Products. You must also reimburse us for any damaged or lost equipment.
Pricing Labels	Our cost, estimated to be approximately $500 per item for which a price is changed	When we must print special price labels for you because you charge prices different than our recommended or suggested prices	You pay or reimburse us for the costs to reprogram our computers to print labels for you that conform with the prices you charge.

NAME OF FEE	AMOUNT	DATE DUE	REMARKS (NOTE 2)
Initial Training Fee	$500 for you and $500 for each additional employee you want us to train	Before Training	See Item 11 for details. If you successfully complete our Initial Training Program but we are not able to offer you a Non-Traditional Host Venue location for your Main Sushi Bar within 12 months of completing training, we will refund the initial training fee.
Onsite Training Fee	$1,500 - $9,000 for up to 6 days of onsite training by our training personnel.	Upon demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation.	See Item 11 for details. If we determine that our training personnel must remain at the Sushi Bar for more than 6 days, you must pay us the sum of $500 per day per person for each day our training personnel must remain at the Sushi Bar in excess of 6 days after opening (plus travel expenses).
Additional Training and Education Programs	$500 per trainee per day to defray our direct costs to provide additional training programs	Upon Demand	We may charge you a fee of $500 per trainee per day to attend our additional training and education programs.
Remedial Training	$500 per trainee per day to defray our direct costs to provide remedial training	Upon Demand	If we determine it to be necessary, we may provide you with on-site remedial training or assistance subject to the availability of our personnel. You will also be responsible for any and all other expenses incurred, including the costs of transportation, lodging, meals, training materials and any wages.
Administrative Transfer Fee and Costs	$2,500 per location, plus our out of pocket costs associated with the transfer, including costs of attorneys' fees associated with the transfer	Not later than 15 days prior to the transfer date	To pay a portion of our administrative costs to process a transfer of the franchise. You do not pay us a transfer fee for an assignment to a controlled corporation or limited liability company or if you inherit the Sushi Bar from a family member.
Fee for Franchisor to Operate while Franchisee is in Default	$500 per day per employee sent plus the travel and lodging fees for our employees	Upon Demand	If we must operate your Sushi Bar.
Renewal Fee	100% of our then-current Initial Franchise Fees	At the Time of Renewal	We have the option to extend the term of your Franchise Agreement. We may, in our discretion, offer you a discount of up to 50% off the then-current initial franchise fee

NAME OF FEE	AMOUNT	DATE DUE	REMARKS (NOTE 2)
			when you renew your Franchise Agreement.
Customer Satisfaction Fee	$100 to $ 1,000 per complaint	Upon demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	If you, we or the Venue Owner receive any complaints from any customers regarding you, your employees, the Main Sushi Bar and/or any Satellite Location, we will have the right to require you to pay us a customer satisfaction fee that will range from $100 to $1,000 for each customer complaint, as we reasonably determine, to reimburse us for our administrative costs to investigate the complaint, satisfy the customer complaint, if necessary, and for our out-of-pocket costs associated with the customer complaint, including costs for attorneys' fees.
Inspection Fee / Reinspection Fee	The greater of $500 or our actual administrative costs to inspect and re-inspect the Main Sushi Bar and for our out-of-pocket costs associated with the inspections, including costs for attorneys' fees.	Upon demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	
Sampling Service Fee	$15 - $20/hr	Upon demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	You must reimburse us for the hourly fees paid to any 3rd party sampling service company that provides sampling in your Sushi Bar at the rate of $15 to $20 per hour.
Supplier Approval Fee	$200 - $600 per item	Upon Demand	You must pay our reasonable costs and expenses if you request us to inspect and evaluate a proposed supplier
Interest on Overdue Payments	Lesser of 18% per year or maximum rate permitted by law, which may range from $10 - $500 or more	Upon Demand	Payable on overdue amounts.
Adulteration, Health Violation or Failure of Sanitation Inspection Fee	Our expenses including attorneys' fees, and inspection fees of a minimum of $500	Upon Demand	If we inspect your Ace Sushi Bar and find a health violation and find the same violation at a later date, you must pay the inspection fee and our expenses to correct the violation.
Reimbursement of money paid by us on your behalf	Varies with circumstances and may range from $100 - $5,000 or more	Monthly. We may deduct it as an Expense before the payment of Commissions	Covers any payments you fail to make which we make on your behalf in addition to the Expenses.

NAME OF FEE	AMOUNT	DATE DUE	REMARKS (NOTE 2)
		to you and the payment of our compensation	
Costs and Attorneys' Fees	Will vary under circumstances and may range from $1,000 - $25,000 or more	Upon Demand	You must reimburse us for our expenses in enforcing or terminating the Franchise Agreement.
Audit Expenses	Cost of audit and interest on underpayment or over payment at 10% per annum or the maximum rate permitted by law, which may range from $1,000 - $5,000 or more	Upon Demand	Payable if you under report or over report sales by 3% or more.
Gross-Up Fees	Varies with circumstances	Upon Demand	To insure that we receive the full amount of payment due to us based on your sales, we may directly deduct from your Commissions, or require that you must pay us, whether in arrears, in advance, in a lump sum or in the manner prescribed by us, the amount of all taxes we must pay on revenue we earn or collect based upon your use of our intellectual property or other intangibles or based upon the existence of the Franchise Agreement.
Indemnification	Will vary under circumstances and may range from $1,000 - $25,000 or more	Upon Demand	You must reimburse and pay our attorneys' fees if you are held liable for claims arising under your Franchise Agreement.
Lost Manual Fee	$1,000	Upon Demand	You must pay us $1,000 if you lose our Manuals.
Management and Dashboard Controls Fee	$50 per month	Payable monthly. If we remit commissions to you, it will be deducted as an Expense before the payment of Commission	You will use our Dashboard and Management Controls system to receive online training, review your business processes, order and control inventory, and review and learn compliance/legal elements as well as receive communication.
3rd Party Food Safety Auditing Fee	$50 - $250 per assessment for a 3rd party food safety auditor to measure and advise on compliance with FDA and ACE food safety standards.	Upon demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	You must reimburse us for the assessment fees paid to a 3rd party sampling food safety auditor at the rate of up to $50 - $250 per assessment.

NAME OF FEE	AMOUNT	DATE DUE	REMARKS (NOTE 2)
3rd Party Customer Insights Fee	$25 - $100 per month for a 3rd party customer insights provider to accumulate consumer information, measure the customer experience and identify opportunities to increase customer satisfaction and loyalty.	Upon demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	You must reimburse us for the monthly fees paid to a 3rd customer insights provider at a rate of up to $25 - $100 per month.
Mobile Ordering License Fee	$0 - $500 one-time fee for the software development and use of a mobile ordering application.	Upon demand. We may deduct it as an Expense before the payment of Commissions to you and the payment of our compensation	You must reimburse us for the one-time set-up fee and licensing of a 3rd party mobile ordering provider that enables customers to order finished products in advance for pick up at your sushi bar.
Website Usage Fee	$99.99 per month .	Deducted as an Expense before the payment of Commissions to you and the payment of our compensation	You will use our website based system as a platform for communication with us; to receive chef statements from us and AMG, as a time/attendance system, for the transmission of e-mail correspondence to and from us, and as a sales reporting system and ordering system.
Early Cancellation Fee	$3,500	Upon Demand	If you request the termination of your franchise agreement before the end of its term or if you stop operating a Sushi Bar location prior to the expiration of your Franchise Agreement, we can charge you this fee to offset our re- marketing costs and other expenses associated with a termination prior to expiration.

Except for attorneys' fees established by a Court, all fees are imposed by and are payable to us or AMG, unless otherwise noted. No other fees or payments are to be paid to us or AMG, nor do we impose or collect any other fees or payments for any third party. All fees paid to us and AMG are non-refundable. Fees payable to third parties are refundable based on your individual arrangements. We reserve the right to negotiate different fees in our discretion. Fees may not be uniform in this state.

NOTE 1:

In most cases, customers of your Main Sushi Bar and Satellite Locations will select the Proprietary Products they wish to purchase from your Main Sushi Bar or from display and merchandising cases at the Satellite Location, and the purchases will be scanned through the Host Venue's cash register systems ("**Scanned Sales**"). In some cases, you will deliver the Proprietary Products to a location at or in the Host Venue and present an invoice for the products you deliver ("**Invoiced Sales**").

AMG will pay your sales commissions (the "**Commissions**") calculated based on a percentage (typically 55-70%) of a pre-established chef price for each product unit sold from your Ace Sushi Bar, as agreed upon by Ace and the Venue Owner, and

which may differ from the retail price offered to customers. In addition, the Venue Owner may at times place, and be invoiced for, bulk and/or routine orders of sushi and related products based on pre-established invoice pricing, which may differ from the pre-established chef prices. Your Commission on such invoiced orders will be based on a percentage (typically 55-70%) of the pre-established invoice prices. Your Commission percentages will be set forth in your Franchise Agreement. All Commissions will be paid to you **LESS** (i) the food costs for the Proprietary Products and other goods you purchase from us or AMG or its distributors (the "**Food Costs**"); (ii) the freight charges incurred for delivery of the Proprietary Products to you (the "**Freight Charges**"); (iii) the costs and administrative fee for liability insurance AMG must maintain under the Sushi Supply Agreements with the Venue Owners (the "**Insurance Charges**"); (iv) rent for refrigeration or other equipment AMG rents to you for use at your Ace Sushi Bar (the "**Equipment Charges**"); and (v) any other sums due from you to AMG or Ace (collectively the "**Expenses**").

If you participate in the Hot Food Program, the commission percentage for Hot Food Products (the "**Hot Food Commission**") may be different than the Commission percentage for other Proprietary Products. In that case, hot food sales may be calculated separately from the Commissions otherwise due to you based on your sales for non-Hot Food Products. Hot Food Commissions are subject to the same deductions for Expenses as the Commissions on all other sushi sales.

AMG will act as your agent in the performance of these business and management services. AMG will invoice and collect its fixed percentage due from all Venue Owners, accept payments of its fixed percentage from the Venue Owners and maintain records of the same on your behalf.

NOTE 2:

We will assign you a payment cycle under which you will receive monthly payments of "**Commissions**" (including Hot Food Commissions if you participate in the Hot Food Program) after the payment of the Expenses, accompanied by report setting forth the Expenses and the calculation of these "**Commissions**". Due to the irregularity of the receipt of sales reports from the Venue Owners, each payment of "**Commissions**" (including Hot Food Commissions if you participate in the Hot Food Program) may be an estimate of the amount due to you for the preceding month, together with any adjustments required for prior months based on reports of actual sales received from the Venue Owner. We will send you a report with the calculation of Gross Sushi Sales, Expenses, Commissions (including Hot Food Commissions if you participate in the Hot Food Program) and our compensation each month.

NOTE 3:

Food Costs are the amounts you pay for Proprietary Products and other goods you purchase from us, AMG and AMG's distributors. Freight charges are the amounts you pay for delivery of the Proprietary Products to you. Insurance Charges are the amounts you pay AMG for liability insurance for your Main Sushi Bar that AMG must maintain under the Sushi Supply Agreements with the Venue Owners. Equipment Charges are the amounts you pay AMG for refrigeration and other equipment AMG rents to you or sold to you for your use at your Ace Sushi Bar.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE*	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
MAIN SUSHI BAR				
Application Fee	$125 per application	Lump Sum	Upon submission of your franchise application	Us
Initial Training Fee [1/]	$500 per attendee	Lump Sum	When you sign the Initial Training Agreement	Us
Initial Franchise Fee [1/]	$6,000 - $15,000 for each Main Sushi Bar	Lump Sum or we deduct from Commissions paid to you	When you sign the Franchise Agreement or over time by deduction from Commissions paid to you.	Us

TYPE OF EXPENDITURE*	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Licenses [2/]	$100 - $1,300	As Incurred	Before Opening	Local Authorities
Insurance [3/]	$400 - $4,100	As arranged	Annually	Broker or Us
Initial Food Inventory [1/4/]	$2,500 – $30,000 per Main Sushi Bar	As Incurred or we deduct from Commissions paid to you	Before Opening or over time by deduction from Commissions paid to you	Us; Various Suppliers and Distributors
Initial Marketing, Small Wares, Supplies, Uniforms and Other Non-Food Items [1/5/]	$1,000 - $4,000	As Incurred or we deduct from Commissions paid to you	Before Opening or over time by deduction from Commission paid to you	Us; Various Suppliers and Distributors
Equipment Purchase/Rental[1/]	$50 - $500	As deductions from Commissions paid to you	You will pay between $50 - $500 per month, deducted as an Expense before the payment of Commissions to you (including any Hot Food Commissions if you are participating in the Hot Food Program) and the payment of our compensation	Us or Approved Supplier
Label Machine[1/]	$500 as a one-time payment per machine	As Incurred or we deduct from Commission paid to you	You will lease the label machine from us for 48 months and will pay $500 as a one-time payment, $135 per month for the label machine and $10.00 per month as a maintenance fee for the label machine which will be deducted as an Expense before the payment of Commissions to you (including any Hot Food Commissions if you are participating in the Hot Food Program) and the payment of our compensation	Us
Computer System [6/]	$100 - $600	As Arranged	Before Operations Begin	Approved Suppliers
Onsite Training Fee	$1,500 - $9,000	Lump Sum or we deduct from Commissions paid to you	When you sign your Franchise Agreement or over time by deduction from Commission paid to you	Us
Leasehold Improvements[7/]	$0 – $30,000	As arranged	As Incurred	Us, Contractor

TYPE OF EXPENDITURE*	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Expenses Before Opening [8/]	$500 - $5,000	As Arranged	Before Opening	Various Vendors and Professional Advisors
Additional Funds, Working Capital Reserve (for 3 months) [9/]	$5,000 - $10,000	As Incurred	During the first 3 months of operation	Various
TOTAL	**$18,275 – $110,625***			
WITH SATELLITE LOCATION				
Initial Franchise Fee [1/]	$600 - $1,500 for each Satellite Store	Lump Sum or we deduct from Commissions paid to you	When you sign the Franchise Agreement or the agreement is amended to include a Satellite Location, or over time by deduction from Commissions paid to you.	Us
Initial Food Inventory [1/4/]	$1,000 - $5,000 for each Satellite	As Incurred or we deduct from Commissions paid to you	Before Opening or over time by deduction from Commissions paid to you	Us; Various Suppliers and Distributors
TOTAL [10/]	**$19,875 – $117,125***			

*If you purchase an existing Ace Sushi Bar from us or our parent, we will charge you our estimate of the fair market value for the Ace Sushi Bar, taking into account the revenue, assets, equipment and value of the established market of the sushi bar sold to you. This amount may range from $1,000 to $100,000, resulting in an increased total initial investment ranged of $20,875 to $217,125.

All amounts are non-refundable unless otherwise noted.

NOTE 1:

You must pay us an application fee when you submit your franchise application to us. The application fee covers our costs to process a credit and background check and for tuberculosis and drug testing.

The Initial Training Fee and Initial Franchise Fee are discussed in Item 5 of this Disclosure Document. The Initial Franchise Fee is based on the student population, if your Ace Sushi Bar is located at a college or university, or total hospital beds, if your Sushi Bar is located in a hospital. The low estimate assumes a student population of less than 10,000 or hospital bed count of less than 300. The high estimate assumes a student population of 20,000 or more, or hospital bed count of 1,000 or more. We provide financing for the Initial Franchise Fee, the initial food inventory, the initial smallwares, supplies, uniforms and other non-food items, the refrigerated display case and refrigerated table, and the one-time payment for the label machine in the form of Expense deductions from Commissions paid to you.. See Item 6, Notes 1 and 2, Item 8 and Item 10.

NOTE 2:

License fees include business permits and health permits.

NOTE 3:

You may purchase insurance directly from our designated insurance broker. If you do not obtain your own insurance directly, we may obtain insurance on your behalf and you must reimburse us for our direct costs and administrative fees to obtain liability insurance and other insurance, such as worker's compensation insurance, for your Main Sushi Bar that AMG must

maintain under the Sushi Supply Agreements with the Venue Owners. If we obtain insurance on your behalf, you must pay us $100 plus 15% of the insurance costs as an Insurance Processing Administration Fee. If you service any Satellite Locations, we may require that you obtain, before the opening of the Satellite Location, and maintain in full force and effect at all times during the term of your Franchise Agreement, at your expense, automobile liability insurance of at least $500,000. This estimate covers the annual insurance premium for required coverages.

You must maintain all the following insurance coverage: (a) broad form comprehensive general liability coverage, restaurant owners, contractual liability and injury and product liability coverage with minimum limits of $1,000,000 - $5,000,000 or as required by the Venue Owner; (b) fire, flood, earthquake and extended coverage insurance on the location and your property in an amount adequate to replace it if there is an insured loss; (c) business interruption insurance in reasonable amounts and (d) advertising injury insurance. If you have employees, you must also maintain (a) worker's compensation and employer's liability insurance (as required by law) with limits of $500,000 - $2,000,000; (b) unemployment insurance covering your employees; and (c) state disability insurance for your employees (as required by law). You must provide us with Certificates of Insurance evidencing all of the proper types and minimum amounts of required coverage at least 10 days before you are required to carry any insurance and at least 30 days before the expiration of any policy. All Certificates must provide that no less than 30 days' prior written notice must be given to us if there is a material alteration to, or cancellation or non-renewal of, the coverages evidenced by the Certificates. All policies of insurance must also contain a separate endorsement naming us and our affiliates, as additional insured parties.

NOTE 4:

This estimate covers the cost of stocking your Main Sushi Bar or Satellite Location, as applicable, with Proprietary Products necessary for 1 - 2 weeks after the opening. The high end of this estimate includes an estimated $350 in additional in initial food inventory needed if you are participating in the Hot Food Program.

NOTE 5:

This estimate is for marketing materials, cooking and food preparation utensils, pots, knives, menu holders, labels and uniforms. The high end of this estimate includes an estimated $50 in additional items needed if you are participating in the Hot Food Program.

NOTE 6:

This estimates include a laptop computer or tablet with current software and internet capabilities. See Item 11 regarding the computer system hardware and software you must purchase. We have not included the cost of required hardware and software maintenance agreements, if any. This figure also does not include any technical support costs associated with operating the hardware or software.

NOTE 7:

Some Ace Sushi Bars may require build-out and renovation, including construction; furniture, fixtures and equipment according to our specifications. You will pay construction and renovations costs to us or directly to suppliers or independent contractors and construction companies.

NOTE 8:

Expenses before opening may include food consumed during training, fees for professional advisors and other costs during the 3 months after the opening of your Main Sushi Bar.

NOTE 9:

Franchisee must, at all times, maintain adequate reserves and working capital sufficient for you to fulfill all of your obligations under the Franchise Agreement and to cover the risks and contingencies of the Franchised Business for at least three (3) months.

You will need capital to support ongoing expenses, such as payroll, inventory and supplies, to the extent that these costs are not covered by your Commissions. The need for additional funds will vary widely among franchisees. New businesses usually generate a negative cash flow. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of your Ace Sushi Bar, which we calculate to be 3 months. This is only an estimate, however, and there is

no assurance that additional funds will not be necessary during or after the start-up phase of your Ace Sushi Bar. We relied upon our experience and the experience of AMG when preparing these figures.

NOTE 10:

These tables, together with their footnotes, estimate your initial investment for one Main Sushi Bar, and one Satellite Location. These expenditures will vary depending on factors such as the number of Satellite Locations you will service, your financial condition, the arrangements negotiated, and the business decisions you make. Therefore, there can be no assurance that your experience will correspond with the information in the table.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure that the highest degree of quality and service is maintained, you must operate your Ace Sushi Bar in strict conformity with our methods, standards and specifications. You must purchase all Proprietary Products, equipment and supplies used or sold at your Main Sushi Bar and Satellite Locations solely from us, AMG or our approved suppliers and distributors.

Proprietary Products, Equipment and Supplies

You must purchase the Proprietary Products from us or AMG. The Proprietary Products include all food products (including Hot Food Products) other than produce, a refrigerated display case and refrigerated table, a label machine and label template, marketing materials, utensils, pots, knives, menu holders, labels and uniforms and an NSF approved Camcarrier. To protect our trade secrets and maintain quality control, AMG and its distributors are the sole suppliers of our Proprietary Products, the refrigerated display case and refrigerated table, the label machine and label template, marketing materials, the utensils, pots, knives, menu holders, labels, and uniforms. We do not provide any material benefits to you (for example, renewal or granting of additional franchises) based upon your use of approved suppliers.

Computer Hardware and Software

You must purchase computer hardware and software according to our specifications. See Item 11.

Our Revenue From Sales and Leases to You

We will derive revenue from your purchase of Proprietary Products, equipment and supplies from us and AMG or our approved suppliers and distributors. AMG's total revenues were $66,897,455 during the fiscal year ending December 31, 2022. AMG's total revenues from the sale of Proprietary Products, equipment and supplies to Ace Sushi franchisees during this period were $10,097,572 or 15.1% of its total revenues. Of this amount, AMG received $9,800,518 in revenue as a result of franchisee's transactions with approved suppliers other than us or AMG. We did not receive any revenue from the sale of Proprietary Products, equipment or supplies to Ace Sushi franchisees during the fiscal year ending December 31, 2022. The sources of this information are our financial books and records and the financial books and records of AMG. We estimate that your expenditure for required purchases of Proprietary Products, equipment and supplies will represent 65% of your total initial investment in establishing the business and 23% in operating the business on an ongoing basis.

Site Selection/Improvements

We select all sites for Main Sushi Bars and Satellite Locations before you sign your Franchise Agreement, except that additional Satellite Locations may be added as you operate if you and we agree. We enter into oral or written Sushi Supply Agreements with Venue Owners under terms we negotiate, which may vary from site to site. You are not permitted to enter into Sushi Supply Agreements, except with our prior written consent, which may be granted or withheld in our sole discretion. The Venue Owners generally improve the area selected for your Main Sushi Bar and generally provide display and merchandising cases, storage areas for dry and frozen supplies, refrigerated storage space and a working area with tables and cutting boards at their expense. In some cases, you may be required to build-out or renovate your Sushi Bar, including construction and purchasing furniture, fixtures and equipment according to our specifications at your expense. See Item 7.

You may only contact or communicate with prospective Host Venues (or operator of Host Venues) with our prior written consent, which may be granted or withheld in our sole discretion. You must fully and promptly inform us of any and all opportunities to enter into a Sushi Supply Agreement with a Host Venue or operator of a Host Venue. You must cooperate with us and our affiliate in connection with the negotiation and entry of the Sushi Supply Agreement.

Your Ace Sushi Bar must be constructed, equipped and improved in compliance with our current design criteria.

If you develop any new concept, process or improvement in the System (an "Improvement"), you must promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement will become our sole property and we will be the sole owner of all related intellectual property rights. You must assign any rights you may have or acquire in the Improvements to us, including the right to modify the Improvement, and you waive and/or release all rights of restraint and moral rights to the Improvement. You must assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and you further agree to sign and provide us with all necessary documentation for obtaining and enforcing such rights. You must irrevocably designate and appoint us as your agent and attorney-in-fact to sign and file any documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any such Improvement. You may also be required to grant us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, directly or indirectly infringe your rights to the Improvement.

Occupation of Premises

You will occupy your Main Sushi Bar in accordance with the terms of our Sushi Supply Agreements with the Venue Owners. The term of our Sushi Supply Agreements with the Venue Owners generally range from 90 days to 48 months and options to extend the initial term, if granted, range from 30 days to 36 months. The Venue Owners and AMG generally retain the right to terminate the Sushi Supply Agreements on 30 to 60 days' notice.

Recommended Suppliers

We have compiled a list of approved suppliers and distributors, which may include us and our affiliates, who provide products which comply with our specifications, which is available to you and approved suppliers upon reasonable request. If you desire to purchase products from other than our approved suppliers and distributors, you must submit a written request to us for approval of the proposed supplier, together with any evidence of conformity with our standards and specifications as we may reasonably require, or request the supplier itself to do so. We may inspect and evaluate the supplier's facilities and products before we approve or disapprove your proposed supplier, and you must pay all of our reasonable costs and expenses incurred in doing so. You may not use a supplier before we approve the supplier in writing. A supplier must demonstrate to our reasonable satisfaction that it can supply an item meeting our standards and specifications for the item, that it is in good financial standing in the business community and that its products and services are reliable. We will provide you with our specifications and standards and our criteria for approval of suppliers and will approve or disapprove a proposed supplier in 60 - 90 days. We will notify you if and when we no longer approve a previously approved supplier. A supplier must continually adhere to our standards and specifications to maintain its approval.

Harlan H. Chin owns AMG. With this exception, none of our officers owns an interest in any of our approved suppliers.

Purchasing Cooperatives and Arrangements

There are no franchisee purchasing or distribution cooperatives. However, you may take advantage of any bulk pricing discounts or rebates offered to AMG by our suppliers and distributors for your purchase of Proprietary Products, equipment and supplies. We may also negotiate volume buying arrangements with suppliers for the benefit of franchisees. Any rebates that may be provided by suppliers will be provided to you based upon your pro rata share of purchases.

Standards, Specifications and Procedures

Every aspect of the operation of your Ace Sushi Bar is subject to our standards and specifications. You must comply with all mandatory specifications for the appearance, function, cleanliness and operation of your Main Sushi Bar and your Satellite Locations. We formulate and modify our methods, standards and specifications in writing through supplements to our Confidential Operations Manual and other written communications.

Maintenance and repair of your Ace Sushi Bar are solely your responsibilities. You must, at your expense, maintain your Main Sushi Bar and your Satellite Location premises in a clean, orderly condition and in excellent repair. You must make all additions, alterations, repairs, and replacements that may be required for that purpose, including replacing obsolete or deteriorated fixtures, equipment and signs as we may reasonably require. The Venue Owners will generally maintain and repair the display and merchandising cases for your Proprietary Products at your Satellite Locations. You must make all

alterations, additions, or modifications to your Ace Sushi Bar as we may reasonably require to accommodate changes made by us to the System, including changes to menu items or marketing positioning. You will have 30 days to make any required changes to your Ace Sushi Bar.

Compliance with Governmental Regulations and Payment of Taxes

You must meet and maintain the highest health standards at your Ace Sushi Bar and must obtain all permits, certificates, or licenses necessary for the operation of your Ace Sushi Bar. You must comply, at your expense, with all local, state and federal health codes, regulations, ordinances, rules and orders for the proper methods of food handling and all health, safety and weights and measure codes. If any products you sell from your Main Sushi Bar or the Satellite Locations are adulterated or contaminated, or if you fail to maintain your Main Sushi Bar in compliance with all applicable laws and regulations, you must immediately cease operations, search out and destroy any adulterated or contaminated products, eliminate their source and remedy all unsanitary conditions present at your Main Sushi Bar. You cannot resume operation of your Ace Sushi Bar until (i) our analysis of the products sold from your Main Sushi Bar and/or the Satellite Locations and our inspection of your Main Sushi Bar demonstrate compliance with all applicable laws and regulations; and (ii) all applicable governmental authorities approve the resumption of operations at the Main Sushi Bar.

You must promptly pay all taxes levied or assessed against the Main Sushi Bar, including unemployment taxes, employment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, and any similar taxes. You must indemnify us for the full amount of all taxes and for any liability (including penalties, interest and expenses) arising from the payment of taxes, whether or not correctly or legally assessed. You must provide us with written proof that all of your taxes have been, and are being paid within 10 days after our demand.

Insurance

If you do not maintain the required insurance coverage, we may obtain the insurance for you and charge you for its cost as well as our costs to obtain it. We will derive income from purchasing insurance for you.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a.	Site selection and acquisition/ lease	§ 1 of the Franchise Agreement	Items 8 and 11
b.	Pre-opening purchases/ Leases	§ 7 and 11 of the Franchise Agreement	Items 5, 7, and 8
c.	Site development and other pre-opening requirements	§ 1 of the Franchise Agreement	Items 8 and 11
d.	Initial and ongoing training	Initial Training Agreement and §6 of Franchise Agreement	Item 11
e.	Opening	§ 7 of the Franchise Agreement	Item 11
f.	Fees	§ 4 and 5 of the Franchise Agreement	Items 5 and 6
g.	Compliance with standards, policies Confidential Operations Manuals	§ 7 of the Franchise Agreement	Items 8, 11 and 14
h.	Trademarks and proprietary information	§ 8 of the Franchise Agreement	Items 13 and 14
i.	Restrictions on products/	§ 7 of the Franchise Agreement	Item 16

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
	Service offered		
j.	Warranty and customer service requirements	§ 7 of the Franchise Agreement	Item 11
k.	Territorial development and sales quotas	Not Applicable	Item 12
l.	Ongoing product/service purchases	§ 7 of the Franchise Agreement	Item 8
m.	Maintenance, appearance and remodeling requirements	§ 7 of the Franchise Agreement	Item 8
n.	Insurance	§ 10 of the Franchise Agreement	Items 6, 7 and 8
o.	Advertising	§ 3.13 of the Franchise Agreement	Items 6, 8 and 11
p.	Indemnification	§ 16 of the Franchise Agreement	Item 6
q.	Owner's participation/ management/ staffing	§ 7 of the Franchise Agreement	Item 15
r.	Records/reports	§ 4 of the Franchise Agreement	Item 6 and 8
s.	Inspection/audits	§ 4 of the Franchise Agreement	Items 6 and 11
t.	Transfer	§ 11 of the Franchise Agreement	Item 17
u.	Renewal	§ 2 of the Franchise Agreement	Item 17
v.	Post-Termination Obligations	§ 13 and 14 of the Franchise Agreement	Item 17
w.	Non-Competition Covenants	§ 14 of the Franchise Agreement	Item 17
x.	Dispute Resolution	§ 19 of the Franchise Agreement	Item 17
y.	Computer hardware and software	§7.6 of the Franchise Agreement	Item 6 and 11
z.	Security Interest	§5.7 of the Franchise Agreement	Item 10

ITEM 10
FINANCING

At our discretion, we may offer financing for some or all of the following in the form of deductions from Commissions we pay you.

We do not offer any other direct or indirect financing. Neither we nor any affiliate guarantee any note, lease, or obligation of yours in connection with the purchase or establishment of your Ace Sushi Bar.

Summary of Financing Offered

Item Financed	Amount Financed	Down Payment	Term (Mos) (1)	Monthly Payment (1)	Prepay Penalty	Security Required (2)	Liability on Default	Loss of Legal Right on Default
Initial Franchisee Fee	$6,000-$16,500	None Required	2-6	Varies	None	None	Individual Liability	N/A
Onsite Training Fee	$1,500 - $9,000	None Required	2-6	Varies	None	None	Individual Liability	N/A
Initial Food Inventory, Equipment, Marketing Smallwares & Supplies	Up to $31,500	None Required	2-6	Varies	None	None	Individual Liability	N/A
One-Time Payment for Labeling Machine	$500 per machine	None Required	1-2	Varies	None	None	Individual Liability	N/A
Monetary Advance(3)	Up to $10,000	None Required	1 to 6	Varies	None	None	Individual Liability	N/A
Purchase Price of Existing Ace Sushi Bar	$1,000 - $100,000	None Required	1-12	Varies	None	None	Individual Liability	N/A

(1) We may lump all financing together. We make a determination regarding the term of the financing and the monthly payment, which is then deducted from the Commissions we pay you. The range financed will depend on which items are financed and ratio between Commissions payable and the amount owed. A shorter term will increase the monthly deduction from Commissions.

(2) We self-finance the above financing. We do not require any security interest. We do not have any practice or intent to sell, assign or discount the financing arrangements to any third party. We do not arrange financing from other sources, and we do not guarantee your obligations to third parties.

(3) For franchisees averaging weekly sales at or below $1,500, based on a trailing 3-month average, Ace may provide the franchisee upon request with a monetary advance of up to $10,000 to assist in operations. The advance is offered by Ace in its sole discretion and the franchisee must be in good standing under the terms of its Franchise Agreement to qualify. To request the advance, the franchisee must submit an Advance Request in the form required by Ace.

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

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

Pre-Opening Obligations

Before you open your Ace Sushi Bar, we will provide the following assistance and services to you:

1. We will obtain a site for your Main Sushi Bar location. (**Franchise Agreement, Section 1.4**).

2. We will assist you to obtain the necessary licenses and permits for your Ace Sushi Bar. (**Franchise Agreement, Section 3.3**).

3. We will offer an Initial Training Program and Onsite Training Program to you. (**Initial Training Agreement; Franchise Agreement, Sections 3.2, 6.1 and 6.4**). More detailed information about training appears in this Item 11 under the headings "**Initial Training" and "Onsite Training**."

4. We will provide any initial advisory assistance to you as we deem advisable. (**Franchise Agreement, Sections 3.7 and 6.3**).

5. We will lend you a copy of the Confidential Operations Manual. (**Franchise Agreement, Section 3.4**). We will allow you to review our Confidential Operations Manual before you sign your Initial Training Agreement. A copy of our Confidential Operations Manual is located at our corporate headquarters. Before reviewing our Confidential Operations Manual, you must sign a Candidate Confidentiality Agreement in the form attached as **Exhibit E**. The Confidential Operations Manual contains 91 pages.

6. We will make all Proprietary Products, all food products other than produce and certain items of equipment and supplies such as employee uniforms, sushi containers, lids and product labels and paper products which bear the Proprietary Marks available to you through AMG or independent distributors. (**Franchise Agreement, Section 3.8**). We will use reasonable efforts to fulfill or cause distributors to fulfill your orders for Proprietary Products on a timely basis. (**Franchise Agreement, Section 3.8**).

7. We will provide you with a list of our approved distributors and suppliers. (**Franchise Agreement, Section 3.6**).

Continuing Obligations

During the ongoing operation of your Ace Sushi Bar, we will provide the following assistance to you:

1. We will make available training programs for you and your employees as we deem appropriate. (**Franchise Agreement, Sections 3.2, 6.5 and 6.6**).

2. We will provide continuing advisory assistance to you as we deem advisable. (**Franchise Agreement, Sections 3.7 and 6.3**).

3. We will provide copies of any modifications to the Confidential Operations Manual. (**Franchise Agreement, Section 3.4**).

4. We will inspect your Main Sushi Bar and evaluate its operations to assist you and to maintain the System's standards of quality, appearance, and service. (**Franchise Agreement, Section 3.5**).

5. We will provide you with a list of our approved distributors and suppliers. (**Franchise Agreement, Section 3.6**).

6. We will periodically consult with you concerning the operation of your Ace Sushi Bar. (**Franchise Agreement, Section 3.7**).

7. We will make all Proprietary Products, all food products other than produce and certain items of equipment and supplies such as employee uniforms, sushi containers, lids and product labels and paper products which bear the Proprietary Marks available to you through AMG or independent distributors. (**Franchise Agreement, Section 3.8**). We will use reasonable efforts to fulfill or cause distributors to fulfill your orders for Proprietary Products on a timely basis. (**Franchise Agreement, Section 3.8**).

8. We will act as a liaison between you and the Venue Owner to coordinate advertising for your Main Sushi Bar with the Venue Owner's customary advertising programs and policies as we deem advisable. (**Franchise Agreement, Section 3.9**).

9. We will maintain the Marketing Fund, when and if established (**Franchise Agreement, Section 3.13**)

Advertising

All advertising for your Ace Sushi Bar will be undertaken by the Venue Owners in conjunction with their customary advertising programs and policies. We can require you to advertise in the Yellow Pages and White Pages of the local telephone directory covering your Sushi Bar location(s) and in Internet directories. (**Franchise Agreement, Section 7.26**). However, our current policy is not to require franchisees to advertise in local telephone or internet directories and incur those expenses. We also may require you to display informational and advertising materials we provide. Otherwise, and except for contributions to the Marketing Fund, you do not have any advertising obligations under the Franchise Agreement.

All marketing and advertising collateral and materials you choose to use must be approved in advance by us in our sole discretion and must comply with the guidelines in the Confidential Operations Manual or other guidelines we provide to you. In our discretion, we may provide you, at your expense, with advertising templates or promotional items that you can use in advertising your Ace Sushi Bar(s). You may not alter or change the design or appearance of any materials we provided or you purchase from us and may not otherwise alter our change the appearance of our proprietary trademarks or other "ACE SUSHI" logos or design. You may not use our proprietary marks to establish any social media accounts unless we agree in advance, in our sole discretion.

Marketing Fund

When and if we establish the Marketing Fund, you must pay us a Marketing Fund Contribution equal to 2% of your Gross Sushi Sales. Other franchisees (including franchises granted before February, 2015) may not be obligated to contribute to the Marketing Fund or may contribute at a different rate, as we determine appropriate. We will contribute the Marketing Fund Contributions to our the Marketing Fund. We will direct all advertising programs and control the creative concepts, materials and media used, media placement and allocation. Media placement may be national, regional, or local advertising, public relations or promotional campaigns, and/or used for programs designed to promote and enhance the image, identity or patronage of Ace Sushi Bars, or programs designed to promote and retain customer satisfaction and resolve customer disputes. Advertising and marketing may be from an in-house advertising department or national, regional or local advertising agencies, or other sources. We need not make expenditures that are equivalent or proportionate to your contributions. We need not ensure that any particular franchisee benefits directly or proportionately from fund advertising. The fund is not a trust and we are not a fiduciary.

Neither we nor our affiliates are required to contribute or allocate funds to the Marketing Fund on account of Ace Sushi Bars we or our affiliates operate. Neither we nor our affiliates are required or spend any amounts on marketing.

The Marketing Fund may be used to meet all costs (including reimbursement to us and our affiliates) of administering, directing, preparing, placing and paying for national, regional or local advertising to promote and enhance the image, identity or patronage of Ace Sushi Bars, or programs designed to promote and retain customer satisfaction and resolve customer disputes, all as we determine appropriate. We will either transfer the Marketing Fund Contributions to a separate entity to whom we have delegated the responsibility to operate and maintain the Marketing Fund or place the funds in a separate account that we maintain. We may not use this money principally to solicit new franchise sales. We may include information regarding acquiring a franchise on or as a part of materials and items produced by or for the Marketing Fund.

We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year and may cause the Marketing Fund to borrow funds to cover deficits or invest in surplus funds. We may refund or rebate all or a portion of a franchisee's Marketing Fund contributions to the applicable franchisee for expenditure by that franchisee. If we spend less than the total of all contributions to the Marketing Fund during any fiscal year, we may accumulate those sums for use in later years. If we or an affiliate advances money to the Marketing Fund, we or they will be entitled to reimbursement. Any interest earned on monies held in the Marketing Fund shall be used for the Marketing Fund.

Although we intend the fund to be perpetual we can terminate the Marketing Fund. We will not terminate the fund until it has spent all money in the fund for advertising and promotional purposes.

The Marketing Fund has not been established as of our most recently completed fiscal year end, and as a result no contributions have been deposited or allocated to the Marketing Fund during our most recent fiscal year and no funds were used in our preceding fiscal year.

We do not audit the Marketing Fund and its financial statements are not available for review. We do not provide an accounting of how the funds contributed to the Marketing Fund are spent.

Additional Promotional Assistance

If we determine in our sole discretion that you are temporarily unable to properly maintain or promote your Sushi Bar(s) due to financial hardship outside of your control, we may, in our sole discretion, offer you additional promotional assistance in the form of a temporary increase in your Commission percentage by no more than 30%. If this additional promotional assistance is provided, we will determine the term of the assistance in our sole discretion. To qualify for this additional promotional assistance, you must be and remain in good standing under the terms of your Franchise Agreement(s) and we reserve the right to suspend or revoke the additional promotional assistance if you do not comply with all of your obligations to us, the Venue Owner and suppliers.

Computer Systems

You must purchase and use computer hardware and software that we approve. You may purchase your computer hardware and software from a source of your choice. (**Franchise Agreement, Section 7.6**). Our minimum hardware and software specifications for our approved system are described in the Operations Manual and currently include a laptop computer or tablet, running iOS 14 or Windows 10 (or newer), which can be connected via a high-speed connection and be capable of accessing the internet.

We estimate that the cost of your Computer System will range from $100 to $600. We may specify different hardware and software in the future, including proprietary software that we or third parties may develop exclusively for the System. There are no contractual limitations in the frequency or cost of upgrades or changes in the hardware systems and software programs we may impose. You must, at your expense, keep your computer system in good maintenance and repair, and promptly install all additions, changes, modifications, substitutions or replacements to your computer hardware, software, DSL and power lines and other computer-related facilities that we require. (**Franchise Agreement, Section 7.6**). We estimate that your annual costs to do so will range from $500 to $900.

We have, and will continue to, automate the operation, ordering and inventory maintenance process, as well as the customer ordering and payment process, for you so that you can focus on food preparation at your Main Sushi Bar rather than administration, including by developing and implementing an Internet-based management system which permits Ace, AMG and you to communicate effectively and efficiently for the benefit of your Ace Sushi Bar, implementing on-line and application based customer ordering programs, and by developing and implementing a daily, weekly, monthly and annual reporting process that will assist you and us in the operation and oversight of your Ace Sushi Bar and the further development and technological advancement of the System. Consequently, you will use your computer system and our website and application based systems to operate your franchise and exchange statements with Ace and AMG, as a time/attendance system, for the transmission of e-mail correspondence to and from us, and as a sales reporting system. You must have an Internet connection for the purpose of implementing, transmitting, collecting and communicating sales and back-office data to us electronically. (**Franchise Agreement, Section 7.6**). You will pay us a monthly fee of $99.99 for the use of our website based system. We will have the right to access all information and financial data recorded by the system for daily polling, audit and sales verification.

We may require you to participate in electronic document delivery programs and conduct all business with us electronically through any electronic document delivery and retention system we select. If we do so, you must conduct all business with us electronically using the selected systems and must retain all records we deliver to you. Your computer system must have the capacity and capability of receiving, retrieving and retaining all electronic documents and records we deliver to you. (**Franchise Agreement, Section 7.6.5**).

Customers of your Main Sushi Bar and Satellite Locations will present the sushi they wish to purchase to the Host Venue's cashiers, who will scan the sale of the sushi through their cash register systems. (**Franchise Agreement, Section 7.6**).

Site Selection

We will obtain a site for your Main Sushi Bar location. (**Franchise Agreement, Section 1.2**).

We consider the general location, physical characteristics, lease terms, level of competition, student population/bed capacity, and other demographic information in our consideration or acceptance of a site for your Ace Sushi Bar. Our selection or acceptance of a site is not an assurance that your Ace Sushi Bar will be successful. Additionally, selection or acceptance of a site does not guarantee that you will be allowed to become a franchisee. All requirements of Ace, including the completion of the Initial Training Program described below, must be satisfied before you will be eligible to open an Ace

Sushi Bar under a Franchise Agreement. You may not re-locate your Main Sushi Bar or Satellite Locations without our prior written approval. There is no time limit within which we must select, approve or disapprove a site.

Initial Training

Before you open your Ace Sushi Bar, you must successfully complete our Initial Training Program to our satisfaction. You must sign our Initial Training Agreement (**Exhibit B**) and must pay us an initial training fee of $500 per attendee.

Our Initial Training Program generally covers the following subjects:

INITIAL TRAINING PROGRAM

SUBJECT	NUMBER OF HOURS OF CLASSROOM TRAINING	NUMBER OF HOURS OF ON-THE-JOB TRAINING	**LOCATION**
Company Orientation	.75	0	ACE's Online Learning Management System
The Franchise Agreement	.75	0	ACE's Online Learning Management System
Ordering, Receiving & Storage	1	0	ACE's Online Learning Management System
Food Safety	1	0	ACE's Online Learning Management System
Daily Routines	.75	0	ACE's Online Learning Management System
Product Preparation	1	0	ACE's Online Learning Management System
Labeling & Merchandizing	1	0	ACE's Online Learning Management System
Customer Service	.75	0	ACE's Online Learning Management System
Final Exam	1	0	ACE's Online Learning Management System
Total Hours	**8**	**0**	

If you successfully complete our Initial Training Program, in our judgment, you will be eligible to sign our Franchise Agreement. You will generally begin operating your Main Sushi Bar 10 – 14 days after you sign our Franchise Agreement. If you successfully complete our Initial Training Program but we are not able to offer you a Non-Traditional Host Venue for your Main Sushi Bar within 12 months of completing training, we will refund the initial training fee.

Onsite Training

For 2 days prior and up to 4 days after the opening of your Main Sushi Bar, we will provide you with the services of our training personnel to provide the onsite training program and to otherwise facilitate proper operation of your Main Sushi Bar during this opening period and to assist in correcting any operational problems that may arise. The number of ACE training personnel and days of onsite training required is at our discretion based on the support required to open the Sushi Bar.

For the onsite training, you must pay us the Onsite Training Fee ranging from $1,500 to $9,000 (see Item 6). This fee reimburses us the costs and expenses incurred by our training personnel (including the costs of transportation, lodging and meals, but not including wages) in providing the training. If we determine that our training personnel must remain at the Sushi Bar for more than 6 days, you must pay us the sum of $500 per day per person for each day our training personnel must remain at the Sushi Bar in excess of 6 days, plus the costs of transportation, lodging and meals. (**Franchise Agreement, Section 6.3**). If you would like us to train additional trainees for you, the Initial Training Fee for each additional trainee is $3,000, payable before training begins. (**Franchise Agreement, Section 6.1**.)

We determine the number of training personnel and days of onsite training (and therefor the amount of the training fee) based on where you will operate the Ace Sushi Bar and the prior experience, and skills of the Franchisee. We may require you to pay a higher training fee if you have less sushi experience and/or you will be operating the Ace Sushi Bar from a large supermarket. You may pay the minimum training fee if you have more sushi experience and skills and/or are operating the Ace Sushi Bar from a smaller grocery store. Our Onsite Training Program generally covers the following subjects:

ONSITE TRAINING PROGRAM

SUBJECT	NUMBER OF HOURS OF CLASSROOM TRAINING	NUMBER OF HOURS OF ON-THE-JOB TRAINING	LOCATION
Store Set-Up	0	9	Host Venue Sushi Bar
Pre-Opening Prep	0	9	Host Venue Sushi Bar
Grand Opening Procedures	0	11	Host Venue Sushi Bar
Daily Task Management	0	11	Host Venue Sushi Bar
Performance Coaching	0	15	Host Venue Sushi Bar
Total Hours	**0**	**55**	

Training is provided as needed. We may modify our Initial Training Program at any time.

All training will be under the direction of Nikki Dashti. She has worked with AMG and Ace Sushi since 2018 and has 4 years of experience in the operation of Ace Sushi Bars and all subjects taught as part of our Initial Training Program. The instructional materials consistent of our Confidential Operations Manual and demonstration of restaurant operational practices.

You and your employees must also attend any additional courses, seminars and other training programs we reasonably require. (**Franchise Agreement, Section 6.5).** You will have to reimburse us for the cost of seminar materials, if any. You will be responsible for all other expenses which are incurred with the courses (including expenses related to our support training personnel), and for the cost of transportation, moderately-priced lodging, meals, and wages. (**Franchise Agreement, Section 6.5**). You must also attend and complete all other training and information programs that we designate, that the Venue Owner may designate and that federal, state or local authorities require to qualify to operate your Ace Sushi Bar. (**Franchise Agreement, Sections 6.1 and 6.4**).

If we determine at any time during the term of your Franchise Agreement that in our judgment, you are not operating the Sushi Bar in accordance with our Confidential Operations Manual and standards, we may send our operations personnel to assume direction and control of the Sushi Bar and you must pay us the sum of $500 per day for each day our operations personnel remain at the Sushi Bar. (**Franchise Agreement, Section 7.17**).

ITEM 12
TERRITORY

The Franchise Agreement will designate the location of your Main Sushi Bar, and you may conduct business only at the Franchised Location, unless you are granted the right and obligation to operate Satellite Locations, in which case you may only conduct business at your Main Sushi Bar and your Satellite Locations. You will not receive any protected territory

nor will you have any exclusive rights to the Franchised Location, the Satellite Locations or the geographic territory in which your Main Sushi Bar and Satellite Locations are located. These franchises are non-exclusive. You may face competition from other Ace Sushi Bars that we or our affiliates franchise or own and that operate at traditional sites outside your territory. Also, you may face competition from other outlets that we franchise or own, or from other channels of distribution or competitive brands we control. There may already be Ace Sushi Bars near your franchise or trade area which will continue to operate. We may franchise additional Ace Sushi Bars without consulting you or giving you the first right to open them or deliver Proprietary Products to them. These additional Ace Sushi Bars (and their Satellite Locations) may compete directly with you. In addition, we and our affiliates retain the right (the "Reserved Rights"):

(a) To own and operate, and license others to own and operate, Ace Sushi Bars and Satellites at any location.

(b) To own and operate, and license others to own and operate, businesses, including Ace Sushi Bars (with or without Satellite Locations), under other proprietary marks or other systems, whether these businesses are the same or different from Ace Sushi Bars, at any location.

(c) To license others to sell or distribute, any Proprietary Products or related services under any proprietary marks, including the Proprietary Marks, at any location.

(d) To produce, license, distribute and market Ace Sushi branded food products, clothing, souvenirs, and novelty items through any outlet (regardless of its proximity to your Main Sushi Bar or Satellite Locations) including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the World Wide Web section of the Internet, mail order catalogs, direct mail advertising and other distribution methods.

(e) To own and operate and grant others the right to own and operate and issue franchises and licenses to others to develop, own and operate other methods and channels of distribution utilizing the Proprietary Marks and the System, including, toll-free "1-800", "1-888" and "1-877" telephone numbers, domain names, URLs, on-line computer networks and services, the Internet, kiosks, carts, concessions, satellite units, other mobile, remote, limited service or non-permanent facilities or other retail operations as a part of larger retail venues such as department stores, supermarkets, shopping malls or in public areas such as amusement parks, airports, train stations, public facilities, college and school campuses, arenas, stadiums, hospitals, office buildings, convention centers, airlines (in-flight service) and military bases.

(f) To sell Proprietary Products to "**National Accounts**". "**National Accounts"** are multi-state businesses that purchase these products as end-users and not re-sellers. You may not engage in wholesale sales of any kind without our prior consent. "**Wholesale sales**" includes the sale or distribution of sushi products to a third party for resale, retail sale or other method of distribution.

We are not required to pay you if we exercise any of the rights specified above inside your territory. Continuation of your franchise rights do not depend on the achievement of a certain sales volume, market penetration or other contingency, other than your compliance with the terms of your Franchise Agreement. However, if the Host Venue measures your, our or AMG's performance by economic, sales, performance or other measurements (the "**Performance Criteria**"), we will give you notice of the Performance Criteria, if available. You must then satisfy the Performance Criteria (or if there are multiple levels of satisfaction of the Performance Criteria, the level of satisfaction we designate). You do not receive the right to acquire additional franchises unless you sign another franchise agreement.

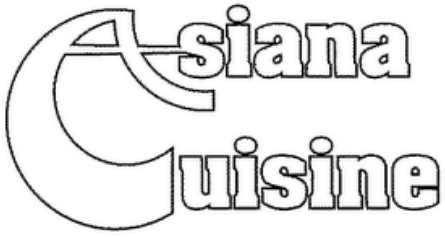
You are not permitted to engage in wholesale sales of Proprietary Products of any kind without our prior consent. You are not permitted to engage in catering of any kind, whether directly or indirectly, without our prior consent.

You are not permitted to use the System, the Proprietary Products or the Proprietary Marks, the Internet domain name www.acesushi.com, any other Internet domain names, URLs, toll-free telephone numbers, or any confusingly similar imitations of the same, at any location other than the Franchised Location and Satellites. We do not place any restrictions on the customers you may solicit, but you are not permitted to use any other channels of distribution to make sales outside your Franchised Location and/or Satellite Locations.

We do not grant a right of first refusal or similar rights to acquire additional Ace Sushi Bars, although you may apply for the right to open additional Ace Sushi Bars.

ITEM 13
TRADEMARKS

AMG has licensed to us the right to use the following principal marks which are registered or pending registration, as provided, on the Principal Register of the United States Patent and Trademark Office ("**USPTO**") in connection with the operation of "**ACE SUSHI**" franchises.

MARK	REGISTRATION NUMBER	REGISTRATION DATE
	6782671	July 5, 2022
	2932830	3/15/05 Renewed: 3/15/15
ASIANA CUISINE	2871862	8/10/04 Renewed: 8/10/14
	2871863	8/10/04 Renewed: 8/10/14
ACE	5781478	6/18/19

AMG has filed all required affidavits. There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the Trademark administrator of this state or any court. There is no pending infringement, opposition, or cancellation proceeding and there is no pending material litigation involving the trademarks that may be relevant to their use in this state or in any other state.

We do not know of any prior superior rights or infringing uses that could materially affect your use of the Proprietary Marks in this state or elsewhere. However, we cannot represent with certainty that we have exclusive or superior rights to the name "**ACE SUSHI**" in all geographic areas. You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third party claim, suit, or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will pay for your defense, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must pay for the cost of defense, including the cost of any judgment or settlement. In any litigation about your use of the Proprietary Marks, you

must sign all documents and do whatever is necessary to defend or prosecute the action, including becoming a nominal party to any legal action. Unless litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs.

We are parties to a perpetual, exclusive, worldwide right and license trademark license agreement under which AMG has licensed the use of the Proprietary Marks to us, including our right to use and license others to use the Proprietary Marks. The trademark license agreement is subject to termination if we do not notify AMG of any known or alleged infringement of the Proprietary Marks, if we do not indemnify AMG from any losses AMG may incur as a result of our default under the trademark license agreement and if we assign any of our rights under the trademark license agreement in violation of the express terms of the trademark license agreement and do not cure our default within 30 days after our receipt of written notice to do so from AMG. Except for this trademark license agreement, there are no agreements currently in effect which limit our rights to use or license the use of any Proprietary Mark.

We may substitute different proprietary marks for use in identifying the System and the businesses operating under it if we determine that substitution of different marks as Proprietary Marks will be beneficial to the System, or if the Proprietary Marks no longer can be used. You must promptly implement any substitution of new Proprietary Marks and the use of the new Proprietary Marks will be governed by the terms of the Franchise Agreement. We will pay your costs of modifying your signs and advertising materials to conform to our new Proprietary Marks, but will otherwise have no obligation or liability to you as a result of a substitution.

All marketing and advertising collateral and materials must be approved in advance by Ace and must comply with the guidelines in the Confidential Operations Manual or other guidelines we provide to you. You may not alter or change the design or appearance of the Proprietary Marks or other ACE SUSHI logos or designs. You must not establish a website on the Internet using any domain name containing the words "**ACE SUSHI**" or any variation of these names. We retain the sole right to advertise on the Internet and create a website using the "**ACE SUSHI**" domain name. You acknowledge that we are the owner of all right, title and interest in and to the "**ACE SUSHI**" domain name.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any right in or to any patents or copyrights that are material to the franchise. We do not have any pending patent or copyright applications. We do, however, claim common law copyright protection for our printed literature and our Confidential Operations Manual.

Confidential Operations Manual

You must operate your Ace Sushi Bar in the manner specified in the Confidential Operations Manual. We may revise the Confidential Operations Manual, and you must comply with each new or changed standard.

We will lend you a copy of the Confidential Operations Manual after you complete our Initial Training Program. You must treat the Confidential Operations Manual and the information contained in it, as confidential. You cannot copy these materials or show them to any unauthorized person. The Confidential Operations Manual will remain our sole property.

Confidential Information

You must not, during or after the term of the Franchise Agreement, divulge or use for the benefit of anyone else any confidential information, knowledge, or know-how concerning the System and the methods of operation of your Ace Sushi Bar. You may divulge confidential information only to those employees who must have access to it to operate your Ace Sushi Bar. Any and all information and other data, which we designate as confidential, will be deemed confidential for purposes of the Franchise Agreement. You and your employees will be required to sign a confidentiality and nondisclosure agreement in consideration of your training by us in the form of **Exhibit E** to this Disclosure Document and Attachment F to the Franchise Agreement.

At our request, you must require your manager and any personnel having access to any confidential information to sign covenants that they will maintain the confidentiality of information they receive during their employment at your Ace Sushi Bar. These covenants must be in a form we find satisfactory, and specifically identify us as a third party beneficiary of these covenants with the independent right to enforce them.

Customer Data

All "**Customer Data**" will remain our property. "**Customer Data**" includes, all information about an Ace Sushi Bar customer, including a customer's name, address, e-mail address, telephone number, credit card information and account numbers, order information, purchasing preferences or history and all other personally identifiable information. You may not sell, lease, share or rent any Customer Data or make any use of the Customer Data.

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

You must actively participate in your Ace Sushi Bar's operations. Unless we approve otherwise, only you may be your Ace Sushi Bar's principal operator. Your Ace Sushi Bar must be managed at all times by you or a full-time management employee who has successfully completed our Initial and Onsite Training Programs. You are not required to grant an equity interest to any employee.

Certain employees who work for you must sign covenants of confidentiality and non-competition upon our demand. See Items 14 and 17 for descriptions of these obligations.

If the franchisee signing your franchise agreement is an entity, such as a limited liability company or corporation, or if we determine that your credit report is insufficient in any way, we may require, as a condition to granting you a franchise, that a financially qualified guarantor guarantee the performance of the franchisee's obligations under the Franchise Agreement by signing a Guarantee in the form attached as Attachment C to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchised Location and the display and merchandising cases at your Main Sushi Bar and Satellite Locations may not be used for any activity other than for the sale of Proprietary Products and other goods we approve. Your Main Sushi Bar must remain open, stocked with Proprietary Products and in normal operation for the minimum hours and days required under the Sushi Supply Agreements with the Venue Owners, but at least from 9:00 A. M. to 6:00 P. M., and must be operated in conformity with the specifications contained in the Confidential Operations Manual or otherwise in writing. If you service Satellite Locations, you must deliver your sushi products to your Satellite Locations by no later than 10:30 A. M. each day.

You must sell only products and services that meet our current standards of quality, that have been expressly approved for sale in writing by us, and that have been prepared in accordance with our methods and techniques for product preparation. You must sell or offer for sale, all items, products, and services required by us in the Confidential Operations Manual or otherwise in writing as being part of the System. You may not deviate from our requirements. We may change the types of authorized products and services, and there are no limits on our right to make changes. We have the exclusive right to develop new products and services to be offered for sale at Ace Sushi Bars. You do not have the right to develop new products or services for sale at your Ace Sushi Bar. You will have sole discretion as to the prices of all services and products you offer and sell to your customers.

We have, and will continue to, develop and automate the operation, ordering and inventory maintenance process, as well as the customer ordering and payment process for you so that you can focus on food preparation rather than administration, including by developing and implementing an Internet-based management system or system which permits Ace, AMG and you to communicate effectively and efficiently for the benefit of your Ace Sushi Bar, implementing on-line and application based customer ordering programs, and by developing and implementing a daily, weekly, monthly and annual reporting process that will assist you and us in the operation and oversight of your Ace Sushi Bar and the further development and technological advancement of the System. Consequently, you must comply with all reasonable requirements if we modify the System, including implementing, participating in, offering and selling different programs, services and products that we specify and obtaining and using computer hardware and software that we designate. We may change the types of authorized goods and services, and there are no limits on our right to make changes. You must also comply with all sampling policies that we may establish and with all sampling policies that the Venue Owner may require. These policies may require you to provide free samples to customers and potential customers.

We may introduce new products or reintroduce previously introduced products for Ace Sushi Bars. You must purchase, maintain and display reasonable inventories of all new products for at least 90 days and must continue to purchase, maintain and display reasonable inventories of all new products for the period of time we require.

For a description of your restrictions on some purchases, see Item 8 of this Disclosure Document.

You may conduct business only at the Franchised Location, unless you are granted the right and obligation to operate Satellite Locations, in which case you may only conduct business at your Main Sushi Bar and your Satellite Locations. You are not permitted to use any other channels of distribution to make sales outside your territory. You are not granted any rights to solicit or accept orders from outside your Main Sushi Bar and/or your Satellite Locations without advance written authorization from Ace. (See Item 12) You are not permitted to offer or provide catering services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a.	Length of the franchise term	§ 2.1 of the Franchise Agreement	Same as in the Sushi Supply Agreements with the Venue Owners, but no longer than 48 months after the date of the Franchise Agreement. On occasion, the term of the Franchise Agreement will be less than 48 months if the location is designated as a test sushi bar.
b.	Renewal or extension of the term	§ 2.2	48 months or the term of our Sushi Supply Agreements with the Venue Owners, whichever is less.
c.	Requirements for you to renew or extend	§ 2.2	We use the term "renewal" to refer to extending our franchise relationship at the end of your initial term (and any other renewal or extension of the initial term). You may be asked to sign a contract with materially different terms and conditions than your original contract. You must provide us with at least 60 days advance notice of your intent to renew and: (i) have complied with your obligations during the term of your Franchise Agreement and currently be in good standing under the Franchise Agreement (including being current on all monetary obligations) and with the Venue Owner; (ii) sign a General Release in substantially the form of Attachment A to the Franchise Agreement; (iii) sign, in our discretion, either the Renewal Agreement in substantially the form of Attachment D to the Franchise Agreement or a new Franchise Agreement, that may contain terms and conditions materially different from those in your previous Franchise Agreement; (iv) pay the renewal fee; (v) have received an "A" or passing grade on the most recent health inspection of your ACE Sushi Bar and have at least 80% compliance with all mandated operational checklists; (vi) have undertaken and completed at your expense any renovation and refurbishment of your ACE

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			Sushi Bar to our then-current standards; and (vii) meet and be in compliance with our then-current qualification, training and certification requirements, at your expense.
d.	Termination by you	N/A	You do not have the right to terminate your Franchise Agreement. You may request the early termination of your franchise agreement before the end of its term on condition of paying a cancellation fee (currently $3,500) to offset our re- marketing costs and other expenses associated with termination. We may accept or deny your request in our sole discretion.
e.	Termination by us without cause	§ 12.3	We may terminate the Franchise Agreement if we give you 30 days' notice.
f.	Termination by us with cause	§ 12.2 of the Franchise Agreement	Default under Franchise Agreement, bankruptcy, and other grounds.
g.	"**Cause**" defined - defaults which can be cured	§ 12.4 of the Franchise Agreement	All other defaults not specified in §§ 12.1 and 12.2. You have 30 days to cure defaults not listed in (h).
h.	"**Cause**" defined - defaults which cannot be cured	§ 12.2 of the Franchise Agreement	Bankruptcy, conviction of felony, abandonment, adulteration of Proprietary Products, failure, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the franchise, health violations, violations of regional and/or Host Venue COVID-19 requirements; sexual harassment of Host Venue personnel; fraudulent misrepresentation of the terms of a transfer; failure to divest yourself from a competitor prior to signing the Franchise Agreement; and others.
i.	Your obligations on termination/non-renewal	§ 13 of the Franchise Agreement	Vacate and cease operating your Ace Sushi Bar, discontinue use of Proprietary Marks, sale of personal property to us at our request.
j.	Assignment of contract by us	§ 11.1 of the Franchise Agreement	There are no limits on our assignment rights.
k.	"**Transfer**" by you Definition	§ 11.2 of the Franchise Agreement	Includes transfer of any interest in Franchise Agreement, Franchisee, or all or substantially all of your Ace Sushi Bar assets.
l.	Our approval of transfer by you	§§ 11.2, 11.3 11.6 of the Franchise Agreement	We have the right to approve transfers. You must: (i) be in good standing under your Franchise Agreement and all other agreements with us and our affiliates (including being current on all monetary obligations); (ii) sign a General Release in substantially the form of Attachment A to the Franchise Agreement; (iii) and pay the transfer fee and our costs and fees associated with the transfer. The transferee must: (i) demonstrate that it has an acceptable credit report to proceed with the transfer; (ii) demonstrate that the terms of the transfer do not impose

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
			an unreasonable financial burden; (iii) demonstrate that it meets our standards for: (a) work experience and aptitude, (b) character and reputation, (c) absence of conflicting interests, and (d) such other criteria and conditions as we consider relevant; (iv) at our request, execute our then-current form of franchise agreement and guaranty, the terms of which may differ materially from the terms of your agreement; (v) successfully complete all required training; (vi) be accepted by the Venue Owner; (vii) agree to refurbish and renovate the ACE Sushi Bar to our then-current standards; (viii) successfully complete, at its expense, the required initial training including payment of the then-current training fee charged by Franchisor in those circumstances where Franchisee is required to pay a fee for attendees at the Initial Training Programs; and (ix) satisfy such other criteria we determine reasonable. We must also approve the terms of any transfer or sale agreement between you and the transferee.
m.	Conditions for our approval of transfer	§§ 11.3, 11.6, 11.9 of the Franchise Agreement	Includes payment of money owed, non-default, sign new Franchise Agreement, payment of our administrative transfer fee of $2,500 per location plus our out of pocket costs associated with the transfer, including costs of attorneys' fees associated with the transfer, sign a General Release in substantially the form of Attachment A attached to the Franchise Agreement, and others. You do not pay a transfer fee for an assignment to a controlled corporation or limited liability company or if you inherit the Sushi Bar from a family member.
n.	Our right of first refusal to acquire your business	§ 11.5	We can match any offer.
o.	Our option to purchase your business	None	Not Applicable
p.	Your death or disability	§ 11.6	Must be transferred in 6 months. We will waive the transfer fee.
q.	Non-competition covenants during the term of the franchise	§ 14.1	Includes prohibition on engaging in any other sushi bar business; diverting business or employing persons who were our employees.
r.	Non-competition covenants after the franchise is terminated or expires	§§ 14.2, 14.3	Includes a 2-year prohibition for any sushi bar business in a 10-mile radius of any Ace Sushi Bar. If you violate the post-term covenant not to compete, you must pay us, throughout the 2 year period following the end of your Franchise Agreement, 25% of all revenue from the sale of all products and services and all other income of the business that offers goods or services which are the same as or similar to the Ace Sushi business.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
s.	Modification of the agreement	§ 18.1 of the Franchise Agreement	Must be in writing signed by both parties.
t.	Integration/merger clause	§ 18.1 of Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement is intended to disclaim the representations made in the disclosure document. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute Resolution by Arbitration or Mediation	Not Applicable	Not Applicable.
v.	Choice of forum	§ 19.2 of the Franchise Agreement	Los Angeles County, California, subject to state law.
w.	Choice of law	§ 19.1 of Franchise Agreement	California, subject to the exception provided in Section 19.1 and applicable state law.

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in **Exhibit D** to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Executive Vice President, Chris Chin, 22771 S Western Avenue, Torrance, California 90501, 310-327-2223, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2020 TO 2022*

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE (+ OR -)
Franchised	2020	302	346	+44
	2021	346	316	-30
	2022	316	372	+56
Company Owned	2020	2	11	+9
	2021	11	27	+16
	2022	27	52	+25
Total Outlets	2020	304	357	+53
	2021	357	343	-14
	2022	343	424	+81

*The total figures in these tables reflect both traditional and non-traditional locations.

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR OR AN AFFILIATE) FOR YEARS 2020 TO 2022

STATE	YEAR	NUMBER OF TRANSFERS
CA	2020	1
	2021	12
	2022	2
IL	2020	1
	2021	0
	2022	2
IN	2020	0
	2021	0
	2022	2
IA	2020	0
	2021	0
	2022	4
MN	2020	0
	2021	0
	2022	1
MO	2020	0
	2021	0
	2022	3
TX	2020	0
	2021	0
	2022	1
TOTAL	**2020**	**2**
	2021	**12**
	2022	**15**

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 to 2022*

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERM-INATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASON	OUTLETS AT END OF YEAR
AL	2020	0	0	0	0	0	0	0
	2021	0	14	12	0	0	0	2
	2022	2	3	0	0	0	0	5
AR	2020	0	1	0	0	0	0	1
	2021	1	3	3	0	0	0	1
	2022	1	2	0	0	0	0	3
AZ	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	1	1	0	0	2	2
CA	2020	129	62	30	8	0	2	151
	2021	151	85	75	7	1	0	153
	2022	153	34	0	0	0	3	184
CO	2020	1	0	1	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
CT	2020	2	8	4	0	0	2	4
	2021	4	0	1	0	0	0	3
	2022	3	1	3	0	0	0	1
FL	2020	0	7	1	0	0	0	6
	2021	6	5	5	1	0	3	2
	2022	2	0	0	0	0	0	2
HI	2020	41	0	0	0	0	1	40
	2021	40	6	46	0	0	0	0
	2022	0	0	0	0	0	0	0
IA	2020	1	4	0	0	0	0	5
	2021	5	7	6	0	0	0	6
	2022	6	1	0	0	0	2	5
ID	2020	7	4	1	0	0	0	10
	2021	10	4	3	0	1	2	8
	2022	8	3	0	0	0	0	11
IL	2020	9	2	2	0	0	0	9
	2021	9	3	1	0	0	0	11
	2022	11	6	0	0	0	0	17
IN	2020	15	5	5	1	0	0	14
	2021	14	1	1	0	0	0	14
	2022	14	1	0	0	0	0	15
KS	2020	0	1	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	0	1	0	0	0	2
LA	2020	0	4	0	0	0	0	4
	2021	4	5	4	0	0	0	5
	2022	5	4	0	0	1	0	8
MA	2020	0	0	0	0	0	0	0
	2021	0	2	1	0	0	0	1
	2022	1	1	0	0	0	0	2
MI	2020	8	0	0	0	0	0	8
	2021	8	12	4	0	2	1	13
	2022	13	2	0	0	4	0	11

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERM-INATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASON	OUTLETS AT END OF YEAR
MN	2020	8	0	0	0	0	0	8
	2021	8	7	5	0	0	2	8
	2022	8	1	0	0	0	0	9
MO	2020	5	4	4	0	0	0	5
	2021	5	1	0	0	0	1	5
	2022	5	3	0	0	0	0	8
MS	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	2	0
MT	2020	15	9	5	0	0	0	19
	2021	19	6	9	0	0	0	16
	2022	16	0	0	0	1	0	15
NE	2020	2	0	2	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
NC	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
NH	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	1	1	0	0	0	2
NJ	2020	2	0	2	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	4	0	0	0	0	5
NV	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
NY	2020	24	20	10	0	0	14	20
	2021	20	15	20	1	1	0	13
	2022	13	2	0	0	0	11	4
OH	2020	8	3	1	0	0	3	7
	2021	7	3	2	0	0	0	8
	2022	8	3	0	0	0	0	11
OK	2020	3	0	5	0	0	0	8
	2021	8	0	8	0	0	0	0
	2022	0	1	0	0	0	0	1
OR	2020	1	2	1	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	3	0	0	0	0	6
PA	2020	3	4	1	0	0	0	6
	2021	6	5	0	0	4	0	7
	2022	7	8	0	0	0	0	15
TN	2020	2	0	2	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
TX	2020	0	1	0	0	0	0	1
	2021	1	5	1	0	0	0	5
	2022	5	0	1	0	0	0	4
UT	2020	0	0	0	0	0	0	0
	2021	0	2	2	0	0	0	0
	2022	0	0	0	0	0	0	0

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERM-INATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASON	OUTLETS AT END OF YEAR
WA	2020	7	0	0	0	0	0	7
	2021	7	2	1	0	0	0	8
	2022	8	1	0	0	0	0	9
WI	2020	6	0	0	0	0	1	5
	2021	5	4	1	0	0	0	8
	2022	8	1	0	0	0	1	8
TOTAL OUTLET	2020	302	163	83	9	0	28	346
	2021	346	206	214	9	9	9	316
	2022	316	90	7	0	6	21	372

***The total figures in these tables reflect both traditional and non-traditional locations.**

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2020 TO 2022

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
AL	2020	0	0	0	0	0	0
	2021	0	2	0	1	0	1
	2022	1	5	0	2	0	4
FL	2020	0	0	0	0	0	0
	2021	0	6	0	6	0	1
	2022	1	1	1	3	0	0
ID	2020	0	0	0	0	0	0
	2021	0	2	0	0	0	2
	2022	2	0	0	1	0	1
IL	2020	1	0	0	0	0	1
	2021	1	3	0	0	1	3
	2022	3	3	1	3	0	4
IN	2020	0	2	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
KY	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
LA	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
MD	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	2	0	0	0	3
MA	2020	0	1	0	0	0	1
	2021	1	1	0	1	1	0
	2022	0	0	0	0	0	0

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
MI	2020	0	0	0	0	0	0
	2021	0	5	0	2	2	1
	2022	1	4	6	3	1	7
MT	2020	0	0	0	0	0	0
	2021	0	1	0	1	0	0
	2022	0	2	1	0	0	3
NC	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
ND	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	1	0	0
NE	2020	1	0	0	1	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
NY	2020	0	0	0	0	0	0
	2021	0	7	0	0	7	0
	2022	0	5	0	0	0	5
OH	2020	0	3	0	0	0	3
	2021	3	1	0	0	1	4
	2022	4	1	0	0	1	4
OR	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	0
	2022	0	0	0	0	0	0
PA	2020	0	0	0	0	0	0
	2021	0	2	0	0	1	1
	2022	1	2	0	2	1	0
SD	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
TN	2020	0	0	0	0	0	0
	2021	0	3	0	1	0	2
	2022	2	0	0	2	0	0
UT	2020	0	2	0	0	0	2
	2021	2	0	0	1	1	0
	2022	0	0	2	0	0	2
WA	2020	0	0	0	0	0	0
	2021	0	7	0	0	0	7
	2022	8	5	0	0	0	13
TOTAL	**2020**	**2**	**10**	**0**	**1**	**0**	**11**
	2021	**11**	**38**	**0**	**15**	**11**	**27**
	2022	**27**	**33**	**12**	**17**	**3**	**52**

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2022

STATE	FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLETS IN THE NEXT FISCAL YEAR
CA	3	2	0
IL	4	1	0
NJ	0	4	0
NY	0	7	0
WA	1	1	0

During the last 3 fiscal years, we have signed confidentiality clauses with current or former franchisees. In some instances current and former franchisees sign provisions restricting their ability to speak openly about their experience with Ace Sushi Franchise Corporation. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

See Exhibit I for a listing of the names, addresses and phone numbers of all of our franchisees as of December 31, 2022. See Exhibit J for a listing of the names, addresses and phone numbers of all franchisees that have had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement as of December 31, 2022. We have communicated with all our franchise locations within 10 weeks of the issuance date of this Disclosure Document. There are no trademark-specific franchisee organizations associated with this franchise system that have asked to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Attached as **Exhibit H** are our audited financial statements as of December 31, 2022, December 31, 2021 and December 31, 2020. Our fiscal year ends on December 31 of each year.

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document in the following order:

1. Initial Training Agreement: **Exhibit B**
2. Franchise Agreement and Attachments: **Exhibit C**
3. Hot Food Addendum to Franchise Agreement: **Exhibit C1**
4. Candidate Confidentiality Agreement: **Exhibit E**

ITEM 23
RECEIPT

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

Exhibit A
Agents for Service of Process & State Administrators

EXHIBIT A
ACE SUSHI FRANCHISE CORPORATION
DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Commissioner of Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 Toll Free (866) 275-2677 Ask.DFPI@dfpi.ca.gov	Commissioner of Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Hawaii Commissioner of Securities Department of Commerce & Consumer Affairs 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2744	Commissioner of Securities of the State of Hawaii, Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General Office 500 South Second Street Springfield, Illinois 62701
INDIANA	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State Securities Division, E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Consumer Protection Division, Antitrust and Franchising Unit Michigan Department of Attorney General 670 G. Mennen Williams Building 525 West Ottawa Lansing, Michigan 48933 (517) 373-7177	Michigan Department of Consumer and Industry Services Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8285	Secretary of State 99 Washington Avenue Albany, New York 12231 (518) 474-4750
NORTH DAKOTA	Franchise Examiner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-2929	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital Fifth Floor Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Director, Securities Division State of Rhode Island Department of Business Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, RI 02920 (401) 462 9582	Director, Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, RI 02920 (401) 462 9582
SOUTH DAKOTA	Franchise Administrator Division of Insurance 124 S. Euclid Avenue Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance 124 S. Euclid Avenue Suite 104 Pierre, South Dakota 57501 (605) 773-3563
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9672	Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9672
WASHINGTON	Department of Financial Institutions 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501
WISCONSIN	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 261-9555

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
All other states	Chris Chin, Executive Vice President 22771 S Western Avenue, Torrance, California 90501 (310) 327-2223	

Exhibit B
Initial Training Agreement

ACE SUSHI FRANCHISE CORPORATION

INITIAL TRAINING AGREEMENT

ACE SUSHI FRANCHISE CORPORATION

INITIAL TRAINING AGREEMENT
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EXHIBIT B
TO THE ACE SUSHI FRANCHISE CORPORATION
DISCLOSURE DOCUMENT

INITIAL TRAINING AGREEMENT

INITIAL TRAINING AGREEMENT (this "**Agreement**") is made and entered into as of _____, _____ (the "**Effective Date**"), by and between **ACE SUSHI FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), on the one hand and_____ ("**Trainee**"), on the other hand, with reference to the following facts:

A. Asiana Management Group, Inc., a California corporation ("**AMG**"), an affiliate of Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive system relating to the establishment and operation of sushi bars ("**ACE Sushi Bars**"), which offer high quality, raw and cooked sushi and Chinese and Asian fusion related food products prepared by a sushi chef for sale, as carry-out items for off-premises consumption, either at sushi bar departments in grocery stores, supermarkets and other locations (the "**Stores**") owned and operated by third-party operators who have entered into agreements with AMG or pre-packaged and sold in display and merchandising cases at Stores in the general geographical vicinity of the ACE Sushi Bars without a sushi bar department or sushi chef on site (the "**System**").

B. The distinguishing characteristics of the System include, without limitation, the selection, preparation and distribution of unique, high quality, fresh and frozen sushi and related food products which incorporate Franchisor's trade secrets and proprietary information (the "**Proprietary Products**"), distinctive equipment, standards and specifications for products and supplies, service standards, uniform standards, specifications, and procedures for operations, procedures for inventory and management control, training and assistance, the relationship between Franchisor and its franchisees, trade dress, defined product offerings, Franchisor specified pricing and promotions, restrictions on ownership, administrative procedures, and marketing and public relations programs, all of which may be changed, improved, and further developed by Franchisor and Franchisor's affiliates from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**ACE SUSHI**" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Proprietary Marks**").

D. Franchisor has obtained the right to use, and to license others to use, the Proprietary Marks, the Proprietary Products and the System from AMG.

E. Trainee desires to operate an ACE Sushi Bar under the System using the Proprietary Products and the Proprietary Marks as a franchisee of Franchisor and acknowledges and agrees that Trainee's successful completion of Franchisor's initial Training Program (the "**Initial Training Program**") is a condition to the grant by Franchisor to Trainee of a license to operate the ACE Sushi Bar as a franchisee of Franchisor and to the execution of a Franchise Agreement for an ACE Sushi Bar by Franchisor and Trainee.

NOW, THEREFORE, IT IS AGREED:

1. **INCORPORATION OF RECITALS**.

The recitals set forth in Paragraphs A through E above are true and correct and are hereby incorporated by reference into the body of this Agreement.

2. **INITIAL TRAINING PROGRAM**.

Trainee shall attend and complete the Initial Training Program to become eligible to become a franchisee of Franchisor. Trainee shall pay Franchisor an initial training fee of $_____ for the Initial Training Program on the Effective Date. If Trainee desires to have additional attendees attend the Initial Training Program, Trainee shall pay Franchisor an additional initial training fee of $500 for each additional attendee sent by Trainee. Trainee shall be responsible for any and all other expenses incurred in connection with attendance at the Initial Training Program including, without limitation, the costs of transportation, lodging, meals, and any wages of additional attendees. Franchisor shall, in Franchisor's sole discretion, select the time and location of the Initial Training Program. Trainee shall exert Trainee's best efforts to complete the Initial Training Program to Franchisor's satisfaction, as determined by Franchisor in Franchisor's sole and absolute discretion. Trainee must attend and complete the Initial Training Program within six (6) months after the Effective Date. If Trainee fails to do so, this Agreement shall automatically terminate and be of no further force or effect and Trainee shall not be eligible to become a franchisee of Franchisor. Except to the limited extent provided in Section 3 below, the initial training fee is non-refundable.

3. **FRANCHISOR UNDER NO OBLIGATION TO GRANT FRANCHISE**.

Franchisor and Trainee acknowledge and agree that neither the execution of this Agreement by Franchisor nor Trainee's completion of the Initial Training Program shall obligate Franchisor in any way to grant Trainee a license to operate an ACE Sushi Bar or to execute a Franchise Agreement. Franchisor may refuse to offer a Franchise Agreement to Trainee (i) if Trainee fails to attend and complete the Initial Training Program to Franchisor's satisfaction, as determined by Franchisor, in Franchisor's sole and absolute discretion, (ii) if Trainee fails to complete the Initial Training Program within six (6) months after the parties' execution of this Agreement, unless otherwise agreed in writing by Franchisor, (iii) if, for any reason, Franchisor determines during the Initial Training Program, in Franchisor's sole and absolute discretion, that Trainee does not appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the System or a Franchise Agreement, or (iv) if, for any reason, Franchisor determines during the Initial Training Program, in Franchisor's sole and absolute discretion, that Trainee is not acceptable to become a franchisee of Franchisor for any reason whatsoever, in Franchisor's sole and absolute discretion. If Trainee: (i) successfully completes the Initial Training Program to Franchisor's satisfaction within six (6) months of the parties' execution of this Agreement; and (ii) otherwise satisfies Franchisor's requirements and criteria for franchisees then in effect; but Franchisor is not able to offer Trainee (or Trainee's franchisee entity) an Ace Sushi Franchise within twelve (12) months of Trainee's completion of the Initial Training Program, Franchisor shall refund the initial training fee paid pursuant to Section 2 above. For purposes of the clarity, Trainee acknowledges and agrees that a franchise, if offered, may be offered for any location Franchisor selects in its sole discretion. Franchisor and Trainee further acknowledge and agree that this Agreement is not a Franchise Agreement and does not grant Trainee any right to use or to license the use of, the Proprietary Marks, the Proprietary Products or the System in any way.

4. **CONFIDENTIALITY**.

Trainee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of, anyone else, any confidential information, knowledge, or know-how concerning the methods of operation of the ACE Sushi Bar which may be communicated to Trainee, or of which Trainee may be apprised, by virtue of Trainee's attendance at the Initial Training Program. Trainee acknowledges that failure to comply with the requirements of this Section 4 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Trainee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Section 4.

5. **GENERAL**

5.1 **No Waiver**. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Trainee of any of the terms, provisions, or covenants of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, or power as against Trainee, or as to a subsequent breach or default by Trainee.

5.2 **Entire Agreement**. This Agreement constitutes the entire and complete Agreement between Franchisor and Trainee concerning the subject matter of this Agreement and supersedes all prior agreements. No amendment, change, or variation from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations Franchisor made to Franchisee in the Franchise Disclosure Document or in any related document that Franchisor heretofore furnished to Franchisee.

5.3 **Severability and Construction**. Except as expressly provided to the contrary in this Agreement, each section, paragraph, part, term, and provision of this Agreement shall be considered severable; and if, for any reason, any section, paragraph, part, term, provision, and/or covenant in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, paragraphs, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and the invalid portions, sections, paragraphs, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement. Neither this Agreement or any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used to fairly accomplish the purposes and intentions of all parties to this Agreement. Franchisor and Trainee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

5.4 **Captions**. All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

5.5 **Choice of Law**. This Agreement takes effect upon acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California

conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the ACE Sushi Bar is located outside of California and such provision would be enforceable under the laws of the state in which the ACE Sushi Bar is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 5.5 is intended by the parties to subject this Agreement to any franchise or similar law, rules, or regulation of the State of California to which it would not otherwise be subject.

5.6 **Venue**. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of California in the county in which Franchisor has Franchisor's principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

5.8 **Limitation of Adjudicative Proceedings**. Franchisor and Trainee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding. Any and all claims and actions arising out of or relating to this Agreement or the relationship of Trainee and Franchisor shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. Franchisor and Trainee hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

5.9 **Right to Injunctive Relief**. Nothing herein contained shall bar Franchisor's right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to Trainee's: (a) use of the System, the Proprietary Products and/or the Proprietary Marks, (b) disclosure or use of any confidential information of Franchisor. Franchisor shall be able to seek injunctive relief to prohibit any act or omission by Trainee.

5.10 **Attorneys' Fees**. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Trainee, Trainee shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

5.11 **Recognition of Business Risks**: Trainee acknowledges and agrees that Trainee has conducted an independent investigation of the proposed franchise, and recognizes that the business venture contemplated by a Franchise Agreement involves business risks and that Trainee's success will be largely dependent upon the ability of Trainee as an independent business person, if Trainee becomes eligible to become a franchisee of Franchisor. Franchisor expressly disclaims the making of, and Trainee acknowledges and agrees, that Trainee has not received any warranty or guarantee, express or implied, as to the potential sales, income, profits, or success of the business venture contemplated by a Franchise Agreement.

5.12 **Receipt of Franchise Disclosure Document**: Trainee acknowledges and agrees that Trainee has received a copy of the complete Ace Sushi Franchise Uniform Franchise Disclosure Document, which contains a copy of this Initial Training Agreement, at least fourteen (14) calendar days prior to the Effective Date. Trainee acknowledges and agrees that Franchisor has made no promises, representations, warranties or assurances to Trainee which are inconsistent with the terms of this Agreement or Franchisor's Uniform Franchise Disclosure Document, concerning the profitability or likelihood of success of an ACE Sushi Bar, that Trainee has been informed by Franchisor that there can be no guaranty of success in the franchised business and that Trainee's business ability and aptitude is primary in determining Trainee's success.

5.13 **Review of Franchise Disclosure Document**: Trainee acknowledges and agrees that it has read and understood this Agreement, the attachments to this Agreement, and agreements relating to this Agreement, if any, and that Franchisor has accorded Trainee ample time and opportunity to consult with advisors and counsel of Trainee's own choosing about the potential benefits and risks of entering into this Agreement.

5.14 **No Representations by Franchisor**. Trainee acknowledges and agrees that prior to the Effective Date, no employee, agent or other person speaking on Franchisor's behalf made (i) any statement or promise to Trainee concerning projected revenues, profits or operating costs of an ACE Sushi Bar franchised business, (ii) any statement or promise to Trainee regarding the amount of money Trainee may earn in operating an ACE Sushi Bar franchised business, (iii) any statement or promise to Trainee concerning the total amount of revenue an ACE Sushi Bar franchised business will or may generate, or (iv) any statement or promise to Trainee regarding the costs Trainee will or may incur in operating an ACE Sushi Bar franchised business.

5.15 **Atypical Arrangements**: Trainee acknowledges and agrees that Franchisor may modify the offer of Franchisor's Initial Training Program to other franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations, which may differ from the terms, conditions, and obligations in this Agreement. Trainee further acknowledges and agrees that Franchisor has made no warranty or representation that all Initial Training Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in Franchisor's reasonable business judgment and Franchisor's sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Initial Training Agreements previously executed or executed after the Effective Date with other ACE Sushi franchisees in a non-uniform manner.

5.16 **Anti-Terrorism Laws**: Trainee and Trainee's officers, directors, members and shareholders shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Trainee and Trainee's officers, directors, members and shareholders certify, represent, and warrant that none of the property or interests of Trainee or Trainee's officers, directors, members and shareholders is subject to being "blocked" under any of the Anti-Terrorism Laws and that Trainee and Trainee's officers, directors, members and shareholders are not otherwise in violation of any of the Anti-Terrorism Laws.

5.16.1 For the purposes of this Section 5.16, "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department

of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

5.16.2 Trainee and Trainee's officers, directors, members and shareholders certify that none of Trainee's employees, or anyone associated with Trainee or Trainee's officers, directors, members and shareholders are listed in the Annex to Executive Order 13224. Trainee agrees not to hire any individual listed in the Annex. The Annex is available at:

http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html

5.16.3 Trainee certifies that Trainee has no knowledge or information that, if generally known, would result in Trainee, Trainee's officers, directors, members and shareholders, Trainee's employees, or anyone associated with Trainee to be listed in the Annex to Executive Order 13224.

5.16.4 Trainee shall be solely responsible for ascertaining what actions must be taken by Trainee to comply with the Anti-Terrorism Laws, and Trainee specifically acknowledges and agrees that Trainee's indemnification responsibilities set forth in this Agreement pertain to Trainee's obligations under this Section 5.16.

5.16.5 Any misrepresentation by Trainee under this Section 5.16 or any violation of the Anti-Terrorism Laws by Trainee, Trainee's officers, directors, members and shareholders, or Trainee's employees shall constitute grounds for immediate termination of this Agreement and any other Agreement Trainee has entered with Franchisor or an affiliate of Franchisor, in accordance with the terms of this Agreement.

5.17 **Transfers**. Franchisor shall have the right to transfer or assign all or any part of Franchisor's rights or obligations under this Agreement to any person or legal entity. Trainee shall not have the right to transfer or assign all or any part of Trainee's rights or obligations under this Agreement to any person or legal entity.

5.18 **Additional Documents**. Each of the parties agrees to execute, acknowledge and deliver to the other party and to procure the execution, acknowledgment and delivery to the other party of any additional documents or instruments which either party may reasonably require to fully effectuate and carry out the provisions of this Agreement.

5.19 **Counterparts and Electronic Copies**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures**.** Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed in the manner required, and are dated and identical in form to the original hard copy version of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

ACE SUSHI FRANCHISE CORPORATION	**TRAINEE**
By:_____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit C
Franchise Agreement and Attachments

ACE SUSHI FRANCHISE CORPORATION

NON-TRADITIONAL FRANCHISE AGREEMENT

ACE SUSHI FRANCHISE CORPORATION
NON-TRADITIONAL FRANCHISE AGREEMENT
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ATTACHMENTS

Attachment A	**General Release**
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ACE SUSHI FRANCHISE CORPORATION

NON-TRADITIONAL FRANCHISE AGREEMENT

THIS **NON-TRADITIONAL FRANCHISE AGREEMENT** (this "**Agreement**") is made and entered into as of _____, _____ (the "**Effective Date**"), by and between **ACE SUSHI FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), and _____ ("**Franchisee**"), with reference to the following facts:

A. Asiana Management Group, Inc., a California corporation ("**AMG**"), an affiliate of Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive system (the "**System**") relating to the establishment and operation of sushi bars ("**ACE Sushi Bars**") which offer fresh, high quality, raw and cooked sushi, and related Asian fusion food products prepared by a sushi chef and sold (1) for eat-and-go or carry-out consumption from a sushi bar department at "**Host Venues**" including in grocery stores, supermarkets and other similar locations ("**Traditional Host Venues**"), or college and university campuses and hospitals ("**Non-Traditional Host Venues**") owned and operated by third-party operators (the "**Venue Owners**") who have entered into agreements ("**Sushi Supply Agreements**") with AMG or, with Franchisor's consent (as hereinafter described), Franchisee, or (2) pre-packaged from display and merchandising cases at Host Venues in the general geographical vicinity of the ACE Sushi Bars (the "**Satellite Locations**") without a dedicated sushi bar department or sushi chef on site (the "**System**").

B. The distinguishing characteristics of the System include, without limitation, the selection, preparation and distribution of distinctive, high quality, fresh and frozen sushi and related food products which incorporate AMG's trade secrets and proprietary information (the "**Proprietary Products**"), distinctive equipment, standards and specifications for products and supplies, service standards, uniform standards, specifications and procedures for operations, procedures for inventory and management control, training and assistance, the relationship between Franchisor and its franchisees, trade dress, defined product offerings, Franchisor specified pricing and promotions, restrictions on ownership, administrative procedures, and marketing and public relations programs, all of which may be changed, improved, and further developed by Franchisor and Franchisor's affiliates from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**ACE SUSHI**" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Proprietary Marks**").

D. Franchisor has the right to use, and to license others to use, the Proprietary Marks, the Proprietary Products and the System, and has, as the result of the expenditure of time, skill, effort, and money, developed a distinctive franchise model for qualified franchisees to obtain the right to operate a ACE Sushi Bar under the System using the Proprietary Products and the Proprietary Marks and to receive the training and other assistance provided by Franchisor in connection therewith.

E. Franchisor continues to develop, use, and control the use of the Proprietary Marks in order to identify for the public the source of services and products marketed under this Agreement and under the System, and to represent the System's high standards of quality and service.

F. Franchisee desires to enter into the business of operating an ACE Sushi Bar at a Non-Traditional Venue under the System using the Proprietary Products and the Proprietary Marks (the "**Main Sushi Bar**"), and wishes to enter into an agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith. Franchisee represents and warrants to Franchisor, as

an inducement to Franchisor's execution of this Agreement, that all statements made by Franchisee and all materials provided to Franchisor by Franchisee in connection with the grant of this franchise to Franchisee are accurate and complete and that Franchisee has made no misrepresentations or material omissions in connection with obtaining this franchise. Franchisor grants this franchise in reliance upon each and all of Franchisee's representations.

G. Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, service, and proprietary menu items, and the necessity of operating the Main Sushi Bar in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, THE PARTIES AGREE:

1. **GRANT**

1.1 **Grant of Franchise**. Franchisor hereby grants to Franchisee the non-exclusive right, and Franchisee undertakes the obligation, to use the System, the Proprietary Products and Proprietary Marks solely in connection with the operation of one (1) ACE Sushi Bar at, and only at, the "**Franchised Location**" (as defined in Section 1.4 of this Agreement).

1.2 **Satellite Locations.** If applicable, Franchisor hereby grants to Franchisee the non-exclusive right, and Franchisee undertakes the obligation, to use the System, the Proprietary Products and Proprietary Marks solely in connection with the operation of the Satellite Location(s), if any, identified on **Attachment B** to this Agreement, and which may be amended from time-to-time during the term of this Agreement in Franchisor's sole discretion to include additional Satellite Locations at the Host Venue subject to Franchisee's payment of the applicable Satellite Location initial fee. Franchisee shall service any Satellite Locations(s) listed on Attachment B pursuant to the terms of this Agreement. In that regard and without limiting the other terms and provisions of this Agreement, Franchisee shall: (i) deliver sushi products to each Satellite Location no later than 10:30 A.M. each day unless Franchisor otherwise agrees in writing; and (ii) only use camcarrier approved by Franchisor to deliver such sushi products.

1.3 **Use of Marks Domain Names Only as Directed by Franchisor**. The Proprietary Marks, the Internet domain name www.acesushi.com, any other Internet domain names, URLs, copyrights or toll-free telephone numbers which may be utilized by Franchisor, or Franchisor's affiliates, and their mnemonics and other identifying marks constituting a part of the System, now or in the future, shall be used solely as directed by Franchisor. Nothing contained in this Agreement shall be construed to authorize or permit the use by Franchisee of the System, the Proprietary Products or the Proprietary Marks, the Internet domain name www.acesushi.com, any other Internet domain names, URLs, toll-free telephone numbers, or any confusingly similar imitations of the same, at any location other than the Franchised Location and Satellite Locations, or on the World Wide Web section of the Internet or for any other purpose whatsoever.

1.4 **Location of Main Sushi Bar and Name of Venue Owner**. Franchisee shall operate the Main Sushi Bar only at the address listed on **Attachment B** to this Agreement (the "**Franchised Location**"), as selected Franchisor, either prior to or following the Effective Date. The Venue Owner is also listed on **Attachment B**. If at the time of execution of this Agreement, the Franchised Location has not been obtained by Franchisor, Franchisor and Franchisee shall complete and execute **Attachment B** following a Sushi Supply Agreement being executed which grants Franchisor, its affiliates and Franchisee the right to occupy the Franchised Location by Franchisor. Selection or acceptance of the Franchised Location by Franchisor is not, and shall not be deemed to be, a guarantee or assurance by Franchisor that the Sushi Bar shall be profitable or successful.

1.5 **Reservation of Rights by Franchisor**. Franchisee expressly acknowledges and agrees that the franchise is non-exclusive; that the franchise granted in this Agreement is only for one (1) Sushi Bar at the Franchised Location and if applicable, at the Satellite Locations; that Franchisee is not granted any area, market, or protected territorial rights; and that Franchisee shall not have the right to sublicense, sublease, subcontract or enter into any management agreement providing for the right to operate the Sushi Bar or to use the System granted pursuant to this Agreement. Franchisor and Franchisor's affiliates retain the right, among others, in any manner and on any terms and conditions that Franchisor deems advisable, and without granting Franchisee any rights therein:

1.5.1 To own, acquire, establish, and/or operate, and license others to establish and operate, ACE Sushi Bars and Satellite Locations, at any location.

1.5.2 To own, acquire, establish and/or operate, and license others to establish and operate, businesses, including ACE Sushi Bars (with or without Satellite Locations) under other proprietary marks or other systems, whether such businesses are the same, similar, or different from ACE Sushi Bars, at any location.

1.5.3 To license others to sell or distribute any the Proprietary Products or services which bear any proprietary marks, including the Proprietary Marks, at any location.

1.5.4 To produce, license, distribute and market ACE Sushi branded food products, clothing, souvenirs, and novelty items through any outlet (regardless of its proximity to the Main Sushi Bar or the Satellite Locations) including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the World Wide Web section of the Internet, mail order catalogs, direct mail advertising and other distribution methods.

1.5.5 To own, acquire, establish and/or operate and grant others the right to develop, own, operate and issue franchises and licenses to others to develop, own and operate other methods and channels of distribution utilizing the Proprietary Marks and the System, including, without limitation, toll-free telephone numbers, domain names, URLs, on-line computer networks and services, the Internet, kiosks, carts, concessions, satellite units, other mobile, remote, limited service or non-permanent facilities or other retail operations as a part of larger retail venues such as department stores, supermarkets, shopping malls or in public areas such as Non-Traditional Venues, amusement parks, airports, train stations, public facilities, arenas, stadiums, office buildings, convention centers, airlines (in-flight service) and military bases.

1.5.6 To sell Proprietary Products to "**National Accounts**". "**National Accounts**" means multi-state businesses that purchase such products as end-users and not as re-sellers.

1.6 **Modification to System and Confidential Operations Manual**. Franchisee acknowledges that the System, Franchisor's Confidential Operations Manual or any other manual loaned to Franchisee by Franchisor pursuant to Section 3.4 of this Agreement (the "**Confidential Operations Manual**"), and the products and services offered by the Main Sushi Bar and, as applicable, Satellite Locations may be modified, (such as, but not limited to, the addition, deletion, and modification of Proprietary Products, operating procedures and services) from time to time by Franchisor. Franchisee agrees to comply, at its expense, with all such modifications, including, without limitation, all requirements to implement the modifications, such as replacement or renovation of equipment, computer, on-line and application based customer ordering and inventory systems, computer hardware and software. Franchisor shall notify Franchisee of any such System changes. Franchisee shall implement any System changes upon receipt of notice thereof from Franchisor, and shall complete their implementation within such time as Franchisor may reasonably specify.

1.7 **Wholesale Sales**. Franchisee shall not engage in wholesale sales of Proprietary Products of any kind without Franchisor's prior consent. "**Wholesale sales**" means the direct or indirect sale or distribution of Proprietary Products to a third party for resale, retail sale or further distribution through any trade method or trade channel.

1.8 **Catering**. Franchisee shall not, directly or indirectly, engage or provide Catering Services of any kind without Franchisor's prior consent. Catering Services means Catering. "**Catering Services**" means the preparation, provision and service and/or management of service of Proprietary Products and/or other food and beverages (including sales, marketing and promotional practices related thereto) to guests, invitees and other third parties on behalf of a client of Franchisee, whether on premises owned, leased, managed, licensed, hired or operated by such client.

2. INITIAL AND EXTENDED TERMS

2.1 **Initial Term of this Agreement**. The initial term of this Agreement, except as otherwise provided in this Agreement, shall commence upon the Effective Date, and shall automatically expire upon the earlier of (i) the expiration or termination of the Sushi Supply Agreement or other agreement, whether oral or written, for the Main Sushi Bar, or (ii) _____ **[months][years]** after the date hereof (such date being the "**Scheduled Expiration Date**"), unless terminated sooner in accordance with the terms of this Agreement. The initial term of the Sushi Supply Agreement applicable to this franchise is set forth on **Attachment B**. Franchisor and Franchisee acknowledge and agree that the term of the Sushi Supply Agreement with the Venue Owner of the Franchised Location generally ranges from ninety (90) days to forty-eight (48) months and that any options to extend the initial term of the Sushi Supply Agreement may range from thirty (30) days to thirty-six (36) months. Franchisor and Franchisee further acknowledge and agree that the Sushi Supply Agreement may provide for a month-to-month relationship between the Venue Owner and AMG following the expiration of the initial term of the Sushi Supply Agreement, for automatic renewal of the Sushi Supply Agreement on identical terms following the expiration of the initial term of the Sushi Supply Agreement, that either party may terminate a Sushi Supply Agreement on thirty (30) to sixty (60) days' notice to the other party, and for the termination of the Sushi Supply Agreement if the Venue Owner elects to close a Host Venue. Franchisor and Franchisee further acknowledge and agree that the Sushi Supply Agreement may provide for immediate termination if any health department takes action for any violation of health codes or regulations at the Franchised Location and for other designated violations of the Sushi Supply Agreement.

2.1.1 If this Agreement expires prior to the Scheduled Expiration Date for any reason other than due to the fault of Franchisee, Franchisor shall exert commercially reasonable efforts to relocate Franchisee to a new franchised location within ninety (90) days thereafter, provided that Franchisee satisfies all of the requirements of Franchisor with respect to applicants for new franchises at that time and provided that Franchisee complies with the requirements of Section 2.2.1 through Section 2.2.7 of this Agreement. Following relocation, Franchisee shall have the right to operate the Main Sushi Bar at the new location for a period not to continue beyond the Scheduled Expiration Date. If Franchisor is unable to relocate Franchisee to a new franchised location within such ninety (90) day period, this Agreement shall expire and be of no further force or effect. In no event, will Franchisee be entitled to any refund of any fees theretofore paid to Franchisor or Franchisor's affiliates by Franchisee.

2.1.2 Franchisee shall have no right or option to extend or renew the term of this Agreement.

2.2 **Conditions for Successor Franchise.** Upon expiration of the initial term of this Agreement, if the Sushi Supply Agreement remains in effect, Franchisor shall have the right to extend the term of this Agreement and to grant Franchisee a successor franchise for the Main Sushi Bar on the terms set forth in Franchisor's Renewal Agreement in the form of **Attachment D** attached to this Agreement or on the terms set forth in Franchisor's then-

current form of Franchise Agreement, in Franchisor's sole and absolute discretion, provided that Franchisee is eligible for a successor franchise at that time in accordance with the requirements and policies of Franchisor as set forth in Franchisor's Confidential Operating Manual or other directives from time to time, and provided that each of the following conditions are satisfied:

2.2.1 Franchisee shall: (i) notify Franchisor of its desire to extend the term of its franchise at least 60 days prior to the expiration of this Agreement; (ii) Franchisee shall be in good standing such that Franchisee shall not be in default of any provision of this Agreement, or any other agreement between Franchisee and Franchisor or Franchisor's affiliates, or any standards set forth in the Confidential Operations Manual, and (iii) Franchisee shall have complied with all the terms and conditions of this Agreement, the Confidential Operations Manual and any other agreements during the term of this Agreement, including without limitation having received an "A" or passing grade on Franchisee's must recent health inspection of the subject Ace Sushi Bar, having received at least an 80% compliance rate with all required operational checklists; and having participated in all required promotional programs.

2.2.2 Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and Franchisor's affiliates, and shall have timely met those obligations throughout the term of this Agreement.

2.2.3 Franchisee shall, at Franchisor's option, execute Franchisor's Renewal Agreement in the form of **Attachment D** attached to this Agreement or Franchisor's then-current form of Franchise Agreement and any addenda thereto, for the successor term, which then-current form of Franchise Agreement shall supersede this Agreement in all respects, and the terms of which, including, without limitation, the amount of "**Franchisor's Compensation**" and the "**Commissions**" may differ materially and be less advantageous to Franchisee than the terms of this Agreement.

2.2.4 Franchisee shall comply with Franchisor's then-current qualification and training requirements.

2.2.5 Franchisee shall, at its expense, renovate and refurbish the Ace Sushi Bar to Franchisor's then-current standards.

2.2.6 Franchisee shall pay Franchisor the then-current initial franchise fee charged by Franchisor to new franchisees of Franchisor for the right to obtain an extended term.

2.2.7 Franchisee shall execute a General Release, in substantially the form of **Attachment A** to this Agreement, of any and all claims which Franchisee may have or believes to have against Franchisor and/or Franchisor's affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, which are based on, arise from or relate to this Agreement, the Main Sushi Bar, Satellite Locations or the Franchised Location, as well as claims, known or unknown, which are not based on, do not arise from or do not relate to this Agreement, the Main Sushi Bar, the Satellite Locations or the Franchised Location but which relate to other franchise agreements, sushi bars, satellite locations, franchised locations and other agreements between Franchisor or Franchisor's affiliates and Franchisee which arose on or before the date of the General Release, including, without limitation, all obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, arising under federal, state and local laws, rules and ordinances.

2.2.8 If Franchisor is not offering new franchises, is in the process of revising, amending or renewing Franchisor's form of Franchise Agreement or franchise disclosure document or is not lawfully able to offer Franchisee Franchisor's then-current form of Franchise Agreement at the time Franchisee exercises an option to extend the term of this Agreement, Franchisor may offer to renew Franchisee's existing Franchise Agreement upon the terms and conditions set forth in this Agreement for the extended term of the franchise, or may offer to

extend the term of this Agreement on a week-to-week basis following the expiration of the term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer Franchisee, Franchisor's then-current form of Franchise Agreement.

2.3 **Grant of Successor Franchise.** Unless this Agreement expires as a result of the expiration or termination of the Sushi Supply Agreement, Franchisor shall provide Franchisee with written notice thirty (30) days prior to the scheduled expiration date of the term of this Agreement advising Franchisee that Franchisor will either grant Franchisee a successor franchise, or will not grant Franchisee a successor franchise based upon Franchisor's determination that Franchisee has not had a history of compliance with the terms and conditions of this Agreement, and/or the Confidential Operating Manual, and/or other directives from Franchisor and/or any other agreement between Franchisor or Franchisor's affiliates, and Franchisee during the term of this Agreement.

2.4 **Continued Compliance.** Franchisee's right to acquire a successor franchise shall be subject to Franchisee's continued compliance with the terms and conditions of this Agreement until the effective date of the successor franchise as well as Franchisee's compliance with the conditions set forth in Section 2.2 of this Agreement.

2.5 **Expiration at End of Term.** If Franchisor does not grant Franchisee a successor franchise, this Agreement shall expire at the end of the term of this Agreement and, except for those terms that by their nature or terms continue after the expiration or termination of this Agreement, and this Agreement shall be of no further force or effect.

3. DUTIES OF FRANCHISOR

3.1 **Supervision and Assistance.** Franchisor shall provide such initial and continuing assistance to Franchisee as Franchisor deems advisable.

3.2 **Initial Training Program & Onsite Training**.

3.2.1 Franchisor shall offer an Initial Training Program to Franchisee as provided in Franchisor's current Initial Training Agreement.

3.2.2 Franchisor shall offer onsite training as provided in Section 6.3.

3.3 **Licenses and Permits**. Franchisor shall assist Franchisee in securing certain licenses and permits Franchisee must have to operate the Main Sushi Bar.

3.4 **Confidential Operations Manual; Ownership of Manuals; Confidentiality**. In order to protect the reputation and goodwill of Franchisor, to maintain uniform standards of the products, services, and operations offered and sold under the Proprietary Marks, and to promote the goodwill of all ACE Sushi Bars and the System, Franchisor has created the Confidential Operations Manual which contains mandatory and suggested specifications, standards, operating procedures and rules prescribed by Franchisor for ACE Sushi Bars from time to time. Franchisor shall loan one copy of the Confidential Operations Manual to Franchisee during the term of this Agreement. Franchisor may, from time to time in Franchisor's sole discretion, revise the Confidential Operations Manual to incorporate System changes. Franchisee shall promptly implement any System change upon receipt of notice thereof from Franchisor, and shall complete their implementation within such time as Franchisor may reasonably specify.

3.5 **Inspection and Evaluation**. Franchisor shall conduct, when and as frequently as Franchisor deems advisable, inspections of the Main Sushi Bar and evaluations of the Main Sushi Bar's management and

operations, in order to assist Franchisee and to maintain the System's standards of quality, appearance, and service.

3.6 **Supplies and Suppliers**. Following the Effective Date, Franchisor shall provide Franchisee with a list of Franchisor's approved and designated suppliers and distributors necessary for the operation of the Main Sushi Bar, which may include Franchisor and its affiliates, and shall further provide Franchisee with updated lists of such suppliers and distributors periodically during the term of this Agreement, which may be provided by Franchisor to Franchisee, at Franchisor's election, electronically using Franchisee's computer system.

3.7 **Consultation and Advisory Services**. Franchisor may periodically consult with Franchisee from time to time concerning the operation of the Main Sushi Bar. Franchisor shall at reasonable times, upon request and at no charge to Franchisee, furnish counseling and advisory services to Franchisee with respect to the planning, opening and operation of the Main Sushi Bar, including consultation and advice regarding operating problems and procedures, new developments and improvements in the System and the interpretation of policy as set forth in the Confidential Operations Manual, as the same may from time to time be amended, and other directives of Franchisor, all of which may be provided by Franchisor to Franchisee electronically, at Franchisor's election, using Franchisee's computer system. The advice to be rendered pursuant to this Section 3.7shall be general advice designed to assist Franchisee in the operation of the Main Sushi Bar. Franchisee acknowledges and agrees that Franchisor, by rendering such consultation and advisory services, does not thereby guarantee the success or profitability of the Main Sushi Bar.

3.8 **Availability of Proprietary Products**. Franchisor shall make all Proprietary Products, all food products other than produce and certain equipment items and supplies such as employee uniforms, sushi containers, lids and product labels and paper products which bear the Proprietary Marks available to Franchisee through AMG and/or independent distributors and shall use reasonable efforts to fulfill or cause such distributors to fulfill Franchisee's orders for Proprietary Products on a timely basis.

3.9 **Liaison**. Franchisor shall act as a liaison between Franchisee and the Venue Owner to coordinate advertising for the Main Sushi Bar and/or the Satellite Locations in conjunction with the Venue Owner's customary advertising programs and policies.

3.10 **Delegation of Obligations**. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

3.11 **Franchisor's Rights In Fulfilling Obligations**. In fulfilling Franchisor's obligations to Franchisee pursuant to this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement or on behalf of the System, Franchisor (and Franchisor's affiliates) shall have the right:

3.11.1 To take into account, as Franchisor sees fit, the effect on, and the interests of, other ACE Sushi Bars and Satellite Locations in which Franchisor has an interest and on Franchisor's (and Franchisor's affiliates') own activities.

3.11.2 To share market and product research, and other proprietary and non-proprietary business information, with other ACE Sushi Bars in which Franchisor has an interest, or with Franchisor's affiliates.

3.12 **Responsibility of Franchisee**. Notwithstanding the provisions of this Section 3, Franchisee shall be and remain responsible for the operation of the Main Sushi Bar at all times and shall hold Franchisor,

Franchisor's affiliates and their respective directors, officers, employees and agents, harmless therefrom. Franchisee shall not look to Franchisor for performance of regular operational duties.

3.13 **Marketing Fund**.

3.13.1 Unless Franchisor elects to rebate Franchisee's Marketing Fund Contribution to Franchisee, the Marketing Fund Contribution (as defined below) shall be contributed to the "**Marketing Fund,**" which will be administered in accordance with this Section 3.13 (which may be rebated after contribution to the Marketing Fund). Presently, Franchisor will rebate Franchisee's Marketing Fund Contributions to Franchisee for Franchisee to expend on local advertising in accordance with Franchisor's written directives. Franchisee shall upon demand provide Franchisor with receipts (and other documentation requested by Franchisor) evidencing such expenditures.

3.13.2 An amount equal to all Marketing Fund revenues and allocations will be expended for national, regional, or local advertising, public relations or promotional campaigns or programs designed to promote and enhance the image, identity or patronage of franchised and Franchisor and Franchisor affiliate owned ACE Sushi Bars. These expenditures may include: (a) creative development, production and placement of print advertisements, commercials, musical jingles, decals, radio spots, audio advertising, point of purchase materials, direct mail pieces, literature, outdoor advertising, door hangers, electronic media advertisements, and other advertising and promotional materials; (b) creative development, preparation, production and placement of video, audio and written materials and electronic media, including social media campaigns, (c) purchasing artwork and other components for advertising; (d) media placement and buying, including search engine marketing, search engine optimization, and all associated expenses and fees; (e) administering national, regional and multi-regional marketing and advertising programs; (f) market research, marketing studies and customer satisfaction surveys, including the use of secret shoppers; (g) development, production and acquisition of premium items, giveaways, promotions, contests, public relations events, and charitable or nonprofit events; (h) creative development of signage, posters, and including graphics; (i) recognition and awards events and programs; (j) system recognition events, including periodic national and regional conventions and meetings; (k) website, extranet and/or Intranet development, implementation and maintenance; (l) development, implementation and maintenance of a website that permits electronic commerce, bookings/reservations, and/or related strategies; (m) retention and payment of advertising and promotional agencies and other outside advisors, including retainers and management fees; (n) public relations and community involvement activities and programs; (o) expenditures for activities conducted for the benefit of co-branding, or other arrangements where products and/or services are offered in conjunction with other marks or through alternative channels of distribution; and (p) expenditures with others joint marketing campaigns, jointly developed advertising and other joint programs.

3.13.3 Franchisor shall determine, in its discretion, the cost, media, content, format, style, timing, allocation and all other matters relating to such advertising, public relations and promotional campaigns. Franchisee acknowledges that some franchisees or licensees of Franchisor may not be required to contribute, or contribute the same percentage of Gross Sushi Sales (as defined below), to the Marketing Fund. Nothing in this Agreement shall be construed to require Franchisor or any of its affiliates to allocate or expend Marketing Fund contributions or allocations so as to benefit Franchisee or any particular licensee, franchisee or group of licensees or franchisees on a pro rata or proportional basis or otherwise. Except as directed in writing by Franchisor, Franchisee must participate in all advertising, marketing, promotions, research and public relations programs instituted by Franchisor through the Marketing Fund. The Marketing Fund shall, as available, provide to Franchisee marketing, advertising and promotional formats and sample materials at the Marketing Fund's actual cost of producing such items, plus shipping and handling. Any additional advertising shall be at the sole cost and expense of Franchisee. The materials and/or media created utilizing the Marketing Fund may include information regarding acquiring a franchise.

3.13.4 Without limiting the foregoing, Franchisor may do any of the following:

(a) employ individuals, consultants or advertising or other agencies, including consultants or agencies owned by, operated by Franchisor or its affiliates, to provide services for the Marketing Fund;

(b) compensate Franchisor and/or its affiliates for internal expenses, including salaries, overhead and administrative expenses incurred in connection with the operation of its marketing/advertising department(s), and the administration of the Marketing Fund, and to otherwise compensate Franchisor and/or its Affiliates for expenses related to the operation of the Marketing Fund;

(c) pay for or charge the Marketing Fund for attorneys' fees and other costs related in any way to claims against Franchisor, any of its Affiliates, and/or the Marketing Fund regarding or in connection with the Marketing Fund. However, Franchisor will reimburse the Marketing Fund for any attorneys' fees and/or costs paid by the Marketing Fund in connection with any action in which Franchisor is finally found to have acted unlawfully or to be guilty of wrongdoing with respect to the Marketing Fund;

(d) defer, waive and/or compromise claims with respect to the Marketing Fund;

(e) take legal or other action against any licensee(s) in default of their obligations to the Marketing Fund and settle or compromise claims (and to pay related attorneys' fees and costs);

(f) merge or combine the Marketing Fund with any Marketing Fund otherwise established for Restaurants; and

(g) return or rebate Marketing Fund Contributions to a franchisee.

3.13.5 Franchisor may (i) transfer the Marketing Fund Contributions to a separate entity to whom Franchisor has assigned or delegated the responsibility to operate and maintain the Marketing Fund, (ii) deposit the Marketing Fund Contributions into a separate account maintained by Franchisor, or (iii) administratively segregate on its books and records all Marketing Fund Contributions received from Franchisee and all other franchisees of Franchisor. Nothing in this Agreement shall be deemed to create a trust fund, a fiduciary relationship or similar relationship, and Franchisor may commingle Marketing Fund Contributions with its general operating funds and expend such sums in the manner provided. Franchisor and its affiliates are not obligated to spend or contribute or allocate to the Marketing Fund any amounts.

3.13.6 If less than the total of all contributions and allocations to the Marketing Fund are expended during any fiscal year, such excess may be accumulated for use during subsequent years. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year and may cause the Marketing Fund to borrow funds to cover deficits or invest surplus funds. If Franchisor (or an affiliate) advances money to the Marketing Fund, it will be entitled to be reimbursed for such advances. Any interest earned on monies held in the Marketing Fund will be contributed or allocated to the Marketing Fund. Franchisor may suspend or terminate the Marketing Fund, however, prior to termination, all funds must be expended.

3.13.7 The Marketing Fund will be accounted for separately; provided, however, this separate accounting will not limit Franchisor's right to commingle Marketing Fund Contributions with general operating funds. The Marketing Fund may be used to pay all administrative and other costs of the Marketing Fund related to its activities and purposes and/or as authorized by the relevant franchise or license agreements. All taxes of any kind incurred in connection with or related to the Marketing Fund, its activities, contributions and/or any other aspect of the Marketing Fund, whether imposed on Franchisor, the Marketing Fund or any other related party, will be the sole responsibility of the Marketing Fund.

4. SUSHI SUPPLY AGREEMENT

4.1 **Property of Franchisor**. The Sushi Supply Agreement with the Venue Owner and the accounts represented by the Sushi Supply Agreement are, and shall be and remain, the exclusive property of Franchisor and Franchisor's affiliates, except if the Sushi Supply Agreement is executed by Franchisee. Franchisee shall only contact or communicate with prospective Host Venues (or operator of Host Venues) with Franchisor's prior written consent, which may be granted or withheld in Franchisor's sole discretion. Franchisee shall not enter into a Sushi Supply Agreement (whether oral or written) without Franchisor's prior written consent, which may be granted or withheld in Franchisor's sole discretion. Franchisee acknowledges that Franchisor or its affiliates (including AMG) are best suited to negotiate and enter into Sushi Supply Agreements. Franchisee will fully and promptly inform Franchisor of any and all opportunities to enter into a Sushi Supply Agreement with a Host Venue or operator of a Host Venue. Franchisee shall fully cooperate with Franchisor and its affiliate and will further fully, promptly and accurately provide Franchisor and its affiliate with all contact information and other information necessary for Franchisor and its affiliates to initiate and maintain negotiations with such Host Venue or operator. Without limiting Franchisor's rights, among other reasons (or no reasons), Franchisor may refuse to consent to Franchisee entering a Sushi Supply Agreement (or other occupancy agreement). Franchisor has the right to negotiate and enter into all Sushi Supply Agreements and Franchisee waives and releases Franchisor and its affiliates from any and all liability in connection with Franchisor's failure to enter into a Sushi Supply Agreement for a Host Venue or operator of a Host Venue that Franchisee has introduced to Franchisor or its affiliates. Franchisor and Franchisee acknowledge and agree that all of the rights and duties of Franchisor and Franchisee under this Agreement are expressly made subject to the terms and conditions of the Sushi Supply Agreement.

4.2 **Business and Management Services**. Franchisor and Franchisee acknowledge and agree that sales reports for the Main Sushi bar and any Satellite Locations will be issued to AMG by the Venue Owner on a monthly or other basis, depending on the sales cycles of the Host Venue. Franchisor and Franchisor's affiliates shall have the sole right and obligation to invoice and collect the revenue due from the Venue Owner to AMG under the Sushi Supply Agreement based on Franchisee's sushi sales at or from the Main Sushi Bar and Satellite Locations and payable to AMG under the Sushi Supply Agreement ("**Franchisor's Compensation**"). Franchisee acknowledges and agrees that Franchisor's Compensation may be based on either a percentage of Gross Sushi Sales or pre-established pricing agreed upon by AMG and the Venue Owner and set forth in a schedule to the Sushi Supply Agreement. As used herein the term "**Gross Sushi Sales**" means the gross sales of Proprietary Products and other products from the Main Sushi Bar and the Satellite Locations during the applicable time period. Franchisor shall assign Franchisee a payment cycle under which Franchisee shall receive monthly payments of "**Commissions**" accompanied by report setting forth the calculation of such "**Commissions**". Franchisor and Franchisee further acknowledge and agree that, unless otherwise determined by Franchisor, due to the irregularity of the receipt of sales reports from the Venue Owner, each payment of "**Commissions**" may be an estimate of the amount due to Franchisee for the preceding month, together with any adjustments required for prior months based on actual reports received from the Venue Owner.

4.2.1 Following receipt of Franchisor's Compensation due under the Sushi Supply Agreement for the applicable period, Franchisor and/or Franchisor's affiliates shall calculate the amount of "**Commissions**" due to Franchisee under Section 5.2 of this Agreement for that period. Prior to the payment of the "**Commissions**", Franchisor and/or Franchisor's affiliates shall deduct and pay Franchisor and/or Franchisor's affiliates (i) the food costs for the Proprietary Products Franchisee purchased from AMG, or AMG's distributors (the "**Food Costs**"); (ii) the freight charges for delivery of the Proprietary Products to Franchisee (the "**Freight Charges**"); (iii) the costs and administrative fees for liability and workers' compensation insurance AMG must maintain under the Sushi Supply Agreement with the Venue Owner (the "**Insurance Charges**"); (iv) rent for refrigeration or other equipment AMG rents to Franchisee for use at the Main Sushi Bar (the "**Equipment Charges**"); (v) all Marketing Fund Contributions, Insurance Program Administration Fees, website and technology fees; or other fees or

assessments provided herein (vi) all other expenses incurred in performing the services required to be performed by Franchisee under this Agreement, including the costs for the purchase of other insurance and additional supplies, materials and equipment and the payment of any fees, such as health licenses, necessary for the operation of the Main Sushi bar (collectively the "**Expenses**"); and (vii) any other sums due to Franchisor or Franchisor's affiliates from Franchisee under this Agreement or any other agreement between such parties, and shall thereafter pay Franchisee the "**Commissions**" described in Section 5.2 of this Agreement.

4.2.2 A monthly statement setting forth the calculation of Commissions, Expenses, Gross Sushi Sales and Franchisor's Compensation shall be sent to Franchisee by Franchisor. Franchisee shall only contact Franchisor regarding any complaints or inquiries regarding payment or to ascertain sales, Commissions and Expenses. Franchisee shall not have the right, and shall not, directly contact the Venue Owner or any of the Venue Owner's personnel, whether at the Host Venue or at the Venue Owner's corporate offices, for any such information.

4.2.3 Notwithstanding the foregoing, if and to the extent that Franchisor or its affiliate is not entitled to invoice and collect the revenue due from the Venue Owner under the Sushi Supply Agreement, then Franchisee shall pay (in the manner prescribed by Franchisor), on a monthly basis (or as frequently as otherwise determined by Franchisor), all compensation due to Franchisor under this Agreement, including this Section 4.2 and Section 5.

5. FEES AND COMMISSIONS

5.1 **Initial Franchise and Training Fees**. Franchisee shall pay to Franchisor: (i) an initial franchise fee; and (ii) an onsite training fee; as set forth on **Attachment B** for the Main Sushi Bar, both of which are payable upon execution of this Agreement. In addition, Franchisee shall pay to Franchisor an initial franchise fee as set forth on **Attachment B** for each Satellite Location, payable prior to the opening of the Satellite Location. The initial franchise fees and onsite training fees shall be deemed fully earned and non-refundable when paid, in consideration of, as applicable, administrative and other expenses incurred by Franchisor in entering into this Agreement and providing onsite training, and for Franchisor's lost or deferred opportunity to enter into this Agreement with others.

5.2 **Commissions**. Franchisor and/or Franchisor's affiliates shall pay Franchisee for each Proprietary Product sold from Franchisee's ACE Sushi Bar and Satellite Locations the commission percentage of the pre-established "chef price" identified on **Attachment B** hereto for the relevant Proprietary Product, which Franchisee acknowledges may be different than the retail price per unit offered to customers. Notwithstanding the foregoing, Franchisee acknowledges and agrees that the Venue Owner may at times place, and be invoiced for, bulk and/or routine orders of Proprietary Products based on pre-established invoice pricing mandated by the Venue Owner and which may differ from the pre-established chef prices set forth on **Attachment B**, in which case the commission percentage due to Franchisee on such invoiced orders will be calculated based on the pre-established invoice price. The foregoing payments to Franchisee shall be deemed Franchisee's "**Commissions**" as the term is used herein and paid in the manner described in Section 4.2 of this Agreement. **Attachment B** also reflects the percentage of Gross Sushi Sales that Franchisee must pay Franchisor if Franchisor or its affiliate does not collect revenue from the Venue Owner.

5.3 **Time of Payments**. All payments required by Section 5.2 shall be paid on a monthly basis, calculated in the manner described in Section 4.2 of this Agreement, or as frequently as otherwise determined by Franchisor.

5.4 **Reimbursement of Monies Paid on Behalf of Franchisee**. Franchisee shall pay to Franchisor any monies which Franchisor has paid, or has become obligated to pay on behalf of Franchisee, by consent or otherwise under this Agreement, in addition to the Expenses.

5.5 **Audit**. All of Franchisee's books, records, tax returns and supporting materials shall be made available by Franchisee for inspection, examination or audit by Franchisor at all reasonable times to confirm that all information reported to Franchisor by Franchisee is accurate and complete and that Franchisee is paying all taxes and other assessments required to be paid by Franchisee for Franchisee's employees. An examination or audit shall be at Franchisor's cost and expense unless a discrepancy or under-reporting or over-reporting of sales of one percent (1%) or more is disclosed in which case these costs and expenses shall be borne by Franchisee. Franchisee shall also immediately pay Franchisor any deficiency which is disclosed by such audit or examination, together with interest at the maximum rate permitted by law or ten percent (10%) per annum, whichever is greater, from the date of the underpayment.

5.6 **Gross-Up Fees**. Franchisor may directly deduct from the Commissions due to Franchisee or require that Franchisee pay Franchisor, upon demand, whether in arrears, in advance, in a lump sum or in the manner prescribed by Franchisor, the amount of all taxes paid by Franchisor to any governmental authority on revenue earned or collected by Franchisor based upon Franchisee's use of Franchisor's intellectual property or other intangibles or based upon the existence of this Agreement, within the governmental authority's domain during each of Franchisor's fiscal years throughout the entire term of this Agreement, to insure that Franchisor receives the full amount of any payment based on Franchisee's sales to which Franchisor may be entitled, as the amount thereof may vary from time to time.

5.7 **Security Interest**.

5.7.1 Franchisee hereby grants Franchisor a security interest in and to all equipment, inventory, supplies and vehicles located at or used in connection with the Main Sushi Bar and/or Satellite Locations, if any, now or hereafter acquired by Franchisee, together will all accounts, payment intangibles, attachments, accessories, additions, substitutions and replacements, all cash and non-cash proceeds derived from insurance or the disposition of such assets, all rights of Franchisee to use the Proprietary Marks, trade names, trade styles, patents, copyrights and their registrations, trade secret information and other proprietary rights, and all rights granted, owned or licensed to Franchisee under this Agreement for the use of the Proprietary Marks, trade names, trade styles, patents, copyrights, trade secret information and other proprietary rights, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, from Franchisee to Franchisor. Franchisee hereby authorizes Franchisor to, prepare and file all Uniform Commercial Code financing statements and other documents necessary or desirable to evidence, perfect and continue the priority of this security interest under the Uniform Commercial Code wherever applicable.

5.7.2 If Franchisee is in good standing under this Agreement and all other agreements between Franchisor or its affiliates, and Franchisee, Franchisor shall, upon the written request of Franchisee, execute a written subordination of its security interest to lenders and/or lessors providing equipment or other financing for the franchised business.

5.7.3 If Franchisee is in default of any of the terms and conditions of this Agreement, Franchisor may, in its discretion, exercise its rights with respect to its security interest. In such event, Franchisee shall remain liable for any deficiency remaining due to Franchisor and shall be entitled to recover any surplus which results after the application of the proceeds derived from the enforcement of the security interest.

5.8 **Administrative Fee**. Notwithstanding any other rights and remedies available to Franchisor described in this Agreement, if Franchisee or its employees commit any act that constitutes a default under this Agreement or the Confidential Operations Manual, Franchisor shall have the right to assess, and require Franchisee to pay to Franchisor, a fee of up to $1,000 for each default, as reasonably determined by Franchisor, to reimburse Franchisor for its administrative costs to investigate the default and for its out-of-pocket costs associated with the default, including costs for attorneys' fees associated with the default.

5.9 **Customer Satisfaction Fee**. Notwithstanding any other rights and remedies available to Franchisor described in this Agreement, if Franchisee, the Venue Owner or Franchisor receive any complaints from any customers regarding Franchisee, its employees, the Main Sushi Bar and/or any Satellite Locations, as applicable, Franchisor shall have the right to assess, and require Franchisee to pay to Franchisor, a customer satisfaction fee that will range from $100 to $1,000 for each customer complaint, as reasonably determined by Franchisor, to reimburse Franchisor for its administrative costs to investigate the complaint, satisfy the customer complaint, if necessary, and for its out-of-pocket costs associated with the customer complaint, including costs for attorneys' fees associated with the customer complaint.

5.10 **Inspection Fee**. If Franchisor does not elect to terminate this Agreement upon the occurrence of an event described in Section 7.14 of this Agreement, Franchisor shall have the right to assess, and require Franchisee to pay to Franchisor, an inspection fee of $1,000, or more, as reasonably determined by Franchisor, to reimburse Franchisor for its administrative costs to inspect and re-inspect the Main Sushi Bar and for its out-of-pocket costs associated with the inspections, including costs for attorneys' fees associated with the matter.

5.11 **Reasonable Good Faith Estimate**. Franchisor and Franchisee acknowledge and agree that it would be impossible and impracticable to determine the precise amount of the administrative fees and expenses Franchisor will incur to investigate and remedy an event described in Sections 5.8, 5.9 and 5.10 of this Agreement due to the uncertainty regarding the amount of administrative time and the amount of out-of-pocket expenses that Franchisor will incur upon the occurrence of such an event. Franchisor and Franchisee further acknowledge and agree that the fees described in Sections 5.8, 5.9 and 5.10 of this Agreement are reasonable, good faith estimates of such damages.

5.12 **Insurance Program Administration Fee**. Franchisee shall pay Franchisor 2.88% of Gross Sushi Sales ("Insurance Program Administration Fee").

5.13 **Third Party Food Safety Auditing Fee**. Franchisee shall pay Franchisor a '**Third Party Food Safety Auditing Fee**" for a third party food safety auditor retained by Franchisor to audit and measure food safety and compliance, including FDA and ACE Sushi standards compliance. The Third Party Food Safety Auditing Fee shall be charged per audit conducted at Franchisee's Sushi Bar, but shall not exceed $250 per assessment, with no more than one assessment occurring per month.

5.14 **Third Party Customer Insights Fee**. Franchisee shall pay Franchisor a monthly "**Third Party Customer Insights Fee**" for a third party service retained by Franchisor to provide customer insight data and information, accumulate consumer information, measure customer experience and identify opportunities to increase customer satisfaction and loyalty. The amount of the Third Party Customer Insights Fee shall be determined by Franchisor, but shall not exceed $100 per month.

5.15 **Marketing Fund Contribution**. On Monday of each week Franchisee shall pay Franchisor an amount equal to 2% of Franchisee's Gross Sushi Sales for the preceding 7 day period (the "**Marketing Fund Contribution**").

6. TRAINING

6.1 **Initial Training Program**. Prior to the opening of the Main Sushi Bar, Franchisee shall attend and complete to Franchisor's satisfaction Franchisor's initial training program for franchisees (the "**Initial Training Program**") offered by Franchisor as provided in Franchisor's current Initial Training Agreement Franchisee shall also attend and complete all other training and information programs as may be designated by Franchisor from time to time and/or as required by the Venue Owner and federal, state or local authorities in

order to qualify to operate the Main Sushi Bar, which may, at Franchisor's election, be provided by Franchisor to Franchisee electronically using Franchisee's computer system.

6.2 **Trained Employees**. During the term of this Agreement, (1) Franchisee shall always employ, on a full-time basis in the operation of the Main Sushi Bar, at least one (1) employee who has successfully completed the minimum level of training specified by Franchisor in the Confidential Operations Manual or otherwise in writing and/or as required by the Venue Owner and federal, state or local authorities in order to qualify to be employed at the Main Sushi Bar; and (2) the Main Sushi Bar must always be staffed by a sushi chef that has successfully completed training as a sushi chef by Franchisor or a trainer certified by Franchisor to train sushi chefs and has successfully completed such other training as is required by the Venue Owner and federal, state or local authorities in order to qualify to be employed at the Main Sushi Bar.

6.3 **Onsite Training**. In addition to the Initial Training Program and in exchanged for the onsite training fee, Franchisor will send 1 – 3 members of its training or operations staff to the Main Sushi Bar for two days prior and up to four days after the scheduled opening date of the Main Sushi Bar to provide further training and to facilitate proper operation of the Main Sushi Bar during this "opening period" and to assist in correcting any operational problems that may arise. The onsite training fee shall cover the reasonable expenses incurred by Franchisor's training personnel in connection with providing such onsite training or assistance during the opening of a Main Sushi Bar. If Franchisor determines, in Franchisor's sole and absolute discretion, that Franchisor's training personnel must remain beyond the opening period, Franchisee shall pay Franchisor, upon demand, the sum of $500 per trainee for each day Franchisor's training personnel that must remain at the Main Sushi Bar, plus the costs of transportation, lodging and meals that Franchisor's training personnel incur during this additional period.

6.4 **Food Preparation Training**. Franchisee and each of Franchisee's employees shall be required to complete training on food preparation methods in accordance with the standards promulgated by the United States Food and Drug Administration Food Code recommendations and Franchisor's Hazard Analysis Critical Control-Based Food Safety Policy, Procedures and Standards as set forth in the Confidential Operations Manual. One (1) training session is required per Host Venue to ensure that each and every person working in any Host Venue will be trained. Provided that the prior written consent of Franchisor is obtained, Franchisee and/or Franchisee's employees may take a comparable course of training elsewhere, provided that (i) such course is approved by Franchisor and (ii) Franchisee provides Franchisor with a certificate of completion of such approved course.

6.5 **Additional Training**. Franchisee and Franchisee's employees also shall attend such additional courses, seminars, and other training programs as Franchisor may reasonably require from time to time, which may, at Franchisor's election, be provided by Franchisor to Franchisee electronically using Franchisee's computer system. Franchisee shall pay Franchisor any fee which may be charged by Franchisor to Franchisee and other franchisees to defray the direct costs of providing these programs. In addition, Franchisee shall be responsible for any and all other expenses incurred in connection with sending Franchisee's employees to such training including, without limitation, the costs of transportation, lodging, meals, training materials and any wages. Franchisor shall, in Franchisor's sole discretion, select the time and location of all additional training.

6.6 **Remedial Training**. If Franchisor determines it to be necessary, Franchisor may provide Franchisee with on-site remedial training or assistance subject to the availability of Franchisor's personnel. Franchisee shall pay Franchisor any fee which may be charged by Franchisor to Franchisee and other franchisees to defray the direct costs of providing this remedial training. In addition, Franchisee shall be responsible for any and all other expenses incurred in connection with sending Franchisee's employees to such remedial training including, without limitation, the costs of transportation, lodging, meals, training materials and any wages. Franchisor shall, in Franchisor's sole discretion, select the time and location of all remedial training.

7. DUTIES OF FRANCHISEE

7.1 **Importance of System Standards**. Franchisee understands and acknowledges that every detail of the System is essential to Franchisee, Franchisor, and other System franchisees in order to: (i) develop and maintain quality operating standards, (ii) increase the demand for the products and services sold by all franchisees operating under the System, and (iii) protect Franchisor's reputation and goodwill. Franchisee shall maintain Franchisor's high standards with respect to services, products, and operations.

7.2 **Use of Franchised Location**. Franchisee shall utilize the Franchised Location solely for the operation of the Main Sushi Bar and shall keep the Main Sushi Bar open and in normal operation each and every day the Host Venue is open for operations, or as otherwise required by the Venue Owner. Franchisee shall refrain from using or permitting the use of the Franchised Location for any other purpose or activity.

7.3 **System Standards**. To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Main Sushi Bar in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Confidential Operations Manual or otherwise in writing. Franchisee shall refrain from: (i) deviating from such standards, specifications, and procedures without Franchisor's prior written consent, and (ii) otherwise operating in any manner which reflects adversely on the Proprietary Marks or the System. Franchisee understands that the marketing and sales success of sushi and sushi-related products is heavily dependent upon the quality and freshness of those products, and shall therefore use only the freshest sushi and sushi of the highest quality at all times. Franchisee shall follow the proper methods of food handling as required by all local, state and federal health codes to assure safety and freshness at all times. Franchisee shall promote and sell sushi items recommended by menus prepared by Franchisor. Franchisee shall comply, at Franchisee's sole expense, with any and all applicable local, state and federal health codes health codes, regulations, ordinances, rules and orders relating to the use and operation of the Main Sushi Bar, including without limitation, all health, safety and weights and measure codes. Franchisee shall follow the guidelines and polices set forth in the Confidential Operations Manual, which may be modified from time to time by Franchisor in Franchisor's sole discretion.

7.4 **Maintain Sufficient Supplies**. Franchisee shall maintain in sufficient supply, and use at all times, only Proprietary Products, ingredients, and supplies that conform to Franchisor's standards and specifications, which Franchisor may require Franchisee to order electronically using Franchisee's computer system; and shall refrain from using non-conforming items. Franchisor shall have the right, but not the obligation, to order Proprietary Products, ingredients, and supplies for Franchisee if Franchisor determines, in Franchisor's sole and absolute discretion, that Franchisee is not maintaining sufficient inventories of the same.

7.5 **Sale of Approved Products Only**. Franchisee shall sell or offer for sale only such Proprietary Products and services that meet Franchisor's uniform standards of quality, that have been expressly approved for sale in writing by Franchisor, and that have been prepared in accordance with Franchisor's methods and techniques for Sushi Product preparation; shall sell or offer for sale, all products, and services required by Franchisor in the Confidential Operations Manual or otherwise in writing as being part of the System; shall not deviate from Franchisor's methods, standards, and specifications regarding, without limitation, ingredients, methods of preparation and service, and weight, quality, and dimensions of products served; and shall discontinue selling and offering for sale any menu items, products, or services which Franchisor may, in Franchisor's sole discretion, disapprove in writing at any time. Franchisor may change the types of authorized goods and services to be sold at ACE Sushi Bars, in Franchisor's sole discretion, without restriction, and Franchisee shall comply with each and all of such changes within the time periods and in the manner prescribed by Franchisor from time to time. In this regard, Franchisor may introduce new products or reintroduce previously introduced products for ACE Sushi Bars from time to time. Franchisee shall purchase, maintain and display reasonable inventories of such new products for at least ninety (90) days or as otherwise required by Franchisor

and shall continue to purchase, maintain and display reasonable inventories of such new products for such period of time as Franchisor shall require. Franchisor acknowledges and agrees that all customers shall pay for all purchases made from the Sushi Bars at the cash registers operated by the Venue Owner. Franchisee shall make no sales of any kind through Franchisee's own means of contact with a customer without the prior written consent of Franchisor.

7.6 **Required Equipment, Computer Hardware and Software**. Franchisee shall purchase, either from Franchisor or AMG, or from suppliers approved by Franchisor, all equipment and other items as Franchisor may reasonably direct from time to time in the Confidential Operations Manual or otherwise in writing; and shall refrain from installing or permitting to be installed on or about the Franchised Location, any equipment or other items not previously approved in writing as meeting Franchisor's standards and specifications.

7.6.1 Franchisee shall purchase or lease, and thereafter maintain in strict conformity with such standards and specifications as Franchisor may from time to time prescribe in the Operating Manual or otherwise in writing, such computer hardware, required dedicated power lines and dedicated DSL or faster Internet connection, modem(s), printer(s) and other computer-related accessories or peripheral equipment and shall purchase, install and use designated non-proprietary and proprietary software and application based programs to record business activities, sales and inventories and to prepare operating reports in accordance with the requirements of the Operating Manual and other record keeping and central functions.

7.6.2 Franchisee shall use Franchisor's website or application based system to exchange statements with Franchisor and AMG, as a time/attendance system, for the transmission of e-mail correspondence to and from Franchisor and AMG, and as a daily sales reporting system. Franchisee shall pay Franchisor a monthly service fee as designated by Franchisor from time to time for the use of Franchisor's website based system.

7.6.3 To ensure full operational efficiency and optimum communication capability between and among computer systems installed by Franchisee, Franchisor, and other ACE Sushi franchisees, Franchisee agrees, at Franchisee's expense, to keep Franchisee's computer system in good maintenance and repair, and, at Franchisee's expense, and following Franchisor's determination that same will prove economically or otherwise beneficial to all ACE Sushi franchisees, to promptly install such additions, changes, modifications, substitutions and/or replacements to Franchisee's computer hardware, software, DSL and power lines and other computer-related facilities, as Franchisor directs.

7.6.4 Franchisor may from time to time develop or authorize others to develop software and/or application based programs for use in the System, including without limitation, mobile app ordering, which Franchisee may be required to purchase and/or license, and use, in connection with the franchised business. Franchisee agrees that Franchisee shall execute any license, sublicense, or maintenance agreement required by Franchisor or any other approved licensor or approved vendor of such proprietary programs and pay any reasonable fees imposed by Franchisor for such programs.

7.6.5 Franchisor may require Franchisee to participate in electronic document delivery programs and conduct all business between Franchisor and Franchisee electronically through any document delivery and retention system Franchisor requires. If Franchisor chooses to do so, Franchisee must agree to conduct all business with Franchisor electronically and retain all records delivered to Franchisee by these means. Franchisee's computer system must have the capacity and capability of receiving, retrieving and retaining any and all electronic records Franchisor delivers to you.

7.6.6 Franchisee shall pay Franchisor the sum of $50 per month for use of Franchisor's dashboard and management controls.

7.7 **Dress and Grooming**. Franchisee shall wear, and require all employees to wear, clean ACE Sushi uniforms, to be well groomed and to comply with all personal hygiene requirements for the preparation and sale of the Proprietary Products.

7.8 **Purchases of Products, Equipment and Supplies**. Franchisee shall purchase all products, equipment and supplies used or sold at the Main Sushi Bar and the Satellite Locations only from suppliers and distributors who have been approved by Franchisor in the Confidential Operations Manual or otherwise in writing and not thereafter disapproved. Franchisee shall purchase all food products other than produce, and certain items of equipment and supplies such as employee uniforms, sushi containers, lids and product labels from Franchisor, AMG or from suppliers or distributors designated or approved by Franchisor, who may automatically re-order and ship the same to Franchisee, based upon historical or anticipated sales and inventory requirements. In addition, Franchisee must purchase all printed paper and paper products bearing the Proprietary Marks from Franchisor, AMG or from a distributor or manufacturer authorized or approved by Franchisor. Orders for all required purchases, at Franchisor's election, shall be made by Franchisee electronically using Franchisee's computer system.

7.9 **Recommended Suppliers**. If Franchisee desires to purchase products from other than approved suppliers and distributors, Franchisee shall submit to Franchisor a written request to approve the proposed supplier or distributor, together with such evidence of conformity with Franchisor's specifications as Franchisor may reasonably require, or shall request the supplier or distributor itself to do so. Franchisor shall have the right to inspect and evaluate the supplier's facilities and products to be supplied, and Franchisee shall pay all of Franchisor's reasonable expenses incurred in so doing. Franchisor shall provide Franchisee with Franchisor's specifications and standards and Franchisor's criteria for approval of suppliers and shall approve or disapprove a proposed supplier within sixty (60) to ninety (90) days. Franchisor may from time to time re-inspect and re-evaluate the facilities and products of any approved supplier or distributor and revoke Franchisor's general approval of particular products, suppliers or distributor when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to sell any disapproved products and cease to purchase from any disapproved supplier.

7.10 **Cooperation with Inspection**. Franchisee shall permit Franchisor or Franchisor's agents, at any reasonable time, to remove from the Franchised Location representative samples of any ingredients, products, materials, supplies, and paper goods used in the operation of the Main Sushi Bar, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory, for the purposes of determining whether the samples meet Franchisor's then-current standards and specifications. In addition to any other remedies Franchisor may have under this Franchise Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier has not been approved by Franchisor or if the sample fails to conform to Franchisor's specifications.

7.11 **Maintenance of Franchised Location**. Franchisee shall maintain the Franchised Location in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at Franchisee's expense, make such additions, alterations, repairs, and replacements thereto as Franchisor may require by written notice to Franchisee. Franchisee shall complete all work specified in any such notice within the time frame Franchisor may specify.

7.12 **Franchisee Employee Policy**. After the Main Sushi Bar has opened to the public, Franchisee shall maintain a competent, conscientious, and trained manager (which may be Franchisee) and/or staff, and shall take such steps as are necessary to ensure that Franchisee's employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; meet such minimum standards as Franchisor may establish from time to time in the Confidential Operations Manual or otherwise in writing; and are properly

disciplined for poor performance as necessary. Franchisee shall be solely responsible for all employment decisions and functions of the Main Sushi Bar, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees, and regardless of whether Franchisee receives advice from Franchisor on these subjects. Franchisee shall maintain all insurance coverage required for the benefit of Franchisee's employees and shall timely and completely pay all taxes and assessments required by employers for their employees. If required, Franchisee shall join and maintain, and shall require Franchisee's employees to join and maintain, membership in all unions required for food workers at the Host Venue.

7.13 **Modification to the System**. Franchisee shall not implement any modification to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any proposed modification, and shall provide to Franchisor such information as Franchisor requests regarding such modification. Franchisor shall have the right to incorporate the modification into the System without compensation to Franchisee.

7.14 **Compliance with Governmental Regulations**. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Main Sushi Bar.

7.14.1 Franchisee shall comply, at Franchisee's expense, with all applicable local, state and federal health codes, regulations, ordinances, rules and orders relating to the proper methods of food handling, including, without limitation, all health, safety and weights and measure codes.

7.14.2 If any product sold from the Main Sushi Bar or the Satellite Locations evidences adulteration or contamination, or if Franchisee fails to maintain the Main Sushi Bar in compliance with all applicable laws and regulations, Franchisee shall immediately cease operations, search out and destroy any adulterated or contaminated products, eliminate their source and remedy all unsanitary conditions present at the Main Sushi Bar. Franchisee shall not resume operation of the Main Sushi Bar until (i) Franchisor's analysis of the products sold from the Main Sushi Bar and/or the Satellite Locations and Franchisor's inspection of the Main Sushi Bar demonstrate compliance with all applicable laws and regulations; and (ii) all applicable governmental authorities approve the resumption of operations at the Main Sushi Bar. Franchisee's obligations under this Section 7.14 do not alter Franchisor's right to terminate this Agreement under Section 12.2.112.2 of this Agreement if Franchisor instead elects to terminate this Agreement.

7.14.3 Franchisee shall notify Franchisor in writing within ten (10) days after Franchisee receives actual notice of the commencement of any investigation, action, suit, or other proceeding, or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other governmental authority that pertains to the Main Sushi Bar or the Satellite Locations or that may adversely affect Franchisee's operation of the Main Sushi Bar or the Satellite Locations or ability to meet its obligations hereunder.

7.15 **Notification of Legal Proceedings; Crisis Management Events.**

7.15.1 Upon the occurrence of a "Crisis Management Event" (as defined below), Franchisee shall immediately inform Franchisor's Operations Department (or as otherwise instructed in the Confidential Operations Manual) by telephone. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event.

7.15.2 In the event of the occurrence of a Crisis Management Event, Franchisor may also establish emergency procedures pursuant to which Franchisor may require Franchisee to, among other things, temporarily close the Main Sushi Bar or the Satellite Locations to the public, in which event Franchisor shall not be liable to Franchisee for any losses or costs, including consequential damages or loss profits occasioned thereby.

7.15.3 "**Crisis Management Event**" means any event that occurs at or about the Main Sushi Bar or the Satellite Locations that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, or any other circumstance which may damage the System, the Proprietary Marks, or image or reputation of ACE Sushi Bars or Franchisor or its affiliates.

7.16 **Customer Data**. Without limiting any other provision of this Agreement, all "**Customer Data**" is and shall remain the sole property of Franchisor and Franchisor's affiliates. For purposes of this Agreement, "**Customer Data**" includes, without limitation, any and all information by, from, or about an ACE Sushi Bar customer, including, without limitation, a customer's name, address, e-mail address, telephone number, credit card information and account numbers, order information, purchasing preferences or history and all other personally identifiable information. No right, title or interest in the Customer Data is conveyed, transferred, or otherwise licensed to Franchisee hereunder or otherwise. Accordingly, Franchisee shall not, during the term or thereafter sell, lease, share or rent any Customer Data or make any use whatsoever of the Customer Data.

7.17 **Time and Efforts**. Franchisee shall devote Franchisee's full time, attention and best efforts to the development, opening and operation of the Main Sushi Bar and shall only permit the Main Sushi Bar to be operated and managed in accordance with the terms of this Agreement. Franchisee shall be responsible for the operation of the Main Sushi Bar each and every day the Host Venue is open for operations, at a minimum from 9:00 A. M. to 6:00 P. M., subject to the operating hours of the Host Venue. If, at any time during the term of this Agreement, Franchisor determines, in Franchisor's sole and absolute discretion that Franchisee is not operating the Main Sushi Bar in accordance with the Confidential Operations Manual and Franchisor's standards, Franchisor shall have the right to install Franchisor's operations personnel at the Main Sushi Bar to assume direction and control over the operation of the Main Sushi Bar and Franchisee shall pay Franchisor, upon demand, the sum of $500 per day per person for each day Franchisor's operations personnel remain at the Main Sushi Bar, plus all of Franchisor's travel and lodging expenses.

7.18 **Samples**. Franchisee shall comply with all sampling policies that Franchisor may establish from time to time and with all sampling policies that the Venue Owner may require from time to time. These policies may require Franchisee to provide free samples to customers and potential customers and may require Franchisee to reimburse Franchisor for the fees charged by any third party utilized in Franchisor's or the Host Venue's discretion to provide sampling services, at the rate of $15 to $20 per hour of services provided.

7.19 **Right of Franchisee to Set Prices**. Franchisor may recommend prices or price schedules for the products and services offered by Franchisee and may provide Franchisee with pricing labels which include Franchisor's recommended prices. Franchisee shall have the right to sell all products and services at any prices Franchisee may determine and shall not be bound by any price which may be recommended, suggested or advertised by Franchisor. If Franchisee elects to charge prices that differ from the prices or price schedules recommended or suggested by Franchisor, Franchisee shall pay and/or reimburse Franchisor for any additional expenses Franchisor may incur to provide Franchisee with price labels which conform with the prices charged by Franchisee. To the extent permitted by applicable law, Franchisor and/or the Venue Owner shall have the right to establish maximum prices for the products and services offered by ACE Sushi Bars and, in such event, Franchisee shall not charge any prices for the products and services offered at the Main Sushi Bar in excess of the prices established by Franchisor and/or the Venue Owner.

7.20 **Improvements**. If Franchisee develops any new concept, process or improvement in the System (an "**Improvement**"), Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement shall become the sole property of Franchisor and Franchisor shall be the sole owner of all related intellectual property rights. Franchisee hereby assigns to Franchisor any rights Franchisee may have or acquire in the Improvements, including the right to modify the Improvement, and Franchisee waives and/or releases all rights of restraint and moral rights therein and thereto. Franchisee shall assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agrees to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee hereby irrevocably designates and appoints Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any such Improvement. If the foregoing provisions of this Section 7.20 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

7.21 **Authorization to Release Information**. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Sushi Bar which Franchisor may request. Franchisee further authorizes Franchisor to disclose to prospective franchisees or other third parties data from Franchisee's reports if Franchisor determines, in Franchisor's sole discretion, that such disclosure is necessary or advisable.

7.22 **Adequate Reserves and Working Capital**. Franchisee shall, at all times, maintain adequate reserves and working capital sufficient for Franchisee to fulfill all of Franchisee's obligations under this Agreement and to cover the risks and contingencies of the franchised business for at least three (3) months.

7.23 **Union Fees**. If the Venue Owner for the Main Sushi Bar requires Franchisee or its employees to be a member of any union, Franchisee shall pay all applicable union fees.

7.24 **Construction**. If authorized by Franchisor and if Franchisee is permitted to make any alterations to the Franchised Location, Franchisee shall build out, construct (to the extent applicable), fashion and equip the ACE Sushi Bar developed hereunder in strict accordance with Franchisor's current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, design and layout, subject in all respects to the requirements of the Host Venue. Franchisee may not commence build out, construction, fashioning or equipping the ACE Sushi Bar developed hereunder until Franchisee has received Franchisor's written consent to Franchisee's plans therefor.

7.25 **Performance Data**. Franchisee recognizes that the Host Venue or Venue Owner may, from time to time, measure the performance of its vendors, including Franchisor, AMG, and Franchisee by various economic, sales, performance or other measurements (the "**Performance Criteria**"). Franchisor shall give Franchisee notice of the Performance Criteria, if available, and upon such notice, Franchisee's satisfaction of the Performance Criteria (or if there are multiple levels of satisfaction of the Performance Criteria, the level of satisfaction designated by Franchisor) shall be deemed incorporated herein and an affirmative covenant that Franchisee must satisfy. Franchisee acknowledges and agrees that the Performance Criteria may include sales or other economic goals and that such Performance Criteria of the Host Venue is not a representation by Franchisor or any of its affiliates that such sales or other economic goals are achievable. Franchisee further acknowledges and agrees that the covenant to satisfy the Performance Criteria is reasonable and necessary for the protection of AMG, Franchisor, and other franchisees that may operate in other locations owned and/or operated by the Venue

Owner. Franchisee further acknowledges and agrees that Franchisee's failure to satisfy the Performance Criteria may cause the Venue Operator to terminate the right to operate an ACE Sushi Bar at the Franchised Location and other locations that Venue Operator controls, which may adversely affect the ACE Sushi brand and other franchisees. Further, Franchisee acknowledges and agrees that it is reasonable for Franchisor to terminate this Agreement as a result of Franchisee's failure to satisfy the Performance Criteria even though the Venue Owner has not terminated rights to operate at the Franchised Location, threatened or declared AMG or Franchisor in default of the Sushi Supply Agreement or otherwise.

7.26 **Advertising and Directory Listings**. Franchisee shall advertise in the yellow pages and white pages of the local telephone directory covering Franchisee's Ace Sushi Bar and in such Internet directories, as required by Franchisor. All advertisements in the yellow pages and white page shall be subject to Company's prior written approval. Other than the foregoing directory listing obligations, and except for Franchisee's required contributions to the Marketing Fund as provided herein, Franchisee shall not have any further obligations to advertise its ACE Sushi Bar. Franchisor may, in its sole discretion, provide to Franchisee, at Franchisee's expense, advertising templates and/or promotional items for Franchisee's use in advertising and promoting its ACE Sushi Bar. In any event, all marketing and advertising collateral and materials used by Franchisee in promoting its ACE Sushi Bar must be approved in advance by Franchisor, in Franchisor's sole discretion, and must comply with any and all applicable standards and guidelines set forth in the Confidential Operations Manual, or as otherwise directed by Franchisor. Franchisee shall not establish any social media account or other online presence for its ACE Sushi Bar without Franchisor's prior written consent.

8. PROPRIETARY MARKS

8.1 **Franchisor Representations**. Franchisor represents with respect to the Proprietary Marks that:

8.1.1 Franchisor has obtained from Franchisor's affiliate a license to use, and license others to use, the Proprietary Marks.

8.1.2 All steps reasonably necessary to preserve and protect the validity of the Proprietary Marks, and Franchisor's right to use and license others to use, the Proprietary Marks will be taken.

8.1.3 Franchisor will use and permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

8.2 **Franchisee Representations**. Franchisee agrees and represents with respect to the Proprietary Marks that:

8.2.1 Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor, without alteration or modification.

8.2.2 Franchisee shall use the Proprietary Marks only for the operation of the Main Sushi Bar, and only at the Franchised Location or at the Satellite Locations.

8.2.3 Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Main Sushi Bar only under the name "**ACE SUSHI** "without prefix or suffix.

8.2.4 Franchisee shall identify itself as an independent franchisee-owner of the Main Sushi Bar in conjunction with any use of the Proprietary Marks or the operation of the Main Sushi Bar. The form and content of such identification shall comply with standards set forth in the Confidential Operations Manual.

8.2.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement.

8.2.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor.

8.2.7 Franchisee shall execute any documents deemed necessary by Franchisor or Franchisor's affiliates to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

8.2.8 Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or other legal name.

8.2.9 Franchisee shall promptly notify Franchisor of any suspected unauthorized use of, or any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's or Franchisor's affiliate's ownership of, Franchisor's license to use and to license others to use, or Franchisee's right to use, the Proprietary Marks licensed under this Agreement. Franchisee acknowledges that Franchisor or Franchisor's affiliate has the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Proprietary Marks, including any settlement thereof. Franchisor or Franchisor's affiliate has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for Franchisee's out-of-pocket litigation costs in doing such acts.

8.3 **Franchisee Acknowledgments Concerning Proprietary Marks**. Franchisee expressly understands and acknowledges that:

8.3.1 Franchisor or Franchisor's affiliate is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them and Franchisor has the right to use, and license others to use, the Proprietary Marks.

8.3.2 The Proprietary Marks are valid and serve to identify the System and those who are franchised under the System.

8.3.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of, or Franchisor's or Franchisor's affiliate's ownership of the Proprietary Marks, nor take any other action which may tend to jeopardize Franchisor's or Franchisor's affiliate's interest therein, or Franchisor's right to use, and to license others to use, the Proprietary Marks.

8.3.4 Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks other than the license granted by this Agreement.

8.3.5 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor or Franchisor's affiliate, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use.

8.3.6 The right and license of the Proprietary Marks granted under this Agreement to Franchisee is nonexclusive, and Franchisor and Franchisor's affiliates have and retain the rights described in Section 1.3 of this Agreement, and, among others: (a) to use the Proprietary Marks themselves in connection with selling products and services; (b) to grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

8.3.7 Franchisor reserves the right to change, revise, or substitute different proprietary marks for use in identifying the System, the Main Sushi Bar, and products sold or offered for sale through the Main Sushi Bar, if the Proprietary Marks no longer can be used, or if Franchisor, in Franchisor's sole discretion, determines that substitution of different proprietary marks will be beneficial to the System. In such circumstances, the use of the substituted proprietary marks shall be governed by the terms of this Agreement, and Franchisor shall not compensate Franchisee for such substitution and shall bear only the costs of modifying Franchisee's signs and advertising materials to conform to Franchisor's new proprietary marks. If Franchisor's currently licensed Proprietary Marks can no longer be used, Franchisee shall implement promptly any such substitution.

8.3.8 Franchisor shall have the right, at all reasonable times, at the Main Sushi Bar and elsewhere, to inspect the products and services on which the Proprietary Marks shall be used as Franchisor considers necessary to carry out the purposes of inspection as part of appropriate quality control. Upon request, Franchisee shall submit to Franchisor all packages, labels, advertising, displays, advertising brochures and other materials used in connection with the goods and/or services bearing the Proprietary Marks and Franchisee specifically undertakes to amend to the satisfaction of Franchisor any such package, labels, advertising displays, advertising brochures and other materials which are not approved by Franchisor.

8.4 **Changes in Law Affecting Proprietary Marks**. In the event that the trademark law is amended so as to render inapplicable any of the provisions of this Agreement, Franchisee shall execute any documents, and do such acts and things as in the opinion of Franchisor may be necessary to affect the intent and purpose of the provisions of this Agreement; provided, however, that Franchisor shall bear all costs associated with such request.

8.5 **Website**. Franchisee shall not establish a website on the Internet using any domain name containing the words "ACE SUSHI" or any variation thereof. Franchisee acknowledges and agrees that AMG and Franchisor retain the sole right to advertise on the Internet and create a website using the "**ACE SUSHI**" domain name and that AMG and Franchisor are the owners of all right, title and interest in and to the "**ACE SUSHI**" domain name.

9. CONFIDENTIAL OPERATIONS MANUAL AND INFORMATION

9.1 **Use of Confidential Operations Manual**. Franchisee shall operate the Main Sushi Bar in accordance with the standards, methods, policies, and procedures specified in the Confidential Operations Manual. Franchisee shall treat the Confidential Operations Manual, any other manuals created for or approved for use in the operation of the Main Sushi Bar, and the information contained therein, all of which may be provided by Franchisor to Franchisee electronically, at Franchisor's election, using Franchisee's computer system, as confidential, and shall maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make

the same available to any unauthorized person. The Confidential Operations Manual shall at all times remain the sole property of Franchisor and shall be kept in a secure place on the Franchised Location. If Franchisee loses, damages or destroys the Confidential Operations Manual, Franchisee shall pay Franchisor the sum of $1,000 for a replacement, if necessary. Franchisee shall ensure that Franchisee's copy of the Confidential Operations Manual is kept current at all times, and in the event of any dispute as to the contents of the Confidential Operations Manual, the terms of the master copy of the Confidential Operations Manual maintained by Franchisor shall be controlling.

9.2 **Confidentiality of Information**. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of, anyone else, any Confidential Information, knowledge, or know-how concerning the methods of operation of the Main Sushi Bar which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such Confidential Information only to such of Franchisee's employees as must have access to it in order to perform their employment responsibilities. Any and all matters, information, knowledge, know-how, techniques, Proprietary Products, and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement. Confidential Information includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, customer service purchasing histories and prices charged to customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, knowledge or know-how concerning the methods of operation of the Main Sushi Bar which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the Main Sushi Bar under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "**Confidential Information**"). Confidential Information does not include any information that was in the lawful and unrestricted possession of Franchisee prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Franchisee after receiving it; has been received lawfully and in good faith by Franchisee from a third party who did not derive it from Franchisor or Franchisee; or is shown by acceptable evidence to have been independently developed by Franchisee.

9.3 **Irreparable Injury from Disclosure of Confidential Information**. Franchisee acknowledges that failure to comply with the requirements of this Section 9 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Section 9.

9.4 **Confidentiality Covenants from Individuals Associated with Franchisee**. Franchisee shall require any employee who may have access to any Confidential Information of Franchisor to execute the Employee Confidentiality Agreement in form of **Attachment F** to maintain the confidentiality of information they receive in connection with their association with Franchisee.

9.5 **Press Releases**. Unless disclosure is required by applicable law, no public communication, press release or announcement regarding this Agreement, the franchised business or the operation of the Main Sushi Bar or Satellite Locations, or any Crisis Management Event shall be made by Franchisee without the written approval of Franchisor in advance of such press release announcement, or public communication.

10. INSURANCE

10.1 **Franchisee's Insurance Obligations**. Franchisee shall obtain, prior to commencement of the franchised business, and shall maintain in full force and effect during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee and Franchisor against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the operation of the franchised business in such types and amounts as specified in the Confidential Operations Manual. Franchisee shall also maintain the following coverages: (a) broad form comprehensive general liability coverage, restaurant owners, contractual liability and injury and product liability coverage; (b) fire, flood, earthquake and extended coverage insurance on the Sushi Bars and Franchisee's property in an amount adequate to replace it in the event of an insured loss; (c) business interruption insurance in reasonable amounts; and (d) advertising injury insurance. If Franchisee has employees, Franchisee must also maintain (a) worker's compensation and employer's liability insurance (as required by law); (b) unemployment insurance covering Franchisee's employees; and (c) state disability insurance for Franchisee's employees (as required by law). These coverages shall name Franchisor, Franchisor's personnel, and the Venue Owner, as required, as additional insureds and provide that Franchisor is entitled to receive at least thirty (30) days prior written notice of any intent to reduce overage or policy limits, cancel or otherwise amend the policy. Franchisee may, but shall not be required to, obtain Franchisee's requisite insurance coverage directly from Franchisor's designated insurance broker.

10.2 **Automobile Liability Insurance**. If Franchisee services any Satellite Locations, Franchisee shall procure, prior to the opening of the Main Sushi Bar, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, automobile liability insurance in an amount not less than $500,000.

10.3 **Waiver of Subrogation**. In connection with any and all insurance required to be maintained by Franchisee under Section 10.1, Franchisee and Franchisee's insurers shall agree to waive their rights of subrogation against Franchisor, and Franchisee shall provide evidence of such waiver in accordance with Section 17.

10.4 **Franchisee's Insurance Obligation Not Affected By Franchisor's Insurance**. Franchisee's obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve Franchisee of liability under the indemnity provisions set forth in Section 16.5 of this Agreement.

10.5 **Certificates of Insurance**. At least ten (10) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor a Certificate of Insurance evidencing the proper types and minimum amounts of required coverage. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages

evidenced by such Certificates. All policies of insurance to be maintained by Franchisee shall contain a separate endorsement naming Franchisor, and if required, Franchisor's affiliates, as additional insured parties on the additional-insured Grantor of Franchise Form CG2029 or an insurer's comparable form.

10.6 **Franchisor's Right to Secure Insurance on Behalf of Franchisee**. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Confidential Operations Manual or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to immediately procure such insurance and to charge the same to Franchisee, which charges, together with Franchisor's expenses in so acting and any additional charges assessed by Franchisor in connection with such insurance, including an administrative fee equal to a percentage of the costs for such insurance, subject to change from time to time (the "Insurance Processing Administration Fee"), and the Insurance Processing Administration Fee shall be payable immediately upon demand by Franchisor and/or deducted as an additional Insurance Charge prior to the payment of any Commissions to Franchisee. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

11. TRANSFER OF INTEREST

11.1 **Transfer by Franchisor**. Franchisor shall have the right to transfer or assign all or any part of Franchisor's rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor and or Franchisor's affiliates may sell their assets, the Proprietary Marks, or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, Proprietary Marks (or any variation thereof) and System and/or the loss of association with or identification of Ace Sushi Franchise Corporation as Franchisor under this Agreement. Franchisee specifically waives any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing. Further, Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as ACE Sushi Bars operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which Franchisee acknowledges may be proximate Franchisee's Main Sushi Bar or Satellite Locations).

11.2 **Transfer by Franchisee**. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, shall sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Main Sushi Bar without the prior written consent of Franchisor. Any purported assignment or transfer not having the written consent of Franchisor required by this Section 11.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 12.2 of this Agreement.

11.3 **Requirements for Transfer by Franchisee**. Franchisor may, in Franchisor's sole discretion, require any or all of the following as conditions of Franchisor's consent to a transfer set forth in Section 11.2:

11.3.1 Franchisee shall not be in default of any provision of this Agreement, any amendment of this Agreement or successor hereto, or any other agreement between Franchisee and Franchisor, or Franchisor's affiliates;

11.3.2 The transferor shall execute a General Release, in substantially the form of **Attachment A** to this Agreement, of any and all claims which the transferor may have or believes to have against Franchisor and/or Franchisor's affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, which are based on, arise from or relate to this Agreement, the Main Sushi Bar, the Satellite Locations or the Franchised Location, as well as claims, known or unknown, which are not based on, do not arise from or do not relate to this Agreement, the Main Sushi Bar, the Satellite Locations or the Franchised Location but which relate to other franchise agreements, sushi bars, satellite locations, franchised locations and other agreements between Franchisor or Franchisor's affiliates and Franchisee which arose on or before the date of the General Release, including, without limitation, all obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, arising under federal, state and local laws, rules and ordinances.

11.3.3 The transferee shall demonstrate to Franchisor's satisfaction that the transferee has an acceptable credit report to proceed with the assignment and that the terms of the proposed assignment do not place an unreasonable financial burden on the transferee, nor the terms of the sale so onerous, that, in the judgment of Franchisor, the transferee will be unlikely to properly maintain, operate and promote the franchised business and meet the transferee's financial and other obligations to Franchisor, third party suppliers and creditors. This provision shall not create any liability to either transferor or transferee on the part of Franchisor, in the event that Franchisor approves the transfer and the transferee experiences financial difficulties. Franchisee understands and acknowledges that Franchisor shall be entitled, in connection with assessing the creditworthiness of the transferee and the financial burden placed upon any prospective transferee, to share with such prospective assignee information relating to the Main Sushi Bar, including information in Franchisor's possession relating to operations and sales at the Main Sushi Bar.

11.3.4 The transferee shall demonstrate to Franchisor's satisfaction that the terms of the proposed assignment do not place an unreasonable operational burden on the transferee, and that the transferee meets Franchisor's standards for: (a) work experience and aptitude; (b) character and reputation; (c) absence of conflicting interests; and (d) such other criteria and conditions as Franchisor shall then consider relevant in the case of an application for a new franchise by an applicant not currently operating an Main Sushi Bar.

11.3.5 At Franchisor's request, the transferee shall execute, for a term ending on the expiration date of this Agreement, the current standard form Franchise Agreement (and individual Guarantees) then being offered to new franchisees, which Franchise Agreement shall supersede this Agreement in all respects and the terms of which Franchise Agreement may differ materially from the terms of this Agreement and may be less favorable to the transferee; provided, however, that the transferee shall not be required to pay an initial franchise fee.

11.3.6 The transferee shall successfully complete, at its expense, the required initial training as described in Section 6.1, including payment of the then-current initial and onsite training fees charged by Franchisor in those circumstances where Franchisee is required to pay a fee for attendees at the Initial Training Programs or receiving onsite training.

11.3.7 Franchisee shall pay Franchisor a transfer fee equal to $2,500 per Host Venue location, plus Franchisor's out of pocket costs associated with the transfer, including costs for attorneys' fees associated with the transfer.

11.3.8 Franchisee shall remain liable for all of Franchisee's obligations to Franchisor and Franchisor's affiliates which arose prior to the effective date of the transfer, and shall execute any documents reasonably requested by Franchisor to evidence such liability.

11.3.9 Franchisee shall have paid all amounts due to Franchisor.

11.3.10 The transferee and each partner, shareholder or member of the transferee, as the case may be, must be a United States citizen or lawful resident alien of the United States and must have sufficient literacy and fluency in the English language sufficient, in Franchisor's opinion, to communicate with employees, customers, and suppliers of Franchisor and to satisfactorily complete Franchisor's required training program and such other tests and interviews as Franchisor shall reasonably deem to be necessary or desirable. Franchisee shall provide Franchisor with such information as Franchisor may require to make a determination concerning such proposed transfer.

11.3.11 Franchisee and the transferee/assignee shall use an independent third party escrow company in connection with their purchase and sale transaction.

11.3.12 At Franchisor's request, the transferee shall secure a financially qualified guarantor to guarantee the obligation of Franchisee under this Agreement. The guarantor shall execute the Guarantee in the form of **Attachment C** attached to this Agreement.

11.3.13 The transferee shall agree to renovate and refurbish the Ace Sushi Bar to Franchisor's then-current standards, at the transferee's expense.

11.4 **Granting of a Security Interest by Franchisee**. Franchisee shall not grant a security interest in the Main Sushi Bar or in any of the assets of the Main Sushi Bar.

11.5 **Right of First Refusal**. If Franchisee desires to accept any bona fide offer from a third party to purchase the Main Sushi Bar and Franchisee's interests under this Agreement, Franchisee shall notify Franchisor of such offer at least thirty (30) days before such transfer is proposed to take place, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within twenty (20) days after receipt of such written notification and any background materials concerning the proposed transfer that Franchisor shall reasonably request, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, the closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor declines to purchase the seller's interest, Franchisee shall have twenty (20) days to close on the transfer of such interest subject to Franchisor's approval pursuant to Section 11.3. Failure to effect a transfer with the third party within the thirty (30) day period, or any material change thereafter in the terms of the offer prior to closing, shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer.

11.6 **Transfer Upon Death or Incapacitation**. Upon the death or permanent incapacity (mental or physical) of Franchisee, the executor, administrator, or personal representative of such person shall continuously operate the Sushi Bars as required by this Agreement and shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or mental incapacity. Such transfers, including, without

limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 11, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at Franchisor's option, terminate this Agreement, pursuant to Section 12.2 of this Agreement.

11.7 **Non-Waiver of Claims**. Franchisor's consent to a transfer shall not constitute a waiver of any claims Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

11.8 **Transfer by Franchisee in Bankruptcy - Right of First Refusal**. If, for any reason, this Agreement is not terminated pursuant to Section 12.1 and this Agreement is assumed, or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by such assignee for the assignment of this Agreement.

11.9 **Assignment to a Controlled Corporation or Limited Liability Company.** If Franchisee is an individual, individuals or a partnership, Franchisor expressly consents to the assignment of this franchise to a corporation or limited liability company formed and controlled by Franchisee to operate the Main Sushi Bar; provided, however, that Franchisee shall be and remain, together with said corporation and Franchisee's shareholders, or said limited liability company and Franchisee's members, jointly and severally liable for all obligations under this Agreement and any Satellite Location Addendum, if applicable, and for all breaches thereof and, provided further, that Franchisee shall continue to supervise the operation of the Main Sushi Bar. Franchisee shall immediately notify Franchisor of any such assignment and shall complete all appropriate agreements required by Franchisor as a result thereof. No transfer fee shall be charged by Franchisor for Franchisor's participation in this type of transfer.

12. DEFAULT AND TERMINATION

12.1 **Termination In the Event of Bankruptcy or Insolvency**. Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee under this Agreement shall automatically terminate without notice to Franchisee, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against

the Franchised Location or assets is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Main Sushi Bar is sold after levy thereupon by any sheriff, marshal, or constable.

12.2 **Termination with Notice and Without Opportunity to Cure**. Franchisee shall be in default under this Agreement, and Franchisor may, at Franchisor's option, terminate this Agreement and all rights granted under this Agreement, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee upon the occurrence of any of the following events:

12.2.1 If there has been any adulteration or contamination of the Proprietary Products, if Franchisee has failed to maintain the Main Sushi Bar in compliance with all health and safety laws and regulations, including without limitation violations of regional and/or Host Venue COVID-19 (or similar) requirements, if an imminent threat or danger to public health or safety results from the operation of the Main Sushi Bar or if there are, or have been, any contaminated products sold from the Main Sushi Bar.

12.2.2 If Franchisee at any time ceases to operate or otherwise abandons the Main Sushi Bar without the consent of Franchisor and/or the Venue Owner for a period of more than three (3) consecutive days.

12.2.3 If Franchisee: (i) is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein; or (ii) or any Franchisee employee engages in harassing behavior towards any customer or Host Venue personnel or representative.

12.2.4 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Main Sushi Bar or any other ACE Sushi Bars and/or Satellite Locations owned by Franchisee, whether individually or collectively, is made to any third party without Franchisor's prior written consent, or any transfer of 49% or more of the capital stock membership interests, partnership rights, or other equity ownership interests of Franchisee, contrary to the terms of Section 11 of this Agreement.

12.2.5 If an approved transfer as required by Section 13.6 of this Agreement, is not effected within the time provided following a death or permanent incapacity (mental or physical).

12.2.6 If Franchisee fails to comply with the covenants in Section 14 of this Agreement.

12.2.7 If, contrary to the terms of Section 9 of this Agreement, Franchisee, any principal or employee of Franchisee, discloses or divulges the contents of the Confidential Operations Manual or other Confidential Information provided to Franchisee by Franchisor.

12.2.8 If Franchisee has made any material misrepresentations to Franchisor either in connection with Franchisee's application to Franchisor for the franchise granted under this Agreement or during the course of Franchisee's operations.

12.2.9 If Franchisee, after curing a default pursuant to Section 12.4 of this Agreement, commits the same, similar, or different default again, whether or not cured after notice.

12.2.10 If Franchisee loses, through renovation, forfeiture, failure to renew, or otherwise, any license required with respect to the operation of the Main Sushi Bar.

12.2.11 If Franchisee or any employee fails to successfully complete the initial training required by Section 6.1.

12.2.12 If Franchisee fails to obtain or maintain required insurance coverage.

12.2.13 If Franchisee fails to make timely payments upon any obligation of Franchisee or any obligation of Franchisee upon which Franchisor has advanced any funds for or on behalf of Franchisee.

12.2.14 If Franchisee fails to comply with any or all of the terms of this Agreement or any other agreement between Franchisor, or Franchisor's affiliates, and Franchisee within five (5) days after receipt of written notice from Franchisor to do so.

12.2.15 If there are repeated complaints or any material subjective dissatisfaction expressed by the Venue Owner, regardless of the reason for such complaints or subjective dissatisfaction, or if the Venue Owner requires the replacement of Franchisee as the sushi chef at the Main Sushi Bar for any reason whatsoever.

12.2.16 If the Venue Owner elects to close the Host Venue or the Main Sushi Bar in the Host Venue.

12.2.17 If Franchisee engages in any unlawful form of harassment or discrimination.

12.2.18 If Franchisee fails, for a period of ten (10) days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the franchised business.

12.2.19 If Franchisee purchases ACE Sushi products, Proprietary Products or non-proprietary products from any supplier other than Franchisor or its designees or approved suppliers, and Franchisee fails to cure such defaults within three (3) days after receiving notice to do so from Franchisor.

12.2.20 If Franchisee defaults in any obligation under this Agreement or any other agreement between Franchisor and Franchisee that is not by its nature capable of being cured by Franchisee.

12.3 **Termination Upon Notice**. Franchisor shall have the right to terminate this Agreement for any reason or no reason by providing Franchisee with thirty (30) days advance written notice.

12.4 **Termination With Notice and Opportunity to Cure**. Except as otherwise provided in Section 12.1 and Section 12.2 of this Agreement, Franchisee shall have ten (10) days after Franchisee's receipt from Franchisor of a written notice of default within which to remedy any default under this Agreement and to provide evidence thereof to Franchisor. If any such default is not cured within the specified time, or such longer period as applicable law may require, Franchisor shall have the right to terminate this Agreement by providing written notice of termination to Franchisee. Franchisee shall be in default pursuant to this Section 12.4 for failure to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be modified or supplemented by the Confidential Operations Manual, or failure to carry out the terms of this Agreement in good faith.

12.5 **Cross-Default**. Any default by Franchisee under the terms and conditions of this Agreement or any other agreement between Franchisor, or Franchisor's affiliates, and Franchisee, shall be deemed to be a default of each and every other such agreement. In the event of the termination of this Agreement for any cause, or the termination of any other agreement between Franchisor, or Franchisor's affiliates, and Franchisee, Franchisor may, at Franchisor's option, terminate any or all of such other agreements.

12.6 **Termination by Franchisee.** Except as otherwise provided by applicable law, Franchisee shall not have the right to terminate or cancel this Agreement prior to the Scheduled Expiration Date. In the event Franchisee desires to terminate this Agreement prior to the Scheduled Expiration Date, Franchisee may submit such request in writing to Franchisor, who may grant or deny the request in its sole discretion. Franchisor further

reserves the right to impose an early cancellation fee (the "**Early Cancellation Fee**"), currently in the amount of $3,5000, as a condition to the early termination of this Agreement. If imposed, the Early Cancellation Fee may be paid in a single lump sum by Franchisee, or in the form of a deduction from Commissions.

13. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

13.1 **Cessation of Main Sushi Bar Operations**. Franchisee shall immediately cease to operate the Main Sushi Bar, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

13.2 **Cessation of Use of Confidential Information and Proprietary Marks**. Franchisee shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, any confidential methods, procedures, and techniques associated with the System, and all Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. Franchisee acknowledges and agrees that Franchisee's use of the Proprietary Marks after the expiration or termination of this Agreement shall constitute an unauthorized use of the Proprietary Marks and shall, in addition to all other remedies to which Franchisor may pursue, entitle Franchisor to recover damages for trademark infringement and counterfeiting.

13.3 **Cancellation of Assumed Name Registration**. Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the Proprietary Marks; and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

13.4 **Payment of Franchisor's Costs**. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor prior or subsequent to a termination of this Agreement including, without limitation, all actual damages Franchisor or Franchisor's affiliates incur as a result of Franchisee's failure to comply with the terms of this Agreement and all costs and expenses Franchisor or Franchisor's affiliates incur to ensure continuation of business operations at the Main Sushi Bar, including, without limitation, the costs of all transportation, lodging, meals, training materials and wages for Franchisor's personnel and to obtain injunctive or other relief for the enforcement of any provisions of this Section 13. Franchisor and Franchisor's affiliates shall have the right to deduct and offset such amounts from any funds due to Franchisee under this Agreement. Franchisor and Franchisor's affiliates shall further have the right to take possession of all useable inventory, tools, equipment and supplies located at the Main Sushi Bar and each Satellite Location, if applicable, and shall apply Franchisee's costs for the same against any funds due to Franchisee under this Agreement. Alternatively, Franchisor may, in Franchisor's sole discretion, supervise the transfer of all useable inventory, tools, equipment and supplies to another franchisee at a reasonable fee to be determined by Franchisor and paid by Franchisee.

13.5 **Return of Confidential Operations Manual and Other Confidential Information**. Franchisee shall immediately deliver to Franchisor the Confidential Operations Manual and all other manuals, records, correspondence, files, and any instructions containing Confidential Information relating to the operation of the Main Sushi Bar which are in Franchisee's possession; and all copies thereof (all of which are acknowledged to be the property of Franchisor). If Franchisee has lost, damaged or destroyed the Confidential Operations Manual, Franchisee shall pay Franchisor the sum of $1,000 therefore.

13.6 **Compliance with Post Term Covenants**. All covenants, obligations, and agreements of Franchisee which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination or expiration of this Agreement, shall survive such termination or expiration.

13.7 **Payment of Commissions**. Franchisor and/or Franchisor's affiliates shall make a final payment of Commissions to Franchisee, following the payment of all Expenses and Franchisor's Compensation, usually within forty-five (45) days following Franchisor's receipt of the Venue Owners sales report for the periods in question.

13.8 **Cancel Directory Listings**. Franchisee shall notify the telephone company and all telephone directory publishers of the termination of Franchisee's right to use any telephone numbers or other directory listings associated with any ACE SUSHI trademarks and authorize transfer of those rights to Franchisor at Franchisor's direction. Franchisee agrees that, as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone numbers and directory listings;

13.9 **Early Cancellation Fee**. Franchisee shall pay Franchisor the Early Cancellation Fee, if imposed in accordance with Section 12.6 above.

14. COVENANTS

14.1 **Non-Competition During Term of Agreement**. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee (or, if Franchisee is a corporation, limited liability company, or partnership, all principals of Franchisee) covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is a corporation, limited liability company, or partnership, all principals of Franchisee) shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, or legal entity:

14.1.1 Divert or attempt to divert any present or prospective Main Sushi Bar customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

14.1.2 Employ or seek to employ any person who is or has been within the previous thirty (30) days employed by Franchisor or an affiliate of Franchisor as a salaried managerial employee, or otherwise directly or indirectly induce such person to leave his or her employment; or

14.1.3 Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business that is the same or similar to the Main Sushi Bar or which offers products or services which are the same as or similar to the products and services being offered by the Main Sushi Bar.

14.2 **Non-Competition After Execution or Termination of Agreement**. Franchisee specifically acknowledges and agrees that prior to becoming a franchisee of Franchisor, Franchisee had no experience, information or knowledge whatsoever about the operation of a sushi bar, a business that offers sushi, Chinese and/or related Asian fusion food products or Ace Sushi Bars and that Franchisee's knowledge of the Confidential Information was obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the Main Sushi Bar under this Agreement. Commencing upon the date of: (a) a transfer permitted under Section 11 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); or (d) a final court order (after all appeals have been taken) with respect

to any of the foregoing events or with respect to enforcement of this Section 14.2, and continuing for an uninterrupted period of two (2) years thereafter, Franchisee shall not, without Franchisor's prior written consent, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with a business which: (a) offers products or services which are the same as or similar to the products and services offered by the Main Sushi Bar, and (b) is, or is intended to be, located at or within a ten (10) mile radius of any ACE Sushi Bar.

14.3 **Violation of Non-Compete**. Franchisee shall commit any violation of Section 14.2 during the two (2) year period following (i) a transfer permitted under Section 11 of this Agreement; (ii) expiration of this Agreement; (iii) termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 14.2, in addition to all other remedies available to Franchisor, Franchisee shall pay Franchisor, throughout the two (2) year period, 25% of all revenue earned by Franchisee from any activities which violate Section 14.2. Franchisee shall account and pay to Franchisor 25% of all revenue earned by Franchisee on the 15th day of each month on revenue earned by Franchisee during the previous month. Franchisor shall have the right to audit Franchisee's books and records to confirm Franchisee's compliance with this Section 14.3, upon reasonable notice to Franchisee.

14.4 **Exceptions to Non-Compete Covenants**. Sections 14.1 and 14.2 shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

14.5 **Reducing Scope of Covenants**. Franchisee understands and acknowledges that Franchisor shall have the right, in Franchisor's sole discretion, to reduce the scope of any covenant set forth in Sections 14.1 and 14.2, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that Franchisee shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 14.1or Section 14.2 of this Agreement.

14.6 **Permission from Franchisor**. If Franchisor expressly grants Franchisee permission in writing to compete with Franchisor pursuant to an arrangement made under Section 14.2 or otherwise, as a condition to being granted such permission, Franchisee shall pay Franchisor, throughout the two (2) year period following (a) a transfer permitted under Section 11 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); or (d) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 14.2, 25% of all revenue earned by Franchisee from any competitor, customer, client, vendor, or account of Franchisor (unless modified in writing by Franchisor) including, without limitation, those with whom Franchisee became acquainted or conducted business by reason of this Agreement, or by reason of Franchisee's access to, or knowledge of, Confidential Information related to Franchisor and/or the System. Franchisee shall account and pay to Franchisor, 25% of all revenue so earned by Franchisee on the 15th day of each month on revenue earned by Franchisee during the previous month. Franchisor shall have the right to audit Franchisee's books and records to confirm Franchisee's compliance with this Section 14.6, upon reasonable notice to Franchisee.

14.7 **Enforceability of Covenants Not Affected by Franchisee Claims**. Franchisee expressly agrees that the existence of any claims Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 14.

14.8 **Reasonable Good Faith Estimate**. Franchisor and Franchisee acknowledge and agree that it would be impossible and impracticable to determine the precise amount of damages and expenses Franchisor will incur (1) if Franchisee shall commit any violation of Section 14.2 during the two (2) year period following (a) a transfer permitted under Section 11 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); or (d) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 14.2 or (2) if Franchisor expressly grants Franchisee permission in writing to compete with Franchisor pursuant to an arrangement made under Section 14.5 or otherwise due to the complications inherent in determining the amount of revenue lost by Franchisor because of the uncertainty regarding the number of months left to complete the then-current term of this Agreement, the uncertainty regarding the Gross Sushi Sales of the Main Sushi Bar during the remainder of the then-current term of this Agreement, the amount of Gross Sushi Sales less Commissions Franchisor would have collected as well as the amount of the fees that Franchisor will collect from Franchisee upon the occurrence of the circumstances described in Section 14.3 and Section 14.6. Franchisor and Franchisee further acknowledge and agree that the 25% fee is a reasonable, good faith estimate of such damages.

14.9 **Breach of Covenants Causes Irreparable Injury**. Franchisee acknowledges that Franchisee's violation of any covenant of this Section 14 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

15. TAXES AND LICENSES

15.1 **Taxes**. Franchisee shall promptly pay all taxes levied or assessed against the Main Sushi Bar, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on royalty fees, any similar taxes or levies, imposed upon or required to be collected or paid by Franchisor by reason of the furnishing of products, intangible property (including trademarks and trade names) or services by Franchisor to Franchisee through the sale, license, or lease of property or property rights provided by this Agreement.

15.2 **Licenses and Permits**. Franchisee shall timely obtain, and maintain throughout the term of this Agreement, any and all federal, state and local permits, certificates, and business licenses necessary for the lawful operation of the franchised business.

16. INDEPENDENT CONTRACTOR, GUARANTY AND INDEMNIFICATION

16.1 **No Fiduciary Relationship**. This Agreement does not create a fiduciary relationship between the parties hereto. Franchisee shall be an independent contractor; and nothing in this Agreement is intended to constitute or appoint either party an agent, legal representative, subsidiary, joint-venturer, partner, employee, or servant of the other for any purpose whatsoever.

16.2 **Public Notice of Independent Status**. Franchisee shall conspicuously identify itself and the Main Sushi Bar in all dealings with Franchisee's customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place such notice of independent ownership in Franchisee's Main Sushi Bar and on all forms. Franchisor shall have the right to specify the language of any such notice.

16.3 **Independent Contractor**. Franchisee acknowledges and agrees that Franchisee is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action; nor shall Franchisor be liable by reason of any

act or omission of Franchisee in Franchisee's conduct of the Main Sushi Bar or for any claim or judgment arising therefrom against Franchisee or Franchisor.

16.4 **Guarantee**. If Franchisee is an entity (as opposed to an individual), Franchisee's owner shall unconditionally guaranty Franchisee's compliance with the terms and performance of its obligations hereunder pursuant to the guarantee in substantially the form of **Attachment C** attached to this Agreement. A material breach of such guarantee shall be deemed a material breach of this Agreement.

16.5 **Indemnification**. Franchisee shall indemnify and hold harmless to the fullest extent by law, Franchisor, Franchisor's affiliates and their respective directors, officers, employees, shareholders, and agents, (collectively the "**Indemnitees**") from any and all "**losses and expenses**" (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Main Sushi Bar or the Satellite Locations, including, but not limited to, claims arising as a result of the maintenance and operation of any vehicles operated by Franchisee in connection with the Main Sushi Bar and/or the Satellite Locations (collectively an "**Event**"), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees. For the purpose of this Section 16.5, the term "**losses and expenses**" shall be deemed to include compensatory, exemplary, or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. Franchisee shall give Franchisor prompt notice of any Event of which Franchisee is aware, for which indemnification is required, and, at the expense and risk of Franchisee, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek the advice and counsel of Franchisee. Any assumption of Franchisor shall not modify Franchisee's indemnification obligation. Franchisor may, in Franchisor's sole judgment, take such actions as Franchisor deems necessary and appropriate to investigate, defend, or settle any Event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole judgment, necessary for the protection of the indemnities or the System.

17. APPROVALS, WAIVERS, AND NOTICES

17.1 **Obtaining Approvals**. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing. Franchisor makes no warranties or guarantees, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

17.2 **Withholding of Consent**. In no event shall Franchisee make any claim for money damages based on any claim or assertion that Franchisor has unreasonably withheld or delayed any consent or approval required under the this Agreement. Franchisee waives any such claim for damages. Franchisee shall not claim any such damages by way of setoff, counterclaim or defense. Franchisee's sole remedy for such a claim shall be an action or proceeding to enforce the provisions in question, for specific performance or for declaratory judgment.

17.3 **No Waiver**. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee, or by any other franchisee, of any of the terms, provisions, or covenants thereof, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor

of any payments due to Franchisor under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

17.4 **Notices**. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; or by private overnight delivery to the last known address of Franchisor and Franchisee. Service shall be deemed conclusively made (a) at the time of service, if personally served; (b) one (1) business day after electronic transmission (with confirmation copy sent by regular United States mail); (c) twenty-four (24) hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; (d) upon the earlier of actual receipt or three (3) business days after deposit in the United States mail, properly addressed and postage prepaid, by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows; and (e) twenty-four (24) hours after delivery by the party giving the notice, statement or demand if by private overnight delivery. Notices and demands and all changes of address shall be given to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:	Ace Sushi Franchise Corporation 22771 S Western Avenue Torrance, California 90501 Attention: President
With a copy to:	Bryan Cave Leighton Paisner LLP 120 Broadway, Suite 300 Santa Monica, California 90401 Fax: (310) 576-2200
Notices to Franchisee:	_____ _____ _____

Either party may change its address for the purpose of receiving notices, demands and other communications as herein provided by a written notice given in the manner aforesaid to the other party.

18. ENTIRE AGREEMENT, SEVERABILITY, AND CONSTRUCTION

18.1 **Entire Agreement**. This Agreement, any attachments hereto, and any ancillary agreements between Franchisee and Franchisor or any affiliate which are executed contemporaneously with this Agreement, constitute the entire and complete Agreement between Franchisor (and, if applicable, any affiliate) and Franchisee concerning the subject matter thereof, and supersede all prior agreements. Franchisee acknowledges that Franchisee is entering into this Agreement, and any ancillary agreements executed contemporaneously herewith, as a result of Franchisee's own independent investigation of the business franchised hereby and not as a result of any representation made by Franchisor or persons associated with Franchisor, or other franchisees, which are contrary to the terms herein set forth or which are contrary to the terms of any Franchise Disclosure Document, or other similar document required or permitted to be given to Franchisee pursuant to applicable law. Except for those permitted under this Agreement to be made unilaterally by Franchisor, no amendment, change, or variation from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations Franchisor made to Franchisee in the Franchise Disclosure Document or in any related document that Franchisor heretofore furnished to Franchisee.

18.2 **Severability and Construction**. Except as expressly provided to the contrary in this Agreement, each section, paragraph, part, term, and provision of this Agreement shall be considered severable;

and if, for any reason, any section, paragraph, part, term, provision, and/or covenant in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, paragraphs, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and the invalid portions, sections, paragraphs, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement. Neither this Agreement or any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used to fairly accomplish the purposes and intentions of all parties to this Agreement. Franchisor and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

18.3 **Survival of Obligations After Expiration or Termination of Agreement**. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

18.4 **Survival of Modified Provisions**. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

18.5 **Captions**. All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

19. APPLICABLE LAW

19.1 **Choice of Law**. This Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Main Sushi Bar is located outside of California and such provision would be enforceable under the laws of the state in which the Main Sushi Bar is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 19.1 is intended by the parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject.

19.2 **Venue**. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of California in the county in which Franchisor has its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

19.4 **Limitation of Adjudicative Proceedings**. Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Main Sushi Bar, brought by any party hereto against the other, shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any consequential, punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

19.5 **Right to Injunctive Relief**. Nothing herein contained shall bar Franchisor's right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to Franchisee's: (a) use of the Proprietary Products and/or the Proprietary Marks, (b) obligations upon termination or expiration of this Agreement, (c) assignment or proposed assignment of the Main Sushi Bar, this Agreement, or any ownership interest in Franchisee, or (d) actions covered by the provisions of Section 11. Franchisor also shall be able to seek injunctive relief to prohibit any act or omission by Franchisee or Franchisee's employees that constitutes a violation of any applicable law, is dishonest or misleading to Franchisee's customers or to the public, or which may impair the goodwill associated with the Proprietary Marks; and Franchisee agrees to pay all costs and reasonable attorneys' fees incurred by Franchisor in obtaining such relief.

19.6 **Incorporation of Recitals**. The recitals set forth in Paragraphs A through G of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement.

20. ACKNOWLEDGMENTS AND REPRESENTATIONS

20.1 **Recognition of Business Risks**. Franchisee acknowledges that Franchisee has conducted an independent investigation of the proposed franchise, and recognizes that the business venture contemplated by this Agreement involves business risks and that Franchisee's success will be largely dependent upon the ability of Franchisee as an independent business person. Franchisor expressly disclaims the making of, and Franchisee acknowledges that Franchisee has not received, any warranty or guarantee, express or implied, as to the potential sales, income, profits, or success of the business venture contemplated by this Agreement, or of other Sushi Bars.

20.2 **Receipt of Franchise Disclosure Document**. Franchisee acknowledges that Franchisee has received a copy of the complete Ace Sushi Franchise Corporation Disclosure Document for Non-Traditional ACE Sushi Bars, which contains a copy of this Franchise Agreement, the attachments thereto, and agreements relating thereto, if any, at least **fourteen** (14) calendar days prior to the Effective Date. Franchisee acknowledges and agrees that Franchisor has made no promises, representations, warranties or assurances to Franchisee which are inconsistent with the terms of this Agreement or Franchisor's Franchise Disclosure Document, concerning the profitability or likelihood of success of the Main Sushi Bar at the Franchised Location, that Franchisee has been informed by Franchisor that there can be no guaranty of success in the franchised business and that Franchisee's business ability and aptitude is primary in determining his success.

20.3 **Review of Franchise Disclosure Document**. Franchisee acknowledges that Franchisee has read this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors and counsel of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

20.4 **Anti-Terrorism Laws**. Franchisee and Franchisee's officers, directors, members and shareholders shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to

comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and Franchisee's officers, directors, members and shareholders certify, represent, and warrant that none of the property or interests of Franchisee or Franchisee's officers, directors, members and shareholders is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and Franchisee's officers, directors, members and shareholders are not otherwise in violation of any of the Anti-Terrorism Laws.

20.4.1 For the purposes of this Section 20.4, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

20.4.2 Franchisee and Franchisee's officers, directors, members and shareholders certify that none of Franchisee's employees, or anyone associated with Franchisee or Franchisee's officers, directors, members and shareholders are listed in the Annex to Executive Order 13224. Franchisee agrees not to hire any individual listed in the Annex.

20.4.3 Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's officers, directors, members and shareholders, Franchisee's employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

20.4.4 Franchisee shall be solely responsible for ascertaining what actions must be taken by Franchisee to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities set forth in this Agreement pertain to Franchisee's obligations under this Section 20.4.

20.4.5 Any misrepresentation by Franchisee under this Section 20.4 or any violation of the Anti-Terrorism Laws by Franchisee, Franchisee's officers, directors, members and shareholders, or Franchisee's employees shall constitute grounds for immediate termination of this Agreement and any other Agreement Franchisee has entered with Franchisor or an affiliate of Franchisor, in accordance with the terms of this Agreement.

20.5 **Attorneys' Fees**. If Franchisor becomes a party to any legal proceedings concerning this Agreement, the Main Sushi Bar, the Satellite Locations or the Franchised Location by reason of any act or omission of Franchisee or Franchisee's authorized representatives, Franchisee shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings, as well as all cost of collection to obtain payment of all sums due from Franchisee to Franchisor under this Agreement, including, without limitation, the costs for collection agency services. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

20.6 **Atypical Arrangements**. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations which may differ from the terms, conditions, and obligations in this Agreement. Franchisee further acknowledges and agrees that Franchisor has made no warranty or representation that all Franchise Agreements previously issued or issued after this Franchise Agreement by Franchisor do or will contain terms substantially similar to those contained in this Franchise Agreement. Franchisor may, in Franchisor's

reasonable business judgment and Franchisor's sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Franchise Agreements previously executed or executed after the Effective Date with other ACE Sushi Bar franchisees in a non-uniform manner.

20.7 **Entity Information**. Franchisee represents and warrants that the information set forth in **Attachment E** which is attached hereto and by this reference made a part hereof, is accurate and complete in all material respects. Franchisee shall notify Franchisor in writing within ten (10) days of any change in the information set forth in **Attachment E**, and shall submit to Franchisor a revised **Attachment E**, certified by Franchisee as true, correct and complete and upon acceptance thereof by Franchisor shall be attached to this Agreement as **Attachment E**. Franchisee promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee. Franchisee shall conduct no business other than the business contemplated hereunder. The entity documents of Franchisee shall recite that the issuance and transfer of any interest therein is subject to the restrictions set forth in this Agreement.

20.8 **Additional Documents**. Each of the parties agrees to execute, acknowledge and deliver to the other party and to procure the execution, acknowledgment and delivery to the other party of any additional documents or instruments which either party may reasonably require to fully effectuate and carry out the provisions of this Agreement.

20.9 **Force Majeure**. Neither party will be in default in the performance of its obligations under this Agreement if such performance is prevented or delayed due to Force Majeure. "**Force Majeure**" means any event that is reasonably unforeseeable as of the date of this Agreement and that is beyond the reasonable control, directly or indirectly, of Franchisee, the effects of which could not reasonably be prevented or avoided by Franchisee with the exercise of commercially reasonable efforts and due diligence and which event does not result from Franchisee's fault or negligence or the fault or negligence of its agents, employees or subcontractors and which event causes Franchisee to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement and subject to the satisfaction of the foregoing criteria, shall include: (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); (b) strikes, lockouts or other industrial disturbances; (c) war, terrorist acts, riot, or other civil disturbance; (d) unilateral governmental action impacting restaurants generally; and (e) epidemics, transportation shortages, inadequate supply of labor, material or energy, or Franchisee foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency. In the event of the occurrence of an event constituting Force Majeure, Franchisee shall notify Franchisor in writing within ten (10) days after commencement of the Force Majeure of the specific nature and extent of the Force Majeure, and how it has impacted Franchisee's performance hereunder. The particular time period to which the event of Force Majeure applies shall be extended by an amount of time equal to the time period during which the Force Majeure shall have existed. Franchisee shall continue to provide Franchisor with updates and all information as may be requested by Franchisor, including Franchisee's progress and diligence in responding to and overcoming the Force Majeure.

20.10 **Counterparts and Electronic Copies.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures**.** Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed in the manner required, and are dated and identical in form to the original hard copy version of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

ACE SUSHI FRANCHISE CORPORATION		**FRANCHISEE**	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT A
TO FRANCHISE AGREEMENT

GENERAL RELEASE

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT A

GENERAL RELEASE

_____ ("**Franchisee**") enters into this General Release on _____, 20____, with reference to the following facts:

1. **[DESCRIPTION OF FACTS]**.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Franchisee hereby releases and forever discharges Franchisor, Franchisor's affiliates, parents and subsidiaries, and the directors, officers, shareholders, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown, suspected or unsuspected (collectively "Damages"), which arose on or before the date of this General Release, including any Damages with respect to the **[DESCRIPTION OF FACTS]**.

3. Franchisee acknowledges that Franchisee is aware that Franchisee may hereafter discover claims or facts in addition to or different from those which Franchisee now knows or believes to be true with respect to the released items, and the claims relative thereto, which do now exist, may exist, or heretofore have existed between Franchisor, affiliates, parents and subsidiaries, and the directors, officers, shareholders, employees, attorneys and agents of said corporations, and each of them, on the one hand, and Franchisee, on the other hand, with respect to such released items. In furtherance of such intention, this release shall be and remain in effect as a full and complete release of such released items, notwithstanding the discovery or existence of any such additional or different claims or facts relating thereto.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

If this General Release is subject to the laws of the State of Washington, Franchisor may not require Franchisee to assent to a release or waiver which would relieve any person from liability imposed by the Franchise Investment Protection Act, except as otherwise permitted by RCW 19.100.220.

IN WITNESS WHEREOF, the undersigned has executed this General Release as of the day and year set forth above.

FRANCHISEE:

By: _____
Name: _____
Title: _____

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT B

ADDITIONAL TERMS

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT B

ADDITIONAL TERMS

FRANCHISED LOCATION: _____

STORE/VENUE OWNER: _____

INITIAL TERM: _____

INITIAL FRANCHISEE FEE: **$**_____

ONSITE TRAINING FEE: **$**_____

SATELLITE LOCATION INITIAL FEE: **$**_____

SATELLITE LOCATIONS:_____
_____
_____
_____
_____
_____
_____

COMMISSION PERCENTAGE: ***See attached Commission Schedule.***

Commission Percentage Schedule

UPC number	Proprietary Product description	Chef Price Per Unit	Percentage of Chef Price Paid to Franchisee (Commission %)
		$	
		$	
		$	
		$	
		$	
		$	
		$	
		$	
		$	
		$	
		$	
		$	
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		$	
		$	
		$	
		$	
		$	
		$	
		$	

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT C

GUARANTEE

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT C

GUARANTEE

As an inducement to Ace Sushi Franchise Corporation ("**Franchisor**") to execute the Franchise Agreement with _____ ("**Franchisee**") dated _____, and in consideration of Franchisor's executing the Franchise Agreement, _____ ("**Guarantor**"), jointly and severally agree as follows:

A. Guarantor shall pay or cause to be paid to Franchisor all monies payable by Franchisee under the Franchise Agreement on the days and times in the manner therein appointed for payment thereof.

B. Guarantor shall unconditionally guarantee full performance and discharge by Franchisee of all the obligations of Franchisee under the Franchise Agreement at the times and in the manner therein provided.

C. Guarantor shall indemnify and save harmless Franchisor and Franchisor's affiliates against and from all losses, damages, costs, and expenses which Franchisor and Franchisor's affiliates may sustain, incur, or become liable for by reason of: (1) the failure for any reason whatsoever of Franchisee to pay the monies payable pursuant to the Franchise Agreement or to do and perform any other act, matter or thing pursuant to the provisions of the Franchise Agreement; or (2) any act, action, or proceeding of or by Franchisor for or in connection with the recovery of monies or the obtaining of performance by Franchisee of any other act, matter or thing pursuant to the provisions of the Franchise Agreement.

D. Franchisor shall not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of Guarantor hereunder, and the enforcement of such obligations may take place before, after, or contemporaneously with, enforcement of any debt or obligation of Franchisee under the Franchise Agreement.

E. Without affecting the Guarantor's obligations under this Guarantee, Franchisor, without notice to the Guarantors, may extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. Guarantors waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

F. Guarantor's obligations under this Guarantee shall remain in full force and effect, and shall be unaffected by: (1) the unenforceability of the Franchise Agreement against Franchisee; (2) the termination of any obligations of Franchisee under the Franchise Agreement by operation of law or otherwise; (3) the bankruptcy, insolvency, dissolution, or other liquidation of Franchisee, including, without limitation, any surrender or disclaimer of the Franchise Agreement by the trustee in bankruptcy of Franchisee; (4) Franchisor's consent or acquiescence to any bankruptcy, receivership, insolvency, or any other creditor's proceedings of or against Franchisee, or by the winding-up or dissolution of Franchisee, or any other event or occurrence which would have the effect at law of terminating the existence of Franchisee's obligations prior to the termination of the Franchise Agreement; or (5) by any other agreements or other dealings between Franchisor and Franchisee having the effect of amending or altering the Franchise Agreement or Franchisee's obligations under this Guarantee, or by any want of notice by Franchisor to Franchisee of any default of Franchisee or by any other matter, thing, act, or omission of Franchisor whatsoever.

G. The provisions of Section 18 of the Franchise Agreement shall apply as to any interpretation or enforcement of this Guarantee, and the provisions of Section 17.4 of the Franchise Agreement shall apply to any notice to either party, except that notice to Guarantor shall be as follows:

Notices to Guarantor:

Name, Address and Telephone Number

_____
_____
_____
Telephone Number:_____

IN WITNESS WHEREOF, the undersigned has signed this Guarantee as of the day and year set forth below.

GUARANTOR:

_____ Date: _____
[Signature]

_____
[Guarantor's ID Number and Expiration Date]

_____
[Guarantor's Social Security Number]

_____
[Guarantor's State and Drivers' License Number]

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT D

RENEWAL AGREEMENT

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT D

RENEWAL AGREEMENT

FRANCHISEE: _____

FRANCHISEE'S HOME ADDRESS: _____

DATE OF FRANCHISE AGREEMENT:_____

FRANCHISED LOCATION: _____

STORE OWNER: _____

RENEWAL TERM: _____

RENEWAL FEE: _____

ALL TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT ARE HEREBY RATIFIED, CONFIRMED AND APPROVED EXCEPT FOR THE FOLLOWING:

_____
_____
_____
_____
_____

IF ANY OF THE PROVISIONS OF THIS RENEWAL AGREEMENT ARE CONTRARY TO, IN CONFLICT WITH OR INCONSISTENT WITH ANY PROVISION CONTAINED IN THE FRANCHISE AGREEMENT, THE PROVISIONS CONTAINED IN THIS RENEWAL AGREEMENT SHALL CONTROL. DEFINED TERMS CONTAINED IN THE FRANCHISE AGREEMENT SHALL HAVE THE IDENTICAL MEANINGS IN THIS RENEWAL AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Renewal Agreement on the date first shown above.

ACE SUSHI FRANCHISE CORPORATION		**FRANCHISEE**	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT E

ENTITY INFORMATION

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT E

ENTITY INFORMATION

If Franchisee is an entity, Franchisee represents and warrants that the following information is accurate and complete in all material respects:

(1) Franchisee is a (check as applicable):

[ ] corporation
[ ] limited liability company
[ ] general partnership
[ ] limited partnership
[ ] Other (specify): _____

(2) Franchisee shall provide to Franchisor concurrently with the execution hereof true and accurate copies of its charter documents including Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing ("**Entity Documents**").

(3) Franchisee shall promptly provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

(4) The name and address of each of Franchisee's Owners, members, or general and limited partners:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) There is set forth below the names, and addresses and titles of Franchisee's principal officers or partners who will be devoting their full-time to the Business:

NAME	ADDRESS

(6) The address where Franchisee's Financial Records and Entity Documents are maintained is: _____.

IN WITNESS WHEREOF, the parties have executed this Attachment E on the date first shown above.

ACE SUSHI FRANCHISE CORPORATION		**FRANCHISEE**	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT F

EMPLOYEE CONFIDENTIALITY AGREEMENT

ACE SUSHI FRANCHISE CORPORATION
FRANCHISE AGREEMENT
ATTACHMENT F

EMPLOYEE CONFIDENTIALITY AGREEMENT

THIS EMPLOYEE CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this __ day of _____, 20__ (the "**Effective Date**"), by and between _____ ("**Franchisee**"), on the one hand, and _____ ("**Recipient**"), on the other hand, with reference to the following facts:

A. Asiana Management Group, Inc., a California corporation ("**AMG**"), an affiliate of Ace Sushi Franchise Corporation, a California corporation ("**Franchisor**"), as the result of the expenditure of time, skill, effort, and money, has developed a distinctive system relating to the establishment and operation of sushi bars ("**ACE Sushi Bars**") which offer high quality, raw and cooked sushi, and Chinese and related Asian fusion food products prepared by a sushi chef for sale as carry-out items for off-premises consumption, either at sushi bar departments in grocery stores, supermarkets, university and college campuses, hospitals and other locations (the "**Host Venues**") owned and operated by third-party operators who have entered into agreements with AMG or pre-packaged and sold in display and merchandising cases at Host Venues in the general geographical vicinity of the ACE Sushi Bars without a sushi bar department or sushi chef on site (the "**System**"). The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**ACE SUSHI**" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Proprietary Marks**").

B. The System includes, without limitation, the operations and training manuals and any other written directives related to the System (the "**Confidential Operations Manual**"), the selection, preparation and distribution of unique, high quality, fresh and frozen sushi and related food products which incorporate AMG's trade secrets and proprietary information, distinctive equipment, standards and specifications for products and supplies, service standards, uniform standards, specifications and procedures for operations, procedures for inventory and management control, training and assistance, the relationship between Franchisor and its franchisees, trade dress, defined product offerings, Franchisor specified pricing and promotions, restrictions on ownership, administrative procedures, and marketing and public relations programs (collectively, the "**Confidential Information**"**)**, all of which may be modified by Franchisor from time to time and may be disclosed to Recipient by Franchise.

C. Franchisor has and continues to protect the confidentiality of the Confidential Information by, among other things, (i) not revealing the confidential contents of the Confidential Information to unauthorized parties, (ii) requiring Ace Sushi franchisees to acknowledge and agree in writing that the Confidential Information is confidential, (iii) requiring Ace Sushi franchisees to agree in writing to maintain the confidentiality of the Confidential Information, (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties, and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration and termination of their Franchise Agreements.

D. Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor has granted Franchisee the right to own and operate an Ace Sushi Bar (the "**Main Sushi Bar**") and to use the System, the Proprietary Marks, the Confidential Operations Manual, and the Confidential Information in the operation of the Main Sushi Bar.

E. Franchisee is obligated under its Franchise Agreement with Franchisor to obtain a written agreement from each employee employed by Franchisee and each independent contractor engaged by Franchisee who may have access to the Confidential Information and who may be the recipient of the disclosure of the Confidential Information to maintain the confidentiality of the Confidential Information, to obtain the written agreement of each employee and independent contractor to not use the Confidential Information other than in the course of his or her employment or engagement by Franchisee and to not disclose any of the Confidential Information to any unauthorized parties during the period of time that he or she is providing services for Franchisee and forever after his or her employment or engagement by Franchisee ends.

NOW, THEREFORE, IT IS AGREED:

1. **ACKNOWLEDGMENTS OF RECIPIENT.**

1.1 **No Prior Experience, Information or Knowledge**. Prior to his or her employment or engagement by Franchisee, Recipient had no experience, information or knowledge whatsoever about sushi bars that offer raw and cooked sushi and/or Chinese and related Asian food products. Recipient's knowledge of the Confidential Information was obtained only from Franchisee following the Effective Date and only in the course of Recipient's employment or engagement by Franchisee.

1.2 **Confidential Information**. The Confidential Information includes all of the items included elsewhere in this Agreement and, in addition, without limitation, all tangible and intangible information relating to Franchisor's business operations, products and services, routines, methods, techniques, manuals, materials, related written content, disclaimers, handout items, equipment, teaching aids, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, know-how, business relationships, customer lists, customer contact information and other data about the customer serviced by Franchisee as customers of Franchisee, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators and customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, the relationship between Franchisor and other companies, persons or entities, the Confidential Operations Manual, the Proprietary Marks and any other information or material considered proprietary by Franchisor, whether or not designated as Confidential Information by Franchisor. Confidential Information also includes the manner in which any of the above-described items may be combined with other information or products or synthesized or used by Franchisor, Franchisee or Recipient. Confidential Information does not include any information that: (i) was in the lawful and unrestricted possession of Recipient prior to its disclosure to Recipient by Franchisee, (ii) is or becomes generally available to the public by acts other than those of Recipient after receiving it, (iii) has been received lawfully and in good faith by Recipient from a third party who did not derive it from Franchisee or Franchisor, or (iv) is shown by acceptable evidence to have been independently developed by Recipient.

1.3 **Independent Value**. The Confidential Information (i) is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee, (ii) derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or Franchisee, and (iii) is the subject of extensive efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information.

1.4 **Valuable and Proprietary**. The Confidential Information has been developed by Franchisor, its founder and their affiliates by the investment of time, skill, effort and money and is widely recognized by the public, of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor, its founder and their affiliates.

2. **COVENANTS OF RECIPIENT.**

Recipient agrees that so long as Recipient is employed or engaged by Franchisee and forever after his or her employment or engagement by Franchisee ends:

2.1 **Maintain Confidentiality**. Recipient will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than Franchisee or another person employed or engaged by Franchisee while an employee or independent contractor of Franchisee and will then do so only to the degree necessary to carry out Recipient's duties as an employee or independent contractor of Franchisee.

2.2 **No Reproduction or Use**. Recipient will not directly or indirectly reproduce or copy any Confidential Information and will make no use of any Confidential Information for any purpose whatsoever except as may be required while Recipient is employed or engaged by Franchisee and will then do so only in accordance with the provisions of this Agreement and only to the degree necessary to carry out Recipient's duties as an employee or independent contractor of Franchisee.

2.3 **Restrictions**. Recipient specifically acknowledges and agrees Recipient may receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy. Recipient therefore covenants that while employed or engaged by Franchisee, Recipient shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, or legal entity (i) divert or attempt to divert any present or prospective Ace Sushi customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System, (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any business that offers sushi products and/or Chinese and related Asian fusion food products for sale to the public and any business which looks like, copies, imitates, or operates a business similar to an Ace Sushi Bar.

2.4 **Third Party Beneficiary**. Franchisor is, and shall be and remain, a third party beneficiary of this Agreement and will have the independent right to enforce the terms of this Agreement.

3. **GENERAL TERMS.**

3.1 **Injunction**. Recipient recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the System and agrees that Recipient's noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information by Recipient will cause irreparable damage to Franchisor and its franchisees. Recipient therefore agrees that if Recipient should engage in any unauthorized or improper use or disclosure of the Confidential Information, Franchisor and Franchisee, independently, will be entitled to both permanent and temporary injunctive relief from any court of

competent jurisdiction without notice or the posting of any bond, to prevent any unauthorized or improper use or disclosure of the Confidential Information in addition to any other remedies prescribed by law. Due to the irreparable damage that would result to Franchisor and Franchisee from any violation of this Agreement, Recipient acknowledges and agrees that any claim Recipient believes he or she may have against Franchisor or Franchisee will be deemed to be a matter separate and apart from Recipient's obligations under this Agreement and will not entitle Recipient to violate or justify any violation of the provisions of this Agreement.

3.2 **Heirs and Successors; Entire Agreement**. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Recipient that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.3 **No Right to Use Proprietary Marks or System**. This Agreement is not a license of any sort, and does not grant Recipient any right to use or to license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.4 **Waiver and Validity.** Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default in any one instance, shall not constitute a continuing waiver or a waiver in any other instance. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.5 **Headings and Gender.** The headings in this Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.6 **Attorneys' Fees**. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Recipient, Recipient shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If any party to this Agreement commences any legal proceeding against another party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs of suit.

3.7 **Cumulative Remedies.** Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.8 **Notices**. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties under this Agreement shall be deemed delivered at the time delivered by hand, one (1) business day after transmission by fax or email (with a confirmation copy sent by regular United States mail), or three (3) days after placement in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Any notice or demand to Franchisee shall be given to:

_____
_____
_____
Fax: _____

With a copy to:

Ace Sushi Franchise Corporation
22771 S Western Avenue
Torrance, California 90501
Attention: President

Any notice or demand to Recipient shall be given to:

_____
_____
_____
Fax: _____

Any party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.9 **Governing Law and Venue**. This Agreement takes effect upon its acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Main Sushi Bar is located outside of California and such provision would be enforceable under the laws of the state in which the Main Sushi Bar is located, then such provision shall be interpreted and construed under the laws of that state. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of California in the county in which Franchisor has its principal place of business at the time the action is initiated, or as otherwise selected by Franchisor in its sole and absolute discretion, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

3.10 **Counterparts and Electronic Copies**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures**.** Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

FRANCHISEE:	**RECIPIENT:**
_____,	
A _____	
By: _____	_____
Name: _____	
Title: _____	

Exhibit C1
Hot Food Addendum

EXHIBIT C-1
TO THE ACE SUSHI FRANCHISE CORPORATION
DISCLOSURE DOCUMENT

HOT FOOD PROGRAM ADDENDUM TO FRANCHISE AGREEMENT

THIS HOT FOOD PROGRAM ADDENDUM TO FRANCHISE AGREEMENT (this "**Addendum**") is entered into as of this ___ day of _____, 20__ (the "**Effective Date**"), by and between **ACE SUSHI FRANCHISE CORPORATION**, a California corporation ("**We**," "**Us**," or "**Our"**), and _____ ("**You**" or "**Franchisee**"), with reference to the following facts:

A. On _____, ____, 20_, the parties hereto entered into a Franchise Agreement (the "**Franchise Agreement**"), pursuant to which You agreed to operate an ACE Sushi Bar at a Store in accordance with the terms of the Franchise Agreement. Capitalized terms not defined in this Addendum have the meanings given such terms in the Franchise Agreement.

B. In addition to Your offering of the Proprietary Products contemplated in the Franchise Agreement from Your Main Sushi Bar and, if applicable, Satellite Store(s), the parties have agreed that You will offer Hot Food Products (as defined below) under the terms and conditions of the Franchise Agreement, as modified herein.

C. The parties therefore desire to enter into this Addendum to memorialize such agreement.

NOW, THEREFORE, IT IS AGREED:

1. **INCORPORATION OF RECITALS**.

The recitals set forth in Paragraphs A through C above are true and correct and are incorporated by reference into the body of this Addendum.

2. **DEFINITIONS.**

2.1 **Hot Food Products.** "Hot Food Products" means those certain hot food product offerings that may include, without limitation, ramen (noodle) soup, rice bowls, noodle bowls and varieties of Asian hot plates which incorporate Our or Our affiliates' trade secrets and proprietary information as We designate and approve for sale at Your Main Sushi Bar and, if applicable, Satellite Store(s).

2.2 **Proprietary Products**. All references to the defined term "Proprietary Products" in the Franchise Agreement and this Addendum shall be deemed to include, without limitation, Hot Food Products.

2.3 **Gross Hot Food Sales.** "Gross Hot Food Sales" means the gross sales of Hot Food Products from your Main Sushi Bar and any Satellite Stores during the applicable time period. Except when expressly provided otherwise, the term "Gross Sushi Sales" as used in the Franchise Agreement and this Addendum shall encompass and include Gross Hot Food Sales.

2.4 **Hot Food Commissions**. "Hot Food Commissions" mean those percentage commission payments We hereby agree to pay You on account of Gross Hot Food Sales, as provided in Section 3.1 below.

2.5 **Hot Food Commissions as "Commissions."** The references to "Commissions" in Sections 2.2.3, 5.6, 10.6 and 14.8 of the Franchise Agreement are hereby deemed to include and incorporate Hot Food Commissions.

3. **HOT FOOD COMMISSIONS**.

3.1 **Hot Food Commissions**. We and/or Our affiliates will pay You a percentage of the Gross Hot Food Sales at Your Main Sushi Bar and, if applicable, Satellite Store(s) as Hot Food Commissions as set forth on Schedule 1 hereto. Such Hot Food Commission payments shall be calculated and paid in the same manner described in Section 4.2 of the Franchise Agreement for Commissions. The generality of the foregoing notwithstanding, You acknowledge the Hot Food Commissions percentage may differ from the Commissions percentage set forth in Attachment B to the Franchise Agreement. Therefore, Hot Food Commissions shall be calculated based on Gross Hot Food Sales and all other Commissions shall be calculated based on Gross Sushi Sales for all other Proprietary Products, excluding Hot Food Products. Hot Food Commissions are nevertheless subject to the deductions for Expenses set forth in Section 4.2.1 of the Franchise Agreement.

3.2 **Ace's Compensation**. We and/or Our affiliates will retain a percentage of the Hot Food Sales as Ace's compensation as set forth on Schedule 1 hereto.

4. **ENTIRE AGREEMENT, CONFLICTS & AMENDMENTS**.

The Franchise Agreement, this Addendum and Schedule 1 represent the entire understanding between the parties regarding the subject matter of this Addendum and supersede all other negotiations, agreements and representations regarding the subject matter of this Addendum. No other agreements, representations, promises, commitments or the like exist between the parties regarding the subject matter of this Addendum. Except as modified by this Addendum, all terms and obligations of this Franchise Agreement are hereby ratified, affirmed and approved. In the event of any conflict or inconsistency between this Addendum and the Franchise Agreement, the terms and conditions contained in this Addendum shall control and prevail. For purposes of clarity, this Addendum and all of Our and Our affiliates' obligations hereunder shall automatically terminate if and when the Franchise Agreement terminates or expires for any reason. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations We made in the Franchise Disclosure Document that We furnished to You.

No provision of this Addendum may be waived, modified or amended except by written agreement signed by all parties hereto.

5. **COUNTERPARTS AND ELECTRONIC COPIES.**

This Addendum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures**.** Electronic copies of this Addendum shall constitute and be deemed an original copy of this Addendum for all purposes, provided that such electronic copies are fully executed in the manner required, and are dated and identical in form to the original hard copy version of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum on the Effective Date.

ACE SUSHI FRANCHISE CORPORATION	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

SCHEDULE 1
TO HOT FOOD ADDENDUM

FRANCHISED LOCATION: _____

STORE OWNER: _____

HOT FOOD COMMISSION PERCENTAGE: _____**% of Gross Hot Food Sales**

PERCENTAGE COMPENSATION TO ACE:: _____**% of Gross Hot Food Sales**

Exhibit D
State-Specific Addenda

EXHIBIT D
TO THE ACE SUSHI FRANCHISE CORPORATION
DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

Each provision of these Addenda shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of a state are met independently, without reference to these Addenda.

CALIFORNIA
ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection & Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at www.dfpi.ca.gov.

1. The following language is added to the "Special Risks to Consider About *This* Franchise" page:

Ace Sushi Bars will be located in grocery stores, supermarkets and other locations ("Stores") owned and operated by third-party operators who have entered into agreements with AMG to provide the sushi products for sale at the stores. You will have no control over the stores' operating hours, operations, customer traffic, advertising or other aspects of the stores' operations; however, these factors will impact the franchised business.

The owners of the stores may terminate their agreement with AMG at any time, and generally on only 30 – 60 days' notice. Termination of that agreement may result in the expiration of the term of your franchise agreement.

The possible success of your Ace Sushi Bar may be dependent upon the location or area you choose as well as other factors. These factors, along with your own business ability in operating your ace sushi bar(s) and your financial and other recourses are components that most likely to determine your potential success.

There may be other risks concerning this franchise.

2. The following language is added to the end of Item 3 of the Disclosure Document:

Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following language is added to the end of Item 5 of the Disclosure Document:

"Payment of all initial fees payable under the Franchise Agreement, Initial Training Agreement and/or Area Development Agreement is deferred until Ace Sushi Franchise Corporation has satisfied its pre-opening obligations to you under the Franchise Agreement, Initial Training Agreement and/or Area Development Agreement and your Ace Sushi business opens to the public."

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

4. California Business and Professions Code Sections 20034 through 20043 provides rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

5. 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.).

6. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law but we will enforce it to the extent enforceable.

7. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

8. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20050.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

9. The following language is added to the end of Item 19 of the Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Ace Sushi (franchised business). Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION FRANCHISE AGREEMENT
(State of California)

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Franchise Agreement dated as of _____, 20____, (the "Franchise Agreement").

2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Section 5.1 thereof, Franchisee shall pay the Initial Franchise Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

"**Company**"
Ace Sushi Franchise Corporation

_____ _____
Date of Execution Name:_____
Its:_____

"**Franchisee**"

_____ _____,
Date of Execution [ ] an individual;
[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

_____
Name:_____
Its: _____, and individually

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION AREA DEVELOPMENT AGREEMENT
(State of California)

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Area Development Agreement dated as of _____, 20____, (the "Area Development Agreement").

2. The parties wish to modify the Area Development Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Area Development Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Area Development Agreement, and in particular Section 2 thereof, Franchisee shall pay the Development Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

Except as set forth herein, the Area Development Agreement shall be valid and enforceable between the parties in accordance with its terms.

"**Company**"
Ace Sushi Franchise Corporation

_____ _____
Date of Execution Name:_____
Its:_____

"**Franchisee**"

_____ _____,
Date of Execution [ ] an individual;
[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

_____
Name:_____
Its: _____, and individually

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION INITIAL TRAINING AGREEMENT
(State of California)

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Initial Training Agreement dated as of _____, 20____, (the "Initial Training Agreement").

2. The parties wish to modify the Initial Training Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Initial Training Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Initial Training Agreement, and in particular Section 2 thereof, Franchisee shall pay the Initial Training Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

Except as set forth herein, the Initial Training Agreement shall be valid and enforceable between the parties in accordance with its terms.

"**Company**"
Ace Sushi Franchise Corporation

_____ _____
Date of Execution Name:_____
Its:_____

"**Franchisee**"

_____ _____,
Date of Execution [ ] an individual;
[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

_____
Name:_____
Its: _____, and individually

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION DISCLOSURE DOCUMENT FOR THE STATE OF HAWAII

1. The following paragraphs shall be added to the state cover page:

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The name and address of the Franchisor's agent in this state authorized to receive service of process is the Hawaii Commissioner of Securities, 335 Merchant Street, Honolulu, Hawaii 96813.

2. Each provision of this Addendum to the Disclosure document is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E-1, et seq., are met independently without reference to this Addendum to the Disclosure document, and only to the extent such provision is a then valid requirement of the statute.

ILLINOIS
ADDENDUM TO DISCLOSURE DOCUMENT

Illinois law governs the Franchise Agreement.

Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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, arbitration may take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

ILLINOIS
ADDENDUM TO INITIAL TRAINING AGREEMENT

The undersigned hereby acknowledge and agree that, notwithstanding anything to the contrary set forth in the Initial Training Agreement:

Illinois law governs the Initial Training Agreement.

Payment of the Initial Training Fee will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Initial Training Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, arbitration may take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____
_____, 20 __

Its: _____

FRANCHISEE:

_____

_____, 20__

_____

ILLINOIS
ADDENDUM TO FRANCHISE AGREEMENT

The undersigned hereby acknowledge and agree that, notwithstanding anything to the contrary set forth in the Franchise Agreement:

Illinois law governs the Franchise Agreement.

Payment of the Initial Franchise Fee will be will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

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, arbitration may take place outside of Illinois.

Franchisee's rights upon Termination and Non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____
_____, 20__

Its: _____

FRANCHISEE:

By: _____
_____, 20__

Its: _____

ILLINOIS
ADDENDUM TO AREA DEVELOPMENT AGREEMENT

The undersigned hereby acknowledge and agree that, notwithstanding anything to the contrary set forth in the Area Development Agreement:

Illinois law governs the Area Development Agreement.

Payment of the Development Fee will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Area Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, arbitration may take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20__

Its: _____

FRANCHISEE:

By: _____ _____, 20__

Its: _____

INDIANA

ADDENDUM TO DISCLOSURE DOCUMENT

1. The risk factors listed on the cover page of the Disclosure Document are void under Indiana law.

2. It is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

a. Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This paragraph does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

b. Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee in the exclusive territory granted the franchisee by the franchise agreement; or if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee in a reasonable area.

c. Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

d. Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

e. Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by Indiana law or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This paragraph does not apply to arbitration before an independent arbitrator.

f. Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this paragraph.

g. Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this paragraph includes any material violation of the franchise agreement.

h. Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This paragraph shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

i. Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

j. Limiting litigation brought for breach of the agreement in any manner whatsoever. A choice of forum or law other than that of Indiana is prohibited.

k. Requiring the franchisee to participate in any:

(i) Advertising campaign or contest;

(ii) Promotional campaigns;

(iii) Promotional materials; or

(iv) Display decorations or materials;

at any expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

l. Requiring a franchisee to enter into an agreement providing the franchisor with any indemnification for liability caused by the franchisee's proper reliance on or use of procedures or materials provided by the franchisor or by the franchisor's negligence.

m. Requiring a franchisee to enter into an agreement reserving the right to injunctive relief and any specific damages to the franchisor, limiting the remedies available to either party without benefit of appropriate process or recognizing the adequacy or inadequacy of any remedy under the agreement.

3. It is unlawful for any franchisor who has entered into any franchise agreement with a franchisee who is either a resident of Indiana or a nonresident operating a franchise in Indiana to engage in any of the following acts and practices in relation to the agreement:

a. Coercing the franchisee to:

(i) Order or accept delivery of any goods, supplies, inventories, or services which are neither necessary to the operation of the franchise, required by the franchise agreement, required by law, nor voluntarily ordered by the franchisee.

(ii) Order or accept delivery of any goods offered for sale by the franchisee which includes modifications or accessories which are not included in the base price of those goods as publicly advertised by the franchisor.

(iii) Participate in an advertising campaign or contest, any promotional campaign, promotional materials, display decorations, or materials at an expense to the franchisee over and above the maximum percentage of gross monthly sales or the maximum absolute sum required to be spent by the franchisee provided for in the franchise agreement, in the absence of such provision for required advertising expenditures in the franchise agreement, no such participation may be required; or

(iv) Enter into any agreement with the franchisor or any designee of the franchisor, or do any other act prejudicial to the franchisee, by threatening to cancel or fail to renew any agreement between the franchisee and the franchisor. Notice in good faith to any franchisee of the franchisee's violation of the terms or provisions of a franchise or agreement does not constitute a violation of this paragraph.

b. Refusing or failing to deliver in reasonable quantities and within a reasonable time after receipt of an order from a franchisee for any good, supplies, inventories, or services which the franchisor has agreed to supply to the franchisee, unless the failure is caused by acts or caused beyond the control of the franchisor.

c. Denying the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs, or estate maintains all standards and obligations of the franchise.

d. Establishing a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement, or if no exclusive territory is designated, competing unfairly with the franchisee within a reasonable area. However, a franchisor shall not be considered to be competing when operating a business either temporarily for a reasonable period of time, or in a bona fide retail operation which is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made a significant investment subject to loss in the business operation and can reasonably expect to acquire full ownership of such business on reasonable terms and conditions.

e. Discriminating unfairly among its franchisees or unreasonably failing or refusing to comply with any terms of a franchise agreement.

f. Obtaining money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

g. Increasing prices of goods provided by the franchisor which the franchisee had ordered for retail consumers prior to the franchisee's receipt of a written official price increase notification. Price increases caused by conformity to a state or federal law, the revaluation of the United States dollar in the case of foreign-made goods or pursuant to the franchise agreement are not subject to this paragraph.

h. Using deceptive advertising or engaging in deceptive acts in connection with the franchise or the franchisor's business.

4. The franchisee does not waive any right under Indiana statutes with regard to prior representations made in the Indiana Disclosure Document.

5. Each provision of the franchise documents which is unlawful pursuant to Indiana's franchise laws is amended to conform with said law.

6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Indiana law are met independently without reference to this Addendum to Disclosure Document.

MARYLAND
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. The following language is added to the end of Item 5 of the Disclosure Document:

"All fees paid to the franchisor by the franchisee shall be *deferred* pending satisfaction of the franchisor's pre-opening obligations to the franchisee."

Notwithstanding anything to the contrary in Item 11, an accounting (a statement of income and expenditures for the prior fiscal year) of the Marketing Fund will be provided to you if you request such accounting in writing not later than 120 days after the end of our fiscal year.

2. The "**Summary**" section of Item 17(c) entitled **Requirements for you to renew or extend** and the "**Summary**" section of Item 17(l) entitled **Our approval of transfer** are amended by adding the following:

Any general release you sign shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

3. The "**Summary**" section of Item 17(v) entitled **Choice of Forum** is amended by adding the following:

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

4. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions of the Franchise Agreement, Initial Training Agreement, Satellite Store Addendum, Conversion Agreement or Franchise Compliance Certificate which require a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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. 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.

5. The "Summary" section of Item 17(w) entitled Choice of Law is amended by adding the following: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

MARYLAND
ADDENDUM TO AGREEMENTS

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (as amended), the Initial Training Agreement and Franchise Agreement are amended as follows:

1. Any provision requiring Franchisee to sign a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any provision requiring Franchisee to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions which require a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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.

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

5. The Marketing Fund is not audited. An accounting (a statement of income and expenditures for the prior fiscal year) of the Marketing Fund will be provided to Franchisee if Franchisee requests such accounting in writing not later than 120 days after the end of Franchisor's fiscal year.

Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Section 5.1 thereof, all fees paid to the franchisor by the franchisee shall be deferred pending satisfaction of the franchisor's pre-opening obligations to the franchisee.

Notwithstanding anything to the contrary set forth in the Initial Training Agreement, and in particular Section 2 thereof, all fees paid to the franchisor by the franchisee shall be *deferred* pending satisfaction of the franchisor's pre-opening obligations to the franchisee.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:
ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____
Its: _____
Dated: _____, 20__

FRANCHISEE:
_____

By: _____
Its: _____
Dated: _____, 20__

MARYLAND
ADDENDUM TO AREA DEVELOPMENT AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (as amended), the Area Development Agreement is amended as follows:

1. Any provision requiring Developer to sign a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any provision requiring Developer to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. Developer may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective Developer to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions which require a prospective Developer to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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.

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

5. Notwithstanding anything to the contrary set forth in the Area Development Agreement, and in particular Section 2 thereof, all fees paid to the franchisor by the franchisee shall be *deferred* pending satisfaction of the franchisor's pre-opening obligations to the franchisee..

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20__

Its: _____

DEVELOPER:

_____ _____, 20___

_____

MINNESOTA
ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

The following language is added to the "Special Risks to Consider About *This* Franchise" page:

Ace Sushi Bars will be located in grocery stores, supermarkets and other locations ("Stores") owned and operated by third-party operators who have entered into agreements with AMG to provide the sushi products for sale at the stores. You will have no control over the stores' operating hours, operations, customer traffic, advertising or other aspects of the stores' operations; however, these factors will impact the franchised business.

The owners of the stores may terminate their agreement with AMG at any time, and generally on only 30 – 60 days' notice. Termination of that agreement may result in the expiration of the term of your franchise agreement.

The possible success of your Ace Sushi Bar may be dependent upon the location or area you choose as well as other factors. These factors, along with your own business ability in operating your ace sushi bar(s) and your financial and other recourses are components that most likely to determine your potential success.

There may be other risks concerning this franchise.

1. Item 13 **Trademarks** is amended by adding the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.12, Subd. 1(g) which requires us to protect your right to use the trademarks, service marks and trade names and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of same.

2. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

A. **Renewal and Termination**

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

B. **Choice of Forum**

Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial, or requiring

the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

C. **Releases**

Minn. Rule 2860.4400D prohibits us from requiring a franchisee to assent to a general release. A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

D. **Injunctive Relief**

Minn. Rule 2860.4400J prohibits us from requiring a franchisee to consent to a franchisor obtaining injunctive relief. We may seek injunctive relief. In addition, a court will determine if a bond is required.

E. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.

MINNESOTA
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT ("**Addendum**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated _____, by and between Ace Sushi Franchise Corporation a California corporation, as Franchisor, and _____, as Franchisee. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Notwithstanding anything to the contrary set forth in the Franchise Agreement, any general release the Franchisee is required to assent to shall not apply to any liability Franchisor may have under the Minnesota Franchise Act.

4. Minn. Rule 2860.4400J prohibits us from requiring a franchisee to consent to a franchisor obtaining injunctive relief. We may seek injunctive relief. In addition, a court will determine if a bond is required.

5. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Addendum.

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20__

Its: _____

FRANCHISEE:

_____ _____, 20___

_____

NEW YORK
ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure document is amended as follows:

1. All references made herein to a Disclosure Document shall be amended to Offering Prospectus.

2. The following paragraphs are added to the Disclosure Document Cover Page:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY ST., 21ST FLOOR, NEW YORK, NEW YORK, 10005, 212-416-8285.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

WE REPRESENT THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

The following language is added to the "Special Risks to Consider About *This* Franchise" page:

Ace Sushi Bars will be located in grocery stores, supermarkets and other locations ("Stores") owned and operated by third-party operators who have entered into agreements with AMG to provide the sushi products for sale at the stores. You will have no control over the stores' operating hours, operations, customer traffic, advertising or other aspects of the stores' operations; however, these factors will impact the franchised business.

The owners of the stores may terminate their agreement with AMG at any time, and generally on only 30 – 60 days' notice. Termination of that agreement may result in the expiration of the term of your franchise agreement.

There may be other risks concerning this franchise.

3. Item 3 **Litigation** is amended by the addition of the following language:

Neither we, our predecessors, any person identified in Item 2, nor an affiliate offering franchises under our principal trademark has an administrative, criminal or civil action pending against it, him, or her alleging a felony; a violation of franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, neither we, our predecessors any person identified in Item 2, or an affiliate offering franchises under our

principal trademark has any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

Neither we, our predecessors, any person identified in Item 2, nor an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices or comparable allegations.

Neither we, our predecessors, any person identified in Item 2, nor an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under 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.

4. The following paragraph is added to Item 4 **Bankruptcy**:

Except as disclosed above, neither we nor any of our affiliates, predecessors, officers, or general partners have, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the 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 the officer or general partner of ours held this position in such company or partnership.

5. Our choice of law provisions should not be considered a waiver of any right conferred upon either us or upon you by the Franchise Sales Act of New York (New York General Business Law, Article 33).

6. All rights you enjoy and any causes of action arising in your favor from the provisions of the New York General Business Law, Article 33 and the regulations issued under the Law shall remain in force. This means that any language in a franchise agreement that says that you waive or surrender your rights under the Act is without effect in New York. Any provision purporting to require you to agree to a waiver or estoppel which would relieve a person of his/her legal obligations to you under the Act is unlawful in New York.

7. Under New York law, you have the right to terminate the Franchise Agreement if we have committed a substantial breach of the Agreement.

8. In New York, any provision in a Franchise Agreement that grants a franchisor the right to assign the Agreement without the prior approval of a franchisee shall be modified to permit an assignment to an assignee who, in the good faith judgment of the franchisor is willing and able to assume the franchisor's obligations under the Agreement.

Franchisor's registered agent in this state authorized to receive service of process:

Secretary of State
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA
ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the "Special Risks to Consider About *This* Franchise" page:

Ace Sushi Bars will be located in grocery stores, supermarkets and other locations ("Stores") owned and operated by third-party operators who have entered into agreements with AMG to provide the sushi products for sale at the stores. You will have no control over the stores' operating hours, operations, customer traffic, advertising or other aspects of the stores' operations; however, these factors will impact the franchised business.

The owners of the stores may terminate their agreement with AMG at any time, and generally on only 30 – 60 days' notice. Termination of that agreement may result in the expiration of the term of your franchise agreement.

The possible success of your Ace Sushi Bar may be dependent upon the location or area you choose as well as other factors. These factors, along with your own business ability in operating your ace sushi bar(s) and your financial and other recourses are components that most likely to determine your potential success.

There may be other risks concerning this franchise.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs:

The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

a. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

b. Situs of Arbitration Proceedings: Franchise Agreements providing that the parties must agree to the arbitration of the disputes at a location that is remote from the site of the franchisee's business.

c. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

d. Liquidated Damages and Termination Penalties: Requiring North Dakota Franchisees to consent to liquidated damages or termination penalties.

e. Applicable Laws: Franchise Agreements which specify that they are to be governed by the laws of a state other than North Dakota.

f. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

g. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

h. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the Franchise Agreement.

i. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

2. Item 17(r) in the table is modified by adding the following to the summary description opposite the subsection entitled "Non-competition covenants after the franchise is terminated or expires":

"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

NORTH DAKOTA
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM is entered into as of _____, 20____ between ACE SUSHI FRANCHISE CORPORATION, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an ACE SUSHI FRANCHISE CORPORATION Franchise Agreement dated as of _____, 20____, (the "Franchise Agreement").

2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Attachment A thereof, any general release the Franchisee is required to assent to shall not apply to any liability Company may have under the North Dakota Franchise Investment Law.

2. The following caveat is added to Article 13:

The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

Liquidated Damages and Termination Penalties: Requiring North Dakota Franchisees to consent to liquidated damages or termination penalties

3. The following caveat is added to the end of Article 14:

"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

4. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Article 19 thereof, the Franchise Agreement and the legal relations among the parties to the Franchise Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

5. The following caveat is added to Articles 13, 14 and 19 of the Franchise Agreement:

"The Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

Applicable Laws: Franchise Agreements which specify that they are to be governed by the laws of a state other than North Dakota.

Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies."

6. Articles 19 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

"This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota."

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20____
Its: _____

FRANCHISEE:

_____ _____, 20____

_____

RHODE ISLAND
ADDENDUM TO DISCLOSURE DOCUMENT

1. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT "**HOME STATE**" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDA THAT ARE ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS.

The following language is added to the "Special Risks to Consider About *This* Franchise" page:

Ace Sushi Bars will be located in grocery stores, supermarkets and other locations ("Stores") owned and operated by third-party operators who have entered into agreements with AMG to provide the sushi products for sale at the stores. You will have no control over the stores' operating hours, operations, customer traffic, advertising or other aspects of the stores' operations; however, these factors will impact the franchised business.

The owners of the stores may terminate their agreement with AMG at any time, and generally on only 30 – 60 days' notice. Termination of that agreement may result in the expiration of the term of your franchise agreement.

The possible success of your Ace Sushi Bar may be dependent upon the location or area you choose as well as other factors. These factors, along with your own business ability in operating your ace sushi bar(s) and your financial and other recourses are components that most likely to determine your potential success.

There may be other risks concerning this franchise.

RHODE ISLAND
ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act (Section 19-28.1-14), the parties to the attached Franchise Agreement agree as follows:

1. Section 19.1 "**APPLICABLE LAW**" (regarding applicable law) and Section 19.2 (regarding choice of forum) is amended by adding the following:

> §19-24.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20____
Its: _____

FRANCHISEE:

_____ _____, 20____

_____

SOUTH DAKOTA
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following information applies to franchises and franchisees subject to South Dakota statutes and regulations. Item numbers correspond to those in the main body of the disclosure document:

The following language is added to the "Special Risks to Consider About *This* Franchise" page:

Ace Sushi Bars will be located in grocery stores, supermarkets and other locations ("Stores") owned and operated by third-party operators who have entered into agreements with AMG to provide the sushi products for sale at the stores. You will have no control over the stores' operating hours, operations, customer traffic, advertising or other aspects of the stores' operations; however, these factors will impact the franchised business.

The owners of the stores may terminate their agreement with AMG at any time, and generally on only 30 – 60 days' notice. Termination of that agreement may result in the expiration of the term of your franchise agreement.

The possible success of your Ace Sushi Bar may be dependent upon the location or area you choose as well as other factors. These factors, along with your own business ability in operating your ace sushi bar(s) and your financial and other recourses are components that most likely to determine your potential success.

There may be other risks concerning this franchise.

Item 5, "Initial Fees" shall be amended by the addition of the following language:

"Payment of all initial fees payable under the Franchise Agreement, Initial Training Agreement and/or Area Development Agreement is deferred until Ace Sushi Franchise Corporation has satisfied its pre-opening obligations to you under the Franchise Agreement, Initial Training Agreement and/or Area Development Agreement and your Ace Sushi business opens to the public."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20___

Its: _____

DEVELOPER:

_____ _____, 20___

_____

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION FRANCHISE AGREEMENT
(State of South Dakota)

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Franchise Agreement dated as of _____, 20____, (the "Franchise Agreement").

2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Section 5.1 thereof, Franchisee shall pay the Initial Franchise Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

"**Company**"
Ace Sushi Franchise Corporation

_____ _____
Date of Execution Name:_____
Its:_____

"**Franchisee**"

_____ _____,
Date of Execution [ ] an individual;
[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

_____
Name:_____
Its: _____, and individually

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION AREA DEVELOPMENT AGREEMENT
(State of South Dakota)

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Area Development Agreement dated as of _____, 20____, (the "Area Development Agreement").

2. The parties wish to modify the Area Development Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Area Development Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Area Development Agreement, and in particular Section 2 thereof, Franchisee shall pay the Development Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

Except as set forth herein, the Area Development Agreement shall be valid and enforceable between the parties in accordance with its terms.

"**Company**"
Ace Sushi Franchise Corporation

_____ _____
Date of Execution Name:_____
Its:_____

"**Franchisee**"

_____ _____,
Date of Execution [ ] an individual;
[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

_____
Name:_____
Its: _____, and individually

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION INITIAL TRAINING AGREEMENT
(State of South Dakota)

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Initial Training Agreement dated as of _____, 20____, (the "Initial Training Agreement").

2. The parties wish to modify the Initial Training Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Initial Training Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Initial Training Agreement, and in particular Section 2 thereof, Franchisee shall pay the Initial Training Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

Except as set forth herein, the Initial Training Agreement shall be valid and enforceable between the parties in accordance with its terms.

"**Company**"
Ace Sushi Franchise Corporation

_____ _____
Date of Execution Name:_____
Its:_____

"**Franchisee**"

_____ _____,
Date of Execution [ ] an individual;
[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

_____
Name:_____
Its: _____, and individually

VIRGINIA
ADDENDUM TO DISCLOSURE DOCUMENT

The disclosure document is amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or other agreements does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

The following language is added to the "Special Risks to Consider About *This* Franchise" page:

Ace Sushi Bars will be located in grocery stores, supermarkets and other locations ("Stores") owned and operated by third-party operators who have entered into agreements with AMG to provide the sushi products for sale at the stores. You will have no control over the stores' operating hours, operations, customer traffic, advertising or other aspects of the stores' operations; however, these factors will impact the franchised business.

The owners of the stores may terminate their agreement with AMG at any time, and generally on only 30 – 60 days' notice. Termination of that agreement may result in the expiration of the term of your franchise agreement.

The possible success of your Ace Sushi Bar may be dependent upon the location or area you choose as well as other factors. These factors, along with your own business ability in operating your ace sushi bar(s) and your financial and other recourses are components that most likely to determine your potential success.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $18,275 to $217,125. This amount exceeds the franchisor's stockholder's equity as of December 31, 2020, which is $0.

There may be other risks concerning this franchise.

VIRGINIA
ADDENDUM TO FRANCHISE AGREEMENT

The undersigned hereby acknowledge and agree that:

1. All references in the Franchise Agreement which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Addendum.

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20____
Its: _____

FRANCHISEE:

_____ _____, 20____

_____

WASHINGTON
ADDENDUM TO DISCLOSURE DOCUMENT

The following language is added to the end of Item 5 of the Disclosure Document:

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

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

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

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

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WASHINGTON
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Franchise Agreement dated as of _____, 20____, (the "Franchise Agreement").

2. The parties wish to modify the Franchise Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Franchise Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Franchise Agreement, and in particular Section 5.1 thereof, Franchisee shall pay the Initial Franchise Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

2. Section 13.4 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following:

13.4 Payment of Franchisor's Costs. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor prior or subsequent to a termination of this Agreement including, without limitation, all actual damages Franchisor or Franchisor's affiliates incur as a result of Franchisee's failure to comply with the terms of this Agreement and all costs and expenses Franchisor or Franchisor's affiliates incur to ensure continuation of business operations at the Main Sushi Bar, including, without limitation, the costs of all transportation, lodging, meals, training materials and wages for Franchisor's personnel and to obtain injunctive or other relief for the enforcement of any provisions of this Section 13. Franchisor and Franchisor's affiliates shall have the right to deduct and offset such amounts from any funds due to Franchisee under this Agreement. Franchisor and Franchisor's affiliates shall further have the right to take possession of all useable inventory, tools, equipment and supplies located at the Main Sushi Bar and each Satellite Location, if applicable, and shall apply Franchisee's costs for the same against any funds due to Franchisee under this Agreement. Alternatively, Franchisor may, in Franchisor's sole discretion, supervise the transfer of all useable inventory, tools, equipment and supplies to another franchisee at a reasonable fee to be determined by Franchisor and paid by Franchisee

3. Section 20.3 of the Franchise Agreement is hereby deleted and replaced with the following:

"Franchisee acknowledges that Franchisee has read this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors and counsel of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement."

4. Performance Criteria will not apply to Washington franchisees if not supplied to the franchisee prior to signing the Franchise Agreement.

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

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

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

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

9. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

10. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

11. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Except as set forth herein, the Franchise Agreement shall be valid and enforceable between the parties in accordance with its terms.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION,
A California corporation

By: _____ _____, 20____
Its: _____

FRANCHISEE:

_____ _____, 20____

_____

ADDENDUM TO ACE SUSHI FRANCHISE CORPORATION INITIAL TRAINING AGREEMENT
(State of Washington)

THIS ADDENDUM is entered into as of _____, 20____ between Ace Sushi Franchise Corporation, a California corporation ("Company"), and _____, a _____ ("Franchisee"), with reference to the following:

1. Company and Franchisee have entered into an Ace Sushi Franchise Corporation Initial Training Agreement dated as of _____, 20____, (the "Initial Training Agreement").

2. The parties wish to modify the Initial Training Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree that to amend the Initial Training Agreement as follows:

1. Notwithstanding anything to the contrary set forth in the Initial Training Agreement, and in particular Section 2 thereof, Franchisee shall pay the Initial Training Fee to Company when Company has fulfilled its initial obligations to Franchisee and Franchisee's Ace Sushi business opens to the public.

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

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

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

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any

provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Except as set forth herein, the Initial Training Agreement shall be valid and enforceable between the parties in accordance with its terms.

The undersigned does hereby acknowledge receipt of this addendum.

"**Company**"

Ace Sushi Franchise Corporation

_____ _____

Date of Execution Name:_____

Its:_____

"**Franchisee**"

_____ _____,

Date of Execution [ ] an individual;

[ ] a _____ general partnership;

[ ] a _____ limited partnership;

[ ] a _____ limited liability company;

[ ] a _____ corporation

_____

Name:_____

Its: _____, and individually

Exhibit E
Candidate Confidentiality Agreement

ACE SUSHI FRANCHISE CORPORATION
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this _____ day of _____, 20__, by and between **ACE SUSHI FRANCHISE CORPORATION**, a California corporation ("**Franchisor**"), and _____ ("**Candidate**"), with reference to the following facts:

A. Asiana Management Group, Inc., a California corporation ("**AMG**"), an affiliate of Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive system relating to the establishment and operation of sushi bars which offer high quality, raw and cooked sushi, and Chinese and related Asian fusion food products prepared by a sushi chef for sale as carry-out items for off-premises consumption, either at sushi bar departments in grocery stores, supermarkets and other locations (the "**Stores**") owned and operated by third-party operators who have entered into agreements with AMG or pre-packaged and sold in display and merchandising cases at Stores in the general geographical vicinity of the ACE Sushi Bars without a sushi bar department or sushi chef on site (the "**System**").

B. The distinguishing characteristics of the System include, without limitation, the selection, preparation and distribution of unique high quality fresh and frozen sushi and related food products which incorporate AMG's trade secrets and proprietary information (the **"Proprietary Products"**), distinctive equipment, standards and specifications for products and supplies, service standards, uniform standards, specifications, and procedures for operations, procedures for inventory and management control, training and assistance, the relationship between Franchisor and its franchisees, trade dress, defined product offerings, Franchisor specified pricing and promotions, restrictions on ownership, administrative procedures, and marketing and public relations programs, all of which may be changed, improved, and further developed by Franchisor and Franchisor's affiliates from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**Ace Sushi**" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the **"Proprietary Marks"**).

D. Franchisor has the right to use, and to license others to use, the Proprietary Marks, the Proprietary Products and the System, and has, as the result of the expenditure of time, skill, effort, and money, developed a distinctive franchise model for qualified franchisees to obtain the right to operate a ACE Sushi Bar under the System using the Proprietary Products and the Proprietary Marks.

E. Franchisor may provide Candidate with confidential and proprietary information regarding the System prior to granting or declining to grant Candidate a franchise. Franchisor desires that Candidate maintain the confidentiality of all such confidential and proprietary information on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. **INCORPORATION OF RECITALS**.

The recitals set forth in Paragraph A through Paragraph E above are true and correct and are hereby incorporated by reference into the body of this Agreement.

2. **CONFIDENTIALITY**.

Candidate acknowledges and agrees:

2.1. **Confidential Information**. That Candidate's knowledge of the elements of the System and any other proprietary data that may be disclosed to Candidate by Franchisor, or any affiliate of Franchisor, including, without limitation, any and all confidential and/or proprietary knowledge, data or information of a party and any and all confidential and/or proprietary knowledge, data or information which a party has obtained or obtains from another person or entity and which a party treats as proprietary or designates (whether or not in writing or electronic form) as "**Confidential Information**". By way of illustration, but not limitation, "**Confidential Information**" includes tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, recipes, products and services, sources of supply of products, materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, know-how, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators and customers, current customer and prospective customer names and addresses, customer service purchasing histories and prices charged to customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationship between Franchisor and other companies, persons or entities, the System, and any other information or material considered proprietary by Franchisor, whether or not designated as Confidential Information by Franchisor but that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor and which is the subject of efforts made by Franchisor that are reasonable under the circumstances to maintain its secrecy or any other information in oral, written, graphic or electronic form which, given the circumstances surrounding such disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above-described items may be combined with other information or products or synthesized or used by Candidate. Confidential Information does not include any information which: (a) was in the lawful and unrestricted possession of Candidate prior to its disclosure by Franchisor; (b) is or becomes generally available to the public by acts other than those of Candidate after receiving it; (c) has been received lawfully and in good faith by Candidate from a third party who did not derive it from Franchisor; or (d) is shown by acceptable evidence to have been independently developed by Candidate.

2.2. **Value.** That the Confidential Information has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and are widely recognized by the public and are of substantial value.

2.3. **Proprietary.** That the Confidential Information is proprietary, confidential and constitutes a trade secret of Franchisor and its affiliates.

2.4. **Maintain Confidentiality.** That Candidate will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than another person who is actively and directly participating in the acquisition of the franchise with Candidate, but only after first disclosing the identity of such person to Franchisor in writing and obtaining such person's signature on a Non-Disclosure Agreement similar to this Agreement, unless covered by attorney-client privilege.

2.5. **Reproduction and Use**. That Candidate will not directly or indirectly reproduce or copy any Confidential Information or any part thereof and will make no use of any Confidential Information for any purpose whatsoever unless and until Candidate becomes a franchisee of Franchisor, and then only in accordance with the provisions of Candidate's Franchise Agreement.

3. **GENERAL**.

3.1. **Injunction**. Candidate recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the System and agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information will cause irreparable damage to Franchisor and its franchisees. Candidate therefore agrees that if Candidate should engage in any such unauthorized or improper use of the Confidential Information, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, in addition to any other remedies prescribed by law.

3.2. **Heirs and Successors**. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

3.3. **Entire Agreement**. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Candidate that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.4. **No Warranties**. Candidate acknowledges and agrees that Franchisor has made no promises, representations or warranties to Candidate that are inconsistent with the terms of this Agreement or Franchisor's Franchise Disclosure Document concerning the profitability or likelihood of success of the franchised business, that Candidate has been informed by Franchisor that there can be no guaranty of success in the franchised business and that Candidate's business ability and aptitude is primary in determining his success.

3.5. **No Right to Use the System or the Proprietary Marks**. This Agreement is not a Franchise Agreement or a license of any sort, and does not grant Candidate any right to use or to franchise or license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.6. **Waiver.** Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

3.7. **Validity.** Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.8. **Headings and Gender.** The headings herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.9. **Attorneys' Fees.** If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Candidate or its authorized representatives, Candidate shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal proceeding against the other party arising out of or in connection

with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

3.10. **Cumulative Remedies.** Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.11. **Notices**. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand, one (1) business day after electronic transmission (with confirmation copy sent by regular United States mail), or three (3) business days after placement in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Any notice or demand to Franchisor shall be given to:

Ace Sushi Franchise Corporation
22771 S Western Avenue
Torrance, California 90501
Attention: President

With a copy to:

Keith D. Klein, Esq.
Bryan Cave Leighton Paisner LLP
120 Broadway, Suite 300
Santa Monica, California 90401
Keith.klein@bryancave.com

Any notice or demand to Candidate shall be given to:

_____
_____
_____
Fax: _____

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.12. **Governing Law**. This Agreement takes effect upon its acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California.

3.13 **Venue**. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the city and county in which Franchisor has its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

3.13. **Counterparts and Electronic Copies**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures**.** Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first shown above.

FRANCHISOR:

ACE SUSHI FRANCHISE CORPORATION

By: _____

Name: _____

Title: _____

CANDIDATE:

_____,

[ ] an individual;
[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

By:_____
Its: _____, and individually

Exhibit F
List of Franchisees

Current Franchisees as of December 31, 2022

First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
ALABAMA							
Buan	Peng	Bruce's Foodland 00369	2207 Greenhill Blvd NW.	Fort Payne	Alabama	35967	(256)845-1970
Shein	Soe	Big Star Store 00345	407 4th Avenue SW	Red Bay	Alabama	35582	(256) 356-2521
Thawng	Thang	Bruce's Foodland 00365	1402 Country Park Rd.	Scottsboro	Alabama	35769	(256) 259-3029
Shein	Soe	Big Star Store 00344	314 Jackson Ave. S	Russellville	Alabama	35653	(265) 332-3535
Cung	Tha Kam	Renfroe's Market 00710	3482 Crosswinds Rd.	Phenix City	Alabama	36869	(334) 408-7979
ARIZONA							
Khine	Htun	Albertsons 00025	21001 N. Tatum Blvd., Ste. 76	Phoenix	Arizona	85050	(480) 342-8231
Tha	Bawu	Mayo Clinic Specialty Building PHX-2 00001**	588 E. Mayo Blvd. Building 3	Phoenix	Arizona	85054	(480) 342-2000
ARKANSAS							
Peng	Thang	Ozark Natural Foods 00001	380 N. College Ave.	Fayetteville	Arkansas	72701	(479) 521-7558
Helly Sui	LenTial	Arkansas Tech University 00001**	306 West O St.	Russellville	Arkansas	72801	(214) 470-2922
Ceu	Lian	John Brown University 00001**	2000 W. University St.	Siloam Springs	Arkansas	72761	(479) 524-9500
CALIFORNIA							
Eun Hee	Kim	Vons 02001	5671 Kanan Rd	Agoura Hills	California	91301	(818) 991-2857
GuangXiang	Liu	Albertsons 02543	2400 W. Commonwealth	Alhambra	California	91803	(626) 293-7100
Young	Goo Kang	Albertsons 00704	2955 Alpine Blvd.	Alpine	California	91901	(619) 445-0231
Xing	Weng	Mother's Market & Kitchen 00006	5759 E Santa Ana Canyon Rd.	Anaheim Hills	California	92807	(714) 974-6667
Min	Guo	Albertsons 03513	20261 Hwy 18	Apply Valley	California	92307	(760) 242-3660
Jixiang	Zhao	Albertsons 00561	298 E. Live Oak Ave	Arcadia	California	91006	(626) 446-1416
Zhen	Zhang	Vons 02314	17135 El Camino Real	Atascadero	California	93422	(805) 466-4949
Weizi	Kong	Albertsons 00358	2691 Mt Vernon Avenue	Bakersfield	California	93306	(661) 872-3511
Weizi	Kong	Vons 01969	5700 Stockdale Hwy	Bakersfield	California	93309	(661) 328-6950
Weizi	Kong	Albertsons 00377	13045 Rosedale Hwy	Bakersfield	California	93312	(661) 587-0153
Weizi	Kong	Vons 02033	4500 Coffee Road	Bakersfield	California	93308	(661) 589-0316
Lexsilver	Ket	Vons 02374	42170 Big Bear Blvd.,	Big Bear Lake	California	92315	(909) 866-8459
Xing	Weng	Mother's Market & Kitchen 00007	413 S Associated Rd	Brea	California	92821	(714) 990-6667
Ji Zhan	Zhang	Albertsons 01105	1888 Valley View Street	Buena Park	California	90620	(714) 236-8200
Ma	Tanda	Vons 03083	301 N. Pass Ave.,	Burbank	California	91505	(818) 848-9542
Claire	Chen	Vons 02142	2560 El Camino Real	Carlsbad	California	92008	(760) 729-2771
Claire	Chen	Vons 02343	985 Tamarack Ave	Carlsbad	California	92008	(760) 729-4722
Thiri	Nway	Albertsons 00355	1018 Casitas Pass Rd	Carpinteria	California	93013	(805) 684-4815
Nyi Nyi	Zin	Vons 01671	20440 Devonshire St.	Chatsworth	California	91311	(818) 341-7151
Hu	Meng	Albertsons 00524	12013 Central Ave.	Chino	California	91710	(909) 464-1594

** indicates Non-Traditional location

First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
Jinhua	Fan	Albertsons 02515	3255 Grand Avenue	Chino Hills	California	91709	(909)464-0350
Hu	Meng	Albertsons 03592	15970 Los Serranos CC Dr.,	Chino Hills	California	91709	(909) 606-8184
Young	Goo Kang	Albertsons 00757	720 3rd Ave.	Chula Vista	California	91910	(619) 498-5160
Than	Phe	Vons 02826	1745 Eastlake Pkwy.,	Chula Vista	California	91915	(619) 397-3467
Young	Goo Kang	Vons 02071	2250 Otay Lakes	Chula Vista	California	91915	(619) 656-0406
Sein	Hla	Vons 02155	550 E. Baseline Rd.,	Claremont	California	91711	(909) 621-4644
Tsz Wah	Lai	Vons 02381	835 N McKinley Street	Corona	California	92879	(951) 278-8012
Yuemai	Cao	Albertsons 02796	1260 E Ontario Ave	Corona	California	92881	(951) 734-8451
Yangchun	Shi	Vons 02596	369 Magnolia Ave	Corona	California	92879	(951) 549-1900
Young	Goo Kang	Vons 02364	868 Orange Ave.	Coronado	California	92118	(619) 435-6811
Fang	Wen	Vons 01736	2701-B Harbor Blvd	Costa Mesa	California	92626	(714) 751-4270
Tun Aung	Myint	Mother's Market & Kitchen 00001	1890 Newport Blvd.	Costa Mesa	California	92627	(949) 631-4741
Weiye	Tan	Albertsons 02558	33601 Del Obispo Street	Dana Point	California	92629	(949) 496-7900
Feng	Zhe	Albertsons 00140	7676 Firestone Blvd.	Downey	California	90241	(562) 869-9670
Viengvanly	Philaphon	Albertsons 01641	7070 Archibald St.,	Eastvale	California	92880	(951) 279-0333
Qin	Tang	Smart & Final Extra 00789	13346 Limonite Avenue	Eastvale	California	92880	(909) 773-1813
JingHong	Huang	Vons 02688	6170 Hamner Ave.,	Eastvale	California	91752	(951) 360-1901
Yasen	Jiang	Albertsons 02783	2899 Jamacha Rd	El Cajon	California	92019	(619) 660-9717
Yasen	Jiang	Vons 03044	1201 Avocado Ave	El Cajon	California	92020	(619) 440-0881
Yasen	Jiang	Albertsons 03202	1608 Broadway St.,	El Cajon	California	92021	(619) 579-3127
Saw	Nicholas	Vons 02144	262 N El Camino Real	Encinitas	California	92024	(760) 633-9770
Saw	Nicholas	Vons 02859	453 Santa Fe Drive	Encinitas	California	92024	(760) 633-9770
JC Hello Corporation (Formerly Jamie)	(Formerly Chay)	Albertsons 04786	1133 S. Mission Rd.,	Fallbrook	California	92028	(760) 723-8177
Shunfan	Hu	Albertsons 00108	1735 Artesia Blvd	Gardena	California	90248	(310) 380-4620
Htu Mai Shang	Htin	Vons 01707	561 N. Glendale Ave	Glendale	California	91206	(818) 242-5953
Robert	Sin	Vons 03326	163 Turnpike Rd.,	Goleta	California	93111	(805) 681-7474
Robert	Sin	Albertsons 00354	7127 Hollister Ave.,	Goleta	California	93117	(805) 968-3558
Khawn	Lahpai	Mother's Market & Kitchen 00010	16400 Pacific Coast Hwy, Unit #112	Huntington Beach	California	92649	(562) 794-9900
Liang	Chen	Albertsons 00110	7201 York Town Ave	Huntington Beach	California	92648	(714) 536-6449
Tun Aung	Myint	Mother's Market & Kitchen 00002	19770 Beach Blvd.	Huntington Beach	California	92648	(714) 963-6667
Happy Party Sushi LLC (Formerly Xiaoke)	(Formerly Chen)	Vons 03160	8891 Atlanta Ave.,	Huntington Beach	California	92646	(714) 960-4747
Happy Party Sushi LLC (Formerly Xiaoke)	(Formerly Chen)	Albertsons 00132	101 E. Willow St.	Long Beach	California	90806	(562) 988-8785
Junyao	Ma	Mother's Market & Kitchen 00003	2963 Michelson Drive	Irvine	California	92612	(949) 752-6667

** indicates Non-Traditional location

First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
Junyao	Ma	Mother's Market & Kitchen 00004	24165 Paseo De Valencia	Laguna Woods	California	92637	(949) 768-6667
Li	Yang	Albertsons 00798	30901 Riverside Dr.	Lake Elsinore	California	92530	(951) 245-4461
Yasen	Jiang	Albertsons 00738	9560 Winter Gardens Blvd	Lakeside	California	92040	(619) 561-5521
Akbar Bin	Hussein	Vons 03327	5630 Lake Murray Blvd.,	La Mesa	California	91942	(619) 589-0342
Ting	Lin	Albertsons 01322	43543 20th St W.	Lancaster	California	93534	(661) 940-4747
Ting	Lin	Vons 02029	4033 W. Ave. L	Lancaster	California	93536	(661) 722-7291
Young	Goo Kang	Albertsons 00707	7090 Broadway	Lemon Grove	California	91945	(619)463-4118
Ting	Lin	Albertsons 03171	1500 N. H Street,	Lompoc	California	93436	(805) 736-3948
Tun Hling	Gree	Vons 03076	1820 Ximeno Ave.,	Long Beach	California	90815	(562) 498-2111
Kyaw	Thiha	Smart & Final Extra 00484	845 S Figueroa St., #100	Los Angeles	California	90017	(213) 629-0039
Aye Nandar	Aung	Vons 02100	9860 National Blvd	Los Angeles	California	90034	(310) 836-4161
Aye Nandar	Aung	Vons 02077	3118 S. Sepulveda Blvd.,	Los Angeles	California	90034	(310) 477-8717
Aye Nandar	Aung	Vons 02268	1430 S. Fairfax Ave.,	Los Angeles	California	90019	(323) 939-9335
Aye Nandar	Aung	Vons 02270	4030 S. Centinela	Los Angeles	California	90066	(310) 391-1503
Gantuya	Davaa	Vons 02275	410 Manhattan Beach Blvd.,	Manhattan Beach	California	90266	(310) 379-3051
Khawn Mai	Lahpai	Mother's Market & Kitchen 00009	1700 Rosecrans Avenue	Manhattan Beach	California	90266	(310) 844-6232
Nyi Nyi	Zin	Vons 03161	10321 Sepulveda Blvd	Mission Hills	California	91345	(818) 891-1352
Feng	Zhe	Albertsons 01181	2469 Via Campo	Montebello	California	90640	(323) 888-2250
Feng	Zhe	Vons 03258	804 W. Beverly Blvd.	Montebello	California	90640	(323) 722-1706
Htu Mai Shang	Htin	Vons 02288	2039 Verdugo Blvd.,	Montrose	California	91020	(818) 249-4595
Zhen	Zhang	Albertsons 01345	730 Quintana Road	Morro Bay	California	93442	(805) 772-8670
Li	Yang	Albertsons 02743	41000 California Oaks Rd	Murrieta	California	92562	(951) 600-1027
Ann's Sushi LLC (Formerly Lan)	(Formerly Wang)	Albertsons 00734	39140 Winchester Rd	Murrieta	California	92563	(951) 600-4461
Ann's Sushi LLC (Formerly Lan)	(Formerly Wang)	Vons 02660	38995 Sky Canyon Drive	Murrieta	California	92563	(951) 600-9583
Le	Oo	Albertsons 00391	541 S. Reino Rd.,	Newbury Park	California	91320	(805) 499-7795
Jingyuan	Han	Vons 02111	24160 Lyons Ave	Newhall	California	91321	(661) 259-9214
Chuanpeng	Xu	Vons 02078	9119 Reseda Blvd	Northridge	California	91324	(818) 349-2494
Claire	Chen	Albertsons 00740	4150 Oceanside Blvd	Oceanside	California	92056	(760) 729-3468
Claire	Chen	Albertsons 00733	3450 Marron Road	Oceanside	California	92058	(760) 940-8282
Sergio	Vazquez Saavedra	Vons 02360	845 College Blvd	Oceanside	California	92057	(760) 630-4884
Hayi	Li	Albertson 01394	1120 E Clark Ave	Orcutt	California	93455	(805) 934-4472
Hayi	Li	Albertsons 01348	2320 S. Broadway	Santa Maria	California	93454	(805) 346-2077
Shu	Yeh	Vons 02335	2684 N. Tustin	Orange	California	92865	(714) 637-6651
Gangwei	Zheng	Vons 02436	2101 North Rose Ave	Oxnard	California	93036	(805) 981-1495
Aye	Nandar Aung	Vons 02266	17380 Sunset Blvd.	Pacific Palisades	California	90272	(310) 454-2502

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First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
LiJuan	Song	Vons 02384	4733 E. Palm Canyon Dr.,	Palm Springs	California	92264	(760) 324-4502
LiJuan	Song	Albertsons 00567	42095 Washington Street	Palm Desert	California	92211	(760) 360-6322
Ma Hla	Myint	Albertsons 00314	189 Niblick Rd., Suite 314	Paso Robles	California	93446	(805) 237-1626
Tun	Yee Bo	California Polytechnic State University Pomona – V**	3801 W. Temple Ave.	Pomona	California	91768	(909) 869-7659
Tha Blay	Htoo	Albertsons 00725	1459 Main St,	Ramona	California	92065	(760) 789-0023
Wei (Transfer)	Xing	Albertsons 03177	8850 Foothill Blvd	Rancho Cucamonga	California	91730	(909) 484-7237
Min	Guo	Albertson 03520	11358 Kenyon Way	Rancho Cucamonga	California	91701	(909) 941-7166
Mya	Mya Min	Vons 01914	6351 Haven Ave.,	Rancho Cucamonga	California	91737	(909) 980-4277
Yong	Shi	Vons 01623	4001 Inglewood Ave.,	Redondo Beach	California	90278	(310) 349-0860
Yong	Shi	Vons 02273	245 Palos Verdes Blvd.	Redondo Beach	California	90277	(310) 378-7434
Gantuya	Davaa	Vons 02108	1212 Beryl St.,	Redondo Beach	California	90277	(310) 374-7987
Win	Zaw	Delucchi's Market 00001	3640 Florence St.	Redwood City	California	94063	(650) 216-7600
Chuanpeng	Xu	Albertsons 02305	19307 Saticoy St.	Reseda	California	91335	(818) 772-0010
Chuanpeng	Xu	Vons 02039	19333 Victory Blvd	Reseda	California	91335	(818) 881-7020
FengJiao	Fu	Albertsons 00331	927 S China Lake Blvd,	Ridgecrest	California	93555	(760) 384-4015
FengJiao	Fu	Albertsons 01376	1301 N Norma St.	Ridgecrest	California	93555	(760) 446-2544
Hadi	Lauw	Albertsons 02514	8938 Trautwein Rd.,	Riverside	California	92508	(951) 656-6603
Tun Yee	Bo	Albertsons 01337	2547 W. Rosamond Blvd	Rosamond	California	93560	(661)256-0756
Moe	Thu	California State University Sacramento 00001**	600 J Street	Sacramento	California	95619	(916) 278-6011
Moe	Thu	California State University Sacramento-Courtyard 00002**	600 J Street	Sacramento	California	95619	(916) 278-6011
Ohn Mar	Sett	Sacramento Natural Foods Co-op 00001	2820 R. St.	Sacramento	California	95816	(916) 455-2667
Yasen	Jiang	Vons 02079	11986 Bernardo Plaza Dr.	San Diego	California	92128	(858) 487-8221
Young	Goo Kang	Vons 02115	620 Dennery Rd	San Diego	California	92154	(619) 428-3302
Young	Goo Kang	Albertsons 02785	8650 Lake Murray Blvd	San Diego	California	92119	(619) 697-8896
Thinn Thinn	Khaing	Albertsons 03179	12475 Rancho Bernado	San Diego	California	92128	(858) 385-9223
Sai	Tun Tun	Vons 02120	4725 Clairmont Dr.	San Diego	California	92117	(858) 483-4670
Yasen	Jiang	Vons 02107	10675 Scripps Poway Pkwy.	San Diego	California	92131	(858) 693-0638
Naw Su Su	Thin	Vons 02352	6155 El Cajon Blvd.	San Diego	California	92115	(619) 583-4142
Vanara	Chhim	Vons 02338	665 Saturn Blvd	San Diego	California	92154	(212) 595-1888
Eric Kim	Mui	Vons 02136	8310 Mira Mesa Blvd.	San Diego	California	92126	(858) 271-4830
Daovanh	Bounpakob	Albertsons 00594	220 E. Bonita Ave.,	San Dimas	California	91773	(909) 599-8836
Azar	Dabiri	Cal-Poly State University 00001**	1 Grand Ave.,	San Luis Obispo	California	93407	(805) 756-1111
Azar	Dabiri	Cal-Poly State University - Village Market 00004**	1 Grand Ave. Building 171	San Luis Obispo	California	93407	(805) 756-1111

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First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
Azar	Dabiri	Cal-Poly State University-The Avenue 00003**	1 Grand Ave Building 19,	San Luis Obispo	California	93407	(805) 756-1111
Azar	Dabiri	Vons 02306	3900 Broad St.	San Luis Obispo	California	93401	(805) 541-1055
Shunfan	Hu	Albertsons 00699	28090 S Western Ave	San Pedro	California	90732	(310) 831-1323
Maung Khin M.	Lwin	Vons 01626	3650 Bristol St.	Santa Ana	California	92704	(714) 540-0510
Robert	Sin	Vons 03329	2010 Cliff Dr.,	Santa Barbara	California	93109	(805) 966-5011
Saw	Lay Taw	Vons 03325	26518 Bouqet Canyon	Santa Clarita	California	91350	(661) 296-8682
Aye Nandar	Aung	Vons 02002	1311 Wilshire Blvd.,	Santa Monica	California	90403	(310) 394-1414
Nyien	Nyien Aye	Vons 01897	9643 Mission Gorge Rd.	Santee	California	92071	(619) 596-5930
Bawi (Transfer)	Hmun Sang	California State University, Monterey Bay 00001**	3118 Inter-Garrison Building 552	Seaside	California	93955	(831) 582-3000
Sook Young	Bang	Albertsons 01360	27631 E. Bouquet Canyon	Saugus	California	91350	(661) 296-9655
Khawn Mai	Lahpai	Mother's Market & Kitchen 00008	2475 Cherry Avenue	Signal Hills	California	90755	(562) 294-2667
Ma	Tanda	Vons 01674	4033 Laurel Canyon Blvd	Studio City	California	91604	(818) 985-5401
Saw Lay	Taw	Vons 02034	13730 Foothill Blvd.	Sylmar	California	91342	(818) 367-1849
Nyi Nyi	Zin	Vons 02066	18439 Ventura Blvd.	Tarzana	California	91356	(818) 881-5527
Fanyu	Meng	Albertsons 01347	775 Tucker Rd.,	Tehachapi	California	93561	(661) 823-7090
Minqin	Yu	Albertsons 04706	30530 Rancho California Rd.	Temecula	California	92591	(951) 694-0244
Minqin	Yu	Vons 01962	29530 Rancho California Rd	Temecula	California	92591	(951) 695-6773
Minqin	Yu	Albertsons 00753	31960 Temecula Parkway	Temecula	California	92589	(951) 303-1133
Naw	Tah Tha Bler	Vons 02092	2048 E. Avenida De Los Arboles	Thousand Oaks	California	91362	(805) 492-2497
Ma	Tanda	Albertsons 03175	6240 Foothill Blvd.,	Tujunga	California	91042	(818) 248-2745
Ma	Tanda	Vons 02124	7789 Foothill Blvd.,	Tujunga	California	91042	(818) 353-4917
Yong	Shi	Vons 03517	24325 Crenshaw Blvd.,	Torrance	California	90505	(310) 784-1020
Yong	Shi	VONS 02232	4705 Torrance Blvd.	Torrance	California	90503	(310) 371-1172
Jiahui	Chen	Albertsons 00599	1910 N Campus Ave	Upland	California	91784	(909) 946-4447
Wen	Li	Vons 02030	25850 N. The Old Road	Valencia	California	91381	(661) 254-3570
Tun Tun	Win	Albertsons 03301	23850 Copper Hill Dr.,	Valencia	California	91354	(661) 775-0163
Min	Guo	Vons 02131	12199 Hesperia Rd	Victorville	California	92395	(760) 241-2288
JC Hello Corporation (Formerly Jamie)	(Formerly Chay)	Albertsons 03797	1601 S. Melrose Dr.	Vista	California	92081	(760) 598-0142
JC Hello Corporation (Formerly Jamie)	(Formerly Chay)	Albertsons 03201	1301 E. Vista Way	Vista	California	92084	(760) 806-2785
Hu	Meng	Vons 02167	350 N. Lemon Ave.	Walnut	California	91789	(909) 595-6465
Li	Yang	Vons 00735	23893 Clinton Keith Rd	Wildomar	California	92595	(951) 600-4607
Sergio	Vazquez Saavedra	Albertsons 00711	1929 W. San Marcos Blvd.	San Marcos	California	92078	(760) 598-7272
Liubei	Chen	Albertsons 01319	450 E. Cypress Ave.	Redlands	California	92373	(909) 792-1114
Ting	Lin	Albertsons 03324	222 E Hwy 246	Buellton	California	93427	(805) 693-1069

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YJ Sushi Inc. (Formerly Yong Cha)	(Formerly Chang)	NASA Jet Propulsion Laboratory 00001**	4800 Oak Grove Dr.	Pasadena	California	91109	(818) 354-4321
Dong	Li	Mother's Market & Kitchen 00005	151 E. Memory Ln.	Santa Ana	California	92705	(714) 542-6667
Dong	Li	Mother's Market & Kitchen 00011	3049 E. Coast Hwy.	Corona Del Mar	California	92625	(949) 723-6667
Aye	Thida Soe	Mother's Market & Kitchen 00012	6677 W. Santa Monica Blvd.	Los Angeles	California	90038	(714) 594-6400
Azar	Dabiri	Cal-Poly State University 00005**	1 Grand Ave. Building 65	San Luis Obispo	California	93407	(805) 756-1111bu
Khin	Maung Oo	The Huntington Library & Gardens 00001**	1151 Oxford Rd.	San Marino	California	91108	(626) 405-2142
Clever Z Inc.		Vons 01638	4226 Woodruff Ave.	Lakewood	California	90713	(562) 496-4144
Liubei	Chen	Vons 01734	522 North Orange St.	Redlands	California	92374	(909) 793-0447
Kit	Tun	Vons 01735	4241 Tierra Rejada Rd.	Moorpark	California	93021	(805) 530-3770
Gangwei	Zheng	Vons 01913	50 S. Ventura Rd.	Oxnard	California	93030	(805) 240-7911
Qian	Liu	Vons 02041	11861 Valley View St.	Garden Groove	California	92845	(714) 889-9955
Yanli	Xiao	Vons 02090	5922 Edinger Ave.	Huntington Beach	California	92649	(214) 470-2922
Yasen	Jiang	Vons 02116	1702 Garnet Ave.	San Diego	California	92109	(858) 273-8340
Noe	Hel	Vons 02118	3550 Murphy Canyon Rd.	San Diego	California	92123	(858) 292-5007
Yasen	Jiang	Vons 02134	10460 Clairemont Mesa Blvd.	San Diego	California	92121	(858) 560-4565
Jung	Wang	Vons 02177	14200 Palm Dr Desert	Hot Spring	California	92240	(760) 329-1889
Zaw	Oo	Vons02215	1135 Lindero Canyon Rd.	Thousand Oaks	California	91362	(818) 597-1261
Chaoyang	Zhang	Vons 02250	16830 San Fernando Mission Rd.	Granada Hills	California	91344	(818) 831-8511
Lei	Zhang	Vons 02280	3900 E. Ocean Blvd.	Long Beach	California	90803	(562) 987-3122
Clever Z Inc.		Vons 02285	11322 Los Alamitos Blvd.	Los Alamitos	California	90720	(562) 493-3567
Young	Goo Kang	Vons 02359	6555 Mission Gorge Rd.	San Diego	California	92120	(619) 284-1355
Yasen	Jiang	Vons 02370	3993 Governor Dr.	San Diego	California	92122	(858) 453-1883
Pyae	Aung	Vons 02434	576 W. Main St.	Santa Paula	California	93060	(805) 525-6356
Pyae	Aung	Vons 02442	636 Ventura St.	Fillmore	California	93015	(805) 524-1445
Ying	Tang	Vons 02513	185 E. 17th St.	Costa Mesa	California	92627	(949) 515-3444
Gangwei	Zheng	Vons 02678	6040 Telegraph Rd.	Ventura	California	93003	(805) 650-2150
Kit	Tun	Vons 03135	2725 Agoura Rd.	Thousand Oaks	California	91361	(805) 497-1921
Jung	Khum	Vons 03323	7895 Highlands Village Pl.	San Diego	California	92129	(858) 780-9026
Lei	Zhang	Vons 03519	4550 Atlantic Ave.	Long Beach	California	90807	(562) 984-1421
COLORADO							
Alexander Kyaw	Htu	University of Colorado 00001**	510 30th Street	Boulder	Colorado	80309	(303) 492-1411
CONNECTICUT							
Tsering	Wangdu	Robert's Food Center 00001	514 Old Toll Rd.	Madison	Connecticut	06443	(203) 421-3577
FLORIDA							
May	Thwe Adam	Ever'man Cooperative Grocery & Café 00002	315 W. Garden St.	Pensacola	Florida	32502	(850) 438-0402

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May	Thwe Adam	Ever'man Cooperative Grocery & Café 00001	1000 East 9 Mile Road	Pensacola	Florida	32514	(850) 316-3700
IDAHO							
Cin Suan	Thawng	Super One 07820	30585 N. Roberts Road	Athol	Idaho	83301	(208) 209-3181
Koung	Thant	Super One Foods 07080	6452 S. Main St.	Bonners Ferry	Idaho	83805	(208) 267-4000
Say	Bra	Super One 07044	305 W. Kathleen Ave.,	Coeur D'Alene	Idaho	83815	(208) 765-2285
Say	Bra	Super One 07024	240 W. Hayden	Hayden	Idaho	83835	(208) 772-5722
Qun	Ward	SuperOne07819	86 Tank Rd.	Oldtown	Idaho	83822	(714) 540-0510
Say	Bra	Super One 06745	805 E. Polston Ave.,	Postfalls	Idaho	83854	(208) 777-0607
Say	Bra	Super One 07000	15837 N. Westwood Dr.,	Rathdrum	Idaho	83858	(208) 687-4480
Koung	Thant	Super One 07070	624 Larch St.,	Sandpoint	Idaho	83864	(208) 255-2417
Khinta	Mlar	Boise Co-Op Market 00001	888 West Fort St.	Boise	Idaho	83702	(208) 472-4500)
Khinta	Mlar	Boise Co-Op Market 00002	2350 N. Eagle Rd.	Meridian	Idaho	83646	(208) 809-2200
Win	Tun	Yoke's Fresh Market 00017	1501 E. Seltice Way	Post Falls	Idaho	83854	(208) 773-3383
ILLINOIS							
Nai	Thura	Fresh Thyme Market 00110	403 N. Veterans Parkway #2	Bloomington	Illinois	61704	(309) 445-6018
Ram	Hnin	Potash Markets 00001	875 N State Street	Chicago	Illinois	60610	(312) 266-4200
Ram	Hnin	Potash Markets 00002	1525 N Clark Street	Chicago	Illinois	60610	(312) 337-7537
Nun	Cung	Fresh Thyme Market 00107	2500 N. Elston Ave.,	Chicago	Illinois	60647	(872) 210-3010
Rene (Transfer)	Garcia Estrada	Fresh Thyme Market 00109	5340 NW Highway	Crystal Lake	Illinois	60014	(779) 800-7100
Lian Za	Uk	Fresh Thyme Market 00104	325 Ogden Ave.	Downers Grove	Illinois	60515	(630) 968-3145
Hlon Kip	Thluai	Fresh Thyme Market 00103	6569 N. Illinois	Fairview Heights	Illinois	62208	(618) 394-7753
Dawt Sung	Thang	Fresh Thyme Market 00113	2000 S. Randall Rd.	Geneva	Illinois	60134	(636) 385-7033
Nawi	Rung	Fresh Thyme Market 00106	2700 Plainfield Rd	Joliet	Illinois	60435	(815) 735-4001
Rene (Transfer)	Garcia Estrada	Fresh Thyme Market 00101	211 W. Rand Rd.,	Mt. Prospect	Illinois	60056	(847) 818-9460
Tum	Ceu	Fresh Thyme Market 00105	790 Royal Saint George	Naperville	Illinois	60543	(331) 229-4124
Lal	Tin Par	Angelo Caputo's Market 00131	510 W. Lake St.	Addison	Illinois	60101	(630) 543-0151
Men	Tial	Angelo Caputo's Market 00631	166 E. Lake St.	Bloomingdale	Illinois	60108	(630) 924-0900
Zing	Chin	Eastern Illinois University 00001**	1412 4th St.	Charleston	Illinois	61920	(217) 345-7849
Freddy	Zomuana	Tony's Fresh Market 01867	7770 South Cicero Ave.	Burbank	Illinois	60459	(708) 733-7337
Tin	Maung Kyu	Tony's Fresh Market 02067	1801 W. Jefferson St.	Joliet	Illinois	60435	(630) 300-3500
Mu	Mu	Tony's Fresh Market 02367	155 E. North Ave.	Glendale Heights	Illinois	60139	(630) 682-5200
INDIANA							
Suiza Hmung	Phu Ting	Fresh Thyme Market 00209	3600 W. 3rd St	Bloomington	Indiana	47404	(812) 558-7208
Zabung LLC (Formerly Thomas Za)	(Formerly Uk)	Fresh Thyme Market 00215	2812 E. 3rd Street	Bloomington	Indiana	47401	(812) 558-7600

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Hmong Tllang LLC (Formerly Van Bawi)	(Formerly Uk)	Fresh Thyme 00207	14727 Fresh Thyme Market	Carmel	Indiana	46033	(317) 975-7203
Peng Lian	Thang	Fresh Thyme Market 00206	11481 E. 116th Street	Fishers	Indiana	46037	(317) 572-6109
Joseph Zinghang (Transfer)	Tanggun	Fresh Thyme Market 00203	4320 Coldwater Road	Fort Wayne	Indiana	46805	(260) 373-1677
Peng Lian	Thang	Fresh Thyme Market 00204	4225 East 82nd St.	Indianapolis	Indiana	46250	(317) 845-4452
Tum Hmung LLC (Formerly Ram)	(Formerly Thang)	Fresh Thyme Market 00205	2342 W. 86th St.,	Indianapolis	Indiana	46260	(317) 876-8329
Tum Hmung LLC (Formerly Ram)	(Formerly Thang)	Fresh Thyme Market 00208	6301 N. College Ave, #101	Indianapolis	Indiana	46620	(317) 554-1646
Tial Hnem	Par	Fresh Thyme Market 00201	8750 US Hwy 31,	Indianapolis	Indiana	46227	(317) 881-6621
Van (Formerly Lian)	Thang (Formerly Za Sang)	Fresh Thyme Market 00211	9040 Rockville Rd.	Indianapolis	Indiana	46234	(317) 287-0483
Zabiak (Formerly:Sian)	Lian (Formerly:Mang)	Fresh Thyme Market 00202	220 S. Creasy Lane	Lafayette	Indiana	47905	(248) 509-1007
Hmong Tlang LLC (Formerly Van Bawi)	(Formerly Uk)	Fresh Thyme 00214	505 W. McGalliard Rd	Munice	Indiana	47303	(317) 975-7203
Mang	Cem	Fresh Thyme Market 00212	4428 S. US Highway 41,	Terre Haute	Indiana	47802	(812) 233-6325
Mr. Zabiak	Lian	Fresh Thyme Market 00216	2410 N. Salisbury St. Ste 100	West Lafayette	Indiana	47906	(608) 949-5165
Aung	Thang	Valparaiso University 00001**	1509 Chapel Dr.	Valparaiso	Indiana	46383	(219) 464-5000
IOWA							
Hmen (Transfer)	Tial	Fresh Thyme Market 00952	2130 E. Kimberly Rd.,	Davenport	Iowa	52807	(563) 232-0024
Za (Transfer)	Hei	University of Iowa 00001**	125 N. Madison St.	Iowa City	Iowa	52242	(319) 335-3500
Cung (Transfer)	Mang	University of Iowa Hospital 00001**	200 Hawkins Dr.	Iowa City	Iowa	52242	(319) 356-1616
Za (Transfer)	Hei	University of Iowa 00003**	125 N. Madison St.	Iowa City	Iowa	52242	(319) 335-3500
Thawng	Lian	Fresh Thyme Market 00951	2900 University Ave.	West Des Moines	Iowa	50266	(515) 635-6016
KANSAS							
Ye	Kyaw	The University of Kansas 00003 Underground**	1517 W 18th Street	Lawerence	Kansas	66045	(785) 864-2700
Ye	Kyaw	The University of Kansas 00001**	1450 Jayhawk Blvd.	Lawerence	Kansas	66045	(785) 864-2700
LOUISIANA							
La Lung	Mahkaw	Benedetto's Market 00137	6651 LA-1	Addis	Louisiana	70710	(225) 749-7309
Cuai	Te	Matherne's Supermarket 00012	440 N. 3rd Suite #100	Baton Rouge	Louisiana	70802	(225) 343-0600
Cuai	Te	Matherne's Supermarket 00005	85 Gateway Center Lane	Baton Rouge	Louisiana	70802	(225) 367-6074
La Lung	Mahkaw	Hubben's Supermarket 00138	560 N. Alexander Ave	Port Allen	Louisiana	70767	(225) 334-0574
Zo	Thang	Our Lady of the Lake Hospital 00001**	5000 Hennessy Blvd.	Baton Rouge	Louisiana	70808	(225) 765-6565
Zo	Thang	Our Lady of the Lake Hospital 00002**	8300 Constantin Blvd.	Baton Rouge	Louisiana	70808	(225) 374-4325
Zo	Thang	Our Lady of the Lake Hospital 00003**	1125 W. Highway 30	Gonzales	Louisiana	70809	(225) 647-5000

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Yaw Yaw	Hpaga	University of New Orleans 00001**	2000 Lakeshore Dr.	New Orleans	Louisiana	71048	(504) 280-6000
MASSACHUSETTS							
Zaw	Than	Berkshire Food Co-Op 00001	34 Bridge Street	Greater Barrington	Massachusetts	01230	(413) 528-9697
Tun Tun	Zaw	Debra's Natural Gourmet 00001	106 Commonwealth Ave.	Concord	Massachusetts	01742	(978) 371-7573
MICHIGAN							
Sing	Myint	Westborn Market 00002	27659 Woodward Ave.	Berkley	Michigan	48072	(248) 547-1000
Tha Hlei	Vang	Westborn Market 00001	21755 Michigan Ave	Dearborn	Michigan	48124	(313) 274-6100
Myatmahar LLC		Fresh Thyme Market 00601	940 Townbridge Rd.,	East Lansing	Michigan	48823	(517) 803-4366
Sing	Myint	Fresh Thyme Market 00605	23300 Farmington Rd.	Farmington	Michigan	48336	(248) 699-5343
Aung Aung	Moe	Marquette Food Co-Op 00001	502 W. Washington St.	Marquette	Michigan	48955	(906) 225-0671
Min	Naing	Central Michigan University 00001**	1900 E Campus Drive	Mt. Pleasant	Michigan	48858	(989) 772-3221
Ram Cung	Thawng	Fresh Thyme Market 00607	6212 S. Westnedge Ave	Portage	Michigan	49002	(269) 206-5300
Sein Htun	Maung	Oryana Community Co-Op 00002	260 E Tenth Street	Traverse City	Michigan	449684	(231) 947-0191
Sein Htun	Maung	Oryana Community Co-Op 00001	3587 Marketplace Cir	Traverse City	Michigan	48684	(231) 486-2491
Tha	Khar	Fresh Thyme Market 00606	2570 Burton St. SE	Grand Rapids	Michigan	49546	(616) 228-6530
Kyaw	Win Hlaing	Jack's Fresh Market 00001	1401 8th Ave.	Menominee	Michigan	49858	(906) 863-5575
MINNESOTA							
Choa	Neng Vue	Fresh Thyme Market 00502	14880 Florence Trail	Apple Valley	Minnesota	55124	(734) 896-4076
Lora	Lor Vang	Fresh Thyme Market 00501	2100 W. 80 1/2 Street	Bloomington	Minnesota	55431	(763) 321-3555
John (Transfer)	Vang	Cub Foods 15446	4801 County Rd. 101	Minnetonka	Minnesota	55345	(612) 558-8429
Yia	Thao	Fresh Thyme Market 00510	24 30th Avenue SE,	Prospect Park	Minnesota	55414	(651) 846-0908
Mai H	Lee	Fresh Thyme Market 00512	40 17th Ave SW	Rochester	Minnesota	55902	(507) 513-6709
Neng	Vue	People's Food Co-Op 00001	519 1st Avenue SW.	Rochester	Minnesota	55902	(507) 289-9061
Kayoua	Vang	Fresh Thyme Market 00505	4840 Excelsior Blvd	St. Louis Park	Minnesota	55416	(952) 229-2102
Chao	Neng Vue	Fresh Thyme Market 00507	955 County Road E East	Vadnais Heights	Minnesota	55127	(651) 414-8110
Chao	Neng Vue	Fresh Thyme Market 00506	14100 Highway 13 S.	Savage	Minnesota	55378	(952) 229-5300
MISSOURI							
Ngun Tha	Iang	Fresh Thyme Market 00402	13957 Manchester Rd.	Balwinn	Missouri	63011	(314) 858-7000
Ngun Tha	Iang	Fresh Thyme Market 00401	1018 North Kirkwood Rd.	Kirkwood	Missouri	63122	(314) 626-6102
Khua (Transfer)	Lian Thawng	Fresh Thyme Market 00403	2235 Highway K	O'Fallon	Missouri	63368	(636) 385-7033
Pa (Transfer)	Thang Thindub	Fresh Thyme Market 00405	9920 Lin Ferry Dr	St Louis	Missouri	63123	(314) 270-0580
Mang	Khenglawt	Fresh Thyme Market 00448	3701 Foundry Way #201	St Louis	Missouri	63110	(314) 597-4400
Ye	Kyaw	Children's Mercy Hospital 00001**	2401 Gillham Rd.	Kansas City	Missouri	64108	(816) 234-3000
Ye	Kyaw	Children's Mercy Hospital 00002**	2301 Holmes Dr.	Kansas City	Missouri	64108	(816) 404-1000

** indicates Non-Traditional location

First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
Boi (Transfer)	Sang Latung	Fresh Thyme Market 00406	3600 S. St. Peters Parkway	Saint Peters	Missouri	63304	(636) 851-6971
MONTANA							
Htoo Kyaw	Lhwar	Town & Country Food 01661	1603 Grand Ave. #135	Billings	Montana	59102	(406) 717-6200
Jing	Varricchio	Rosauers 00040	3255 Technology Blvd	Bozeman	Montana	59718	(406) 587-0637
Jing	Varricchio	Town & Country Food 01696	219 N. 19th Ave	Bozeman	Montana	59718	(406) 587-5542
Jing	Varricchio	Town & Country Food 01693	1611 South 11th Avenue	Bozeman	Montana	59715	(406) 587-5541
Van Biak Lian	CinZah	Super One 07050	2100 9th St. W.	Columbia Falls	Montana	59912	(406) 892-9996
Green Dragon, Inc. (Formerly Lisa Li)	(Formerly Jones)	Super One 03300	1131 N. 1st #B	Hamilton	Montana	59840	(406) 363-6200
Phyo Lwin	Oo	Gary & Leo's Fresh Foods IGA 03031	730 1st St.	Havre	Montana	59501	(406) 265-1404
Than	Soe	Super One 03350	3120 Queen Anne St	Helena	Montana	59602	(406) 442-2348
Za Lian	Thang Hlawnceu	Rosauers 00037	2150 U.S. Hwy 93 S	Kalispell	Montana	59901	(406) 755-5088
Za Lian	Thang Hlawnceu	Super One 04750	55 1st Ave East N	Kalispell	Montana	59901	(406) 755-3144
Za Lian	Thang Hlawnceu	Super One 02650	1346 Highway 2 E	Kalispell	Montana	59901	(406) 752-3631
Lin	Long	Rosauers 00027	2350 S. Reserve	Missoula	Montana	59801	(406) 721-5430
Mya	Moe	Reynold's Market 00001	404 N Central Ave	Sidney	Montana	59270	(406) 433-2305
	Vilasa	Super One 07055	3160 10th	South Great Falls	Montana	59405	(406) 952-1121
Van Biak	Cinzah	Super One 07875	6475 US HWY 93 South	Whitefish	Montana	59937	(406) 862-2222
NEVADA							
Tongta	Jose	University of Nevada, Reno-Paper Lantern 00002**	1664 North Virginia Street	Reno	Nevada	89557	(775) 784-1110
Thang	Kap Lo	University of Nevada, Reno-Bowl Life 00001**	1664 N. Virginia Street	Reno	Nevada	89557	(775) 784-1110
NEW HAMPSHIRE							
Shwe	Maung Kyaw	Nature's Green Grocer 00001	374 Union Street	Peterborough	New Hampshire	03458	(603) 924-2233
Shwe	Maung Kyaw	Keene State College 00001**	229 Main St.	Keene	New Hampshire	03435	(800) 572-1909
NEW JERSEY							
John Naing	Sein	ShopRite 00656	860 Fischer Blvd	Tom River	New Jersey	08753	(732) 270-8833
Aung	Kyu	Morristown Medical Center 00002***	100 Madison Ave.	Morristown	New Jersey	07960	(973) 971-5000
Aung	Kyu	Morristown Medical Center 00003**	475 South St.	Morristown	New Jersey	07960	(973) 971-5000
Aung	Kyu	Morristown Medical Center	435 South St.	Morristown	New Jersey	07960	(973) 971-5000
Aung	Kyu	Overlook Medical Center	99 Beauvoir Ave.	Summit	New Jersey	07901	(855) 862-2778
NEW YORK							
Tu	Aung	Sunflower Natural Market 00001	75 Mill Hill Road	Woodstock	New York	12498	(845) 679-5361
Siang	Cung	Cornell University 00001**	217 Jessup Rd.	Ithaca	New York	14850	(607) 254-4636
Zaw	Than	Honest Weight Co-Op 00001	100 Watervliet Ave.	Albany	New York	12206	(518) 482-2667

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First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
Siang	Cung	Statler Hotel at Cornell Campus 00001**	130 Statler Dr.	Ithaca	New York	14850	(607) 254-2500
NORTH CAROLINA							
Richard Tawk	Ceu Thang	Queens University of Charlotte 00001**	1900 Selwyn Ave.	Charlotte	North Carolina	28274	(704) 337-2200
OHIO							
Sian Siam Innkuan Inc.		Fresh Thyme Market 00310	1125 N. Hamilton Rd.,	Gahanna	Ohio	43230	(614) 934-1943
Joseph Thang	Pau	Fresh Thyme Market 00301	6670 Sawmill Rd	Columbus	Ohio	43235	(641) 210-0349
Thang Hup	Lian	Kishman's Fresh Market IGA 00001	202 E High Street	Minerva	Ohio	44657	(330) 868-7727
Willam	Tun	Fresh Thyme Market 00313	5509 Dressler Rd NW	North Canton	Ohio	44720	(330) 826-0020
Aung	Oo	Mako's Market & Pharmacy 00001	240 E 3rd Street,	Uhrichsville	Ohio	44683	(740) 922-1662
Sian Siam Innkuan Inc.		Fresh Thyme Market 00309	849 Polaris Pkwy.,	Westerville	Ohio	43082	(614) 987-0500
Nay	Lin	Fresh Thyme Market 00311	30016 Detroit Rd.,	Westlake	Ohio	44145	(440) 872-6910
Joseph Thang	Pau	Fresh Thyme Market 00306	933 High St.	Worthington	Ohio	43085	(614) 681-7050
Jennifer Mun	Hae	Fresh Thyme Market 00302	2850 E. Centre Dr.	Beavercreek	Ohio	45324	(937) 429-4516
Lasi Dan	Awng Doi	Fresh Thyme Market 00312	5105 Monroe St.	Toledo	Ohio	43623	(567) 455-9076
Lasi Dan	Awng Doi	University of Toledo 00001**	2801 Bancroft St.	Toledo	Ohio	43606	(800) 586-5336
OREGON							
Thang	Piang	Cutsforth's Market 00001	225 NE 2nd Ave	Canby	Oregon	97013	(503) 266-2016
Asan	Shikhun	The University of Oregon 00001**	1395 University Street	Eugene	Oregon	97403	(541) 346-1000
Asan	Shikhun	The University of Oregon 00002**	955 E 13th Ave.	Eugene	Oregon	97403	(541) 346-3381
Asan	Shikhun	The University of Oregon 00003**	1228 University St.	Eugene	Oregon	97403	(541) 346_3734
Asan	Shikhun	The University of Oregon 00004**	1215 University St.	Eugene	Oregon	97403	(541) 346-3405
Hennery	Taw	Rosauers 00016	1867 12th Street	Hood River	Oregon	97031	(541) 386-1119
OKLAHOMA							
Pau	Kim Thang	Phelps Market 04199	30011 W. Highway 51	Manford	Oklahoma	74044	(918) 865-3892
PENNSYLVANIA							
Zin	Ti Thang	Fresh Thyme 00451	1155 Washington Pike	Bridgeville	Pennsylvania	15017	(412) 319-4101
Seng Mung	Dang	Fresh Thyme Market 00453	1717 PA-228 Ste #E	Cranberry TWP	Pennsylvania	16066	(724) 553-7051
Mya	Dar	Crop's Fresh Marketplace 00001	1257 Horseshoe Pike	Downington	Pennsylvania	19335	(484) 593-2665
Tua	Khung Tin	Sprankle's Neighborhood Market 05055	151 N. McKean St.	Kittanning	Pennsylvania	16201	(724) 543-5111
Tua	Khung Tin	Sprankle's Neighborhood Market 05255	117 3rd St.	Leechburg	Pennsylvania	15656	(724) 845-2671
Seng	Mung Dang	Fresh Thyme market 00452	665 Clairton Blvd.	Pleasant Hills	Pennsylvania	15236	(412) 714-0003
Lung	Uk	Sprankle's Neighborhood Market 00001	270 W. Water St.	Saxonburg	Pennsylvania	16056	(724) 524-1940
San	Shwe Ba	Dutch Way Farm Market 00002	649 East Lincoln Ave. Rt. 422	Myerstown	Pennsylvania	17067	(717) 866-5758

** indicates Non-Traditional location

First Name	Last Name	Center Name	Street Address	City	State / Province	Zip / Postal Code	Center Phone
Saw	Paw Htoo	Dutch Way Farm Market 00004	1125 South State St.	Ephrata	Pennsylvania	17522	(717) 627-2040
Thawng	Ling	Kuhn's Market 00004	3125 Banksville Rd.	Pittsburgh	Pennsylvania	15216	(412) 343-8777
Thawng	Ling	Kuhn's Market 00009	4801 McKnight Rd.	Pittsburgh	Pennsylvania	15237	(412) 369-8781
Zarni	Lwin	Lancaster General Hospital 00001**	555 N. Duke St.	Lancaster	Pennsylvania	17602	(717) 544-5511
Zarni	Lwin	Lancaster General Hospital 00002**	2100 Harrisburg Pike	Lancaster	Pennsylvania	17601	(717) 544-3000
Zarni	Lwin	Lancaster General Hospital 00003**	690 Good Dr.	Lancaster	Pennsylvania	17601	(717) 544-3000
Naw	Say Bwal	Yoder's Country Market 00001	14 S. Tower Rd.	New Holland	Pennsylvania	17557	(717) 354-4748
TENNESSEE							
Pau Suan	Mang	University of Memphis 00001**	499 University Street	Memphis	Tennessee	38152	(901) 678-2000
Aung	Htay	Cordelia's Market 00001	737 Harbor Bend Rd.	Memphis	Tennessee	38103	(901) 526-4772
Raul	Hei	Rhodes College 00001**	2000 North Parkway	Memphis	Tennessee	38112	(901) 843-3000
TEXAS							
Mangbawi	Chuntei	Texas A&M University 00001**	6300 Ocean Drive	Corpus Christi	Texas	78412	(800) 482-6822
Thawng (Transfer)	Cem	Texas Woman's University 00001**	304 Administration Drive	Denton	Texas	76201	(949) 898-2000
Tuan	Thang	Stephen F. Austin University 00001**	222 Vista Drive	Nacogdoches	Texas	75965	(936) 468-3401
Van	Cer Tha	Abilene Christian University 00001***	1600 Campus Court	Abilene	Texas	79601	(325) 674-2000
WASHINGTON							
Lin	Long	Yokes Fresh Market 09665	1233 N. Liberty Lake	Liberty Lake	Washington	99019	(509) 927-0300
Lin	Long	Yokes Fresh Market 00010	14202 N. Market	Mead	Washington	99021	(509) 242-0200
Lin	Long	Rosauers 00002	1808 W 3rd Avenue	Spokane	Washington	99201	(509) 624-0126
Lin	Long	Rosauers 00010	907 W 14th Avenue	Spokane	Washington	99204	(509) 624-2371
Lin	Long	Rosauers 00003	10618 E. Sprague Ave.,	Spokane	Washington	99206	(509) 924-3700
Nyuint	Win	Yokes Fresh Market 00003	210 N. Foothills Dr.,	Spokane	Washington	99207	(509) 325-5611
Ma San	Aye	Yokes Fresh Market 00019	4235 Cheney Spokane Rd.,	Spokane	Washington	99224	(509) 838-1198
Yuan	Zhang	Rosauers 00007	1724 W. Francis Ave.	Spokane	Washington	99205	(509) 328-1260
Lin	Long	Huckleberry's Natural Market 00060	926 S. Monroe	Spokane	Washington	99204	(509) 624-1349
WISCONSIN							
Biak	Luaia	Fresh Thyme Market 00707	2767 S. Oneida St. Ashwaubenon	Ashwaubenon	Wisconsin	54304	(414) 246-6022
Maung Sushi LLC		Nilssen's Foods 00001	980 Cedar Street	Baldwin	Wisconsin	54002	(715)684-3307
Maung Sushi LLC		Nilssen's Foods 00002	157 E Main Street	Ellsworth	Wisconsin	54011	(715) 273-5500
Maung Sushi LLC		Nilssen's Foods 00003	224 West Oak Street	Glenwood City	Wisconsin	54002	(715) 265-4660
Maung Sushi LLC		Nilssen's Foods 00005	265 5th St. NW	Clear Lake	Wisconsin	54005	(715) 263-2513
Mee	Klu	Fresh Thyme Market 00705	8680 West Sura Lane	Greenfield	Wisconsin	53228	(414) 246-6022
Van Nei	Lian	Fresh Thyme Market 00704	7100 Green Bay Road	Kenosha	Wisconsin	53142	(262) 612-8495
Cung	Thang	Fresh Thyme Market 00701	470 East Pleasant Street	Milwaukee	Wisconsin	53202	(414) 290-3999

** indicates Non-Traditional location

Current Corporate Locations as of December 31, 2022

Street Address	City	State / Province	Zip	Center Phone
2451 University Hospital Drive	Mobile	Alabama	36617	(251) 471-7000
1700 Center Street	Mobile	Alabama	36604	(251) 415-1000
809 University Blvd. East	Tuscaloosa	Alabama	35401	(205) 759-7111
809 University Blvd. East	Tuscaloosa	Alabama	35401	(205) 759-7111
875 Perimeter Drive	Moscow	Idaho	83844	(208) 885-6111
550 E. North Ave.	Carol Stream	Illinois	60188	(630) 480-8200
2099 Mannheim Road	Melrose Park	Illinois	60106	(708) 345-4700
11333 West 159th Street	Orland Park	Illinois	60467	(708) 789-9350
7501 North Avenue	River Forest	Illinois	60305	(708) 689-5036
1121 Hirschland Road	Evansville	Indiana	47715	(812) 909-7063
5518 Grape Road	Mishawaka	Indiana	46545	(574) 406-6350
82 Carothers Road	New Port	Kentucky	41071	(859) 486-2106
3251 LA-3125	Paulina	Louisiana	70763	(225) 869-4683
4501 North Charles St.	Baltimore	Maryland	21210	(410) 617-2000
927 W. 7th Street	Frederick	Maryland	21701	(301) 663-3416
5278 Buckeystown Pk.	Frederick	Maryland	21704	(301) 663-3416

Street Address	City	State / Province	Zip	Center Phone
10840 Grand River Avenue	Brighton	Michigan	48116	(810) 229-6138
43480 Ford Road	Canton	Michigan	48187	(734) 781-4301
14925 Middlebelt Avenue	Livonia	Michigan	48154	(734) 524-1000
15480 Sheldon Road	Northville	Michigan	48168	(734) 456-7003
860 Penniman Avenue	Plymouth	Michigan	48170	(734) 233-3000
2985 Washtenaw Road	Ypsilanti	Michigan	48197	(734) 896-4076
15760 32nd Avenue	Plymouth	Minnesota	55447	(612) 849-9140
50 2nd Street South	Waite Park	Minnesota	56387	(320) 200-6086
50331 US-93	Polson	Montana	59860	(406) 676-3301
63802 US Hwy 93	Ronan	Montana	59864	(406) 883-2498
39 Stevensville Cutoff W	Stevensville	Montana	59870	(406) 777-7300
610 Exterior Street	Bronx	New York	10451	(347) 717-4305
480-500 Van Brunt Street	Brooklyn	New York	11231	(718) 254-0923
242-02 61st Avenue	Douglaston	New York	11362	(718) 423-2100
201 East 125th Street	East Harlem	New York	10035	(646) 781-3181
178 West King Street	Boone	North Carolina	28607	(828) 528-4226
11349 Montgomery Road	Cincinnati	Ohio	45249	(513) 247-0018
410 W. 18th Street	Sioux Falls	South Dakota	57104	(605) 339-9506
225 S. 700 E	Saint George	Utah	84770	(435) 652-7500

Street Address	City	State / Province	Zip	Center Phone
225 S. 700 E	Saint George	Utah	84770	(435) 652-7500
4001 East Stevens Way NE	Seattle	Washington	98195	(206) 543-2100
4001 East Stevens Way NE	Seattle	Washington	98195	(206) 543-2100
4001 East Stevens Way NE	Seattle	Washington	98195	(206) 543-2100
4001 East Stevens Way NE	Seattle	Washington	98195	(206) 543-2100
4001 East Stevens Way NE	Seattle	Washington	98195	(206) 543-2100
4200 East Stevens Way NE	Seattle	Washington	98195	(206) 543-2100
1315 NE Campus Parkway	Seattle	Washington	98105	(206) 221-5000
1315 NE Campus Parkway	Seattle	Washington	98105	(206) 221-5000
1705 NE Pacific Street	Seattle	Washington	98195	(206) 543-0950
2060 George Washington Lane	Seattle	Washington	98195	(206) 543-2990
3785 Jefferson Road NE	Seattle	Washington	98105	(206) 543-4059
265 2nd Street	Stevenson	Washington	98648	(509) 427-5491

Exhibit G
List of Terminated Franchisees

Former Franchisees as of December 31, 2022

First Name	Last Name	Franchisee Address	City	State	Zip Code
ALABAMA					
Hla (2 main, 1 delivery)	Thar	10771 Indies Dr. #N	Jacksonville	FL	32246
Hltay (2 main)	Hlaing	425 Cavan Dr.	Stone Mountain	CA	30083
ARKANSAS					
Far	Sung	1017 Twin Points Rd.	Hot Springs	AR	71913
ARIZONA					
Catherine (1 main, 2 delivery)	Sin	15432 N. 54th St.	Scottsdale	AZ	85254
CALIFORNIA					
Qian	Liu	7 Mimosa	Irvine	CA	92612
Khawn	Lahpai	1050 W. 165th Pl. Apt #4	Gardena	CA	90247
Haiting (1 main, 1 delivery)	Liu	17328 East View Dr.	Chino Hills	CA	91709
Tun (1 main, 3 delivery)	Hling Gree	2257 Euclid Ave.	Long Beach	CA	90815
LiJuan	Song	3115 E. Escoba Dr. Apt. 197	Palm Springs	CA	92264
Yasen (1 main, 2 delivery)	Jiang	11161 Kite Hill Ln.	San Diego	CA	92126
Sushi & Roll, Inc. (1 main, 5 delivery)		17068 Kingsbury St.	Granada Hills	CA	91344
Fang	Wen	6232 Winona St.	Chino	CA	91710
Hongshuang	Zhang	10532 Lemon Ave.	Rancho Cucamonga	CA	91737
Wen	Li	26061 O'Hara Ln.	Stevenson Ranch	CA	91381
Jung (1 main, 1 delivery)	Wang	3115 E. Escoba Dr.	Palm Springs	CA	92264
Tianhua (1 main, 1 delivery)	Li	13783 Sunrise St.	Fontana	CA	92336
Ye	Thein	920 Haawi Loop	Wailuku	HI	96793
YongXun	Huang	13410 Tracy St.	Baldwin Park	CA	91706
Chuanning	Sun	6782 S. Mariposa Ln.	Dublin	CA	94568
Ji	Zhan Zhang	16275 Folger St.	Hacienda	CA	91745
Wei	He	304 Emerald Ave.	Redlands	CA	92374
Happy Party Sushi, LLC. (1 main, 1 delivery)		18442 Santar St.	Rowland Heights	CA	91748
Nang	He Shin	1125 Woodrow Ave.	San Diego	CA	92114
Claire	Chen	4881 Tropea St.	Oceanside	CA	92057

First Name	Last Name	Franchisee Address	City	State	Zip Code
Naseeb	Mansoor Ameri	15 Via Tronido	Rancho Santa Margarita	CA	92868
Jin	Kang	811 Fedora St. #101	Los Angeles	CA	90005
Chuanpeng	Xu	725 Miramar Dr.	Fullerton	CA	92831
Fang	Zheng	3225 San Gabriel Blvd. #13	Rosemead	CA	91770
Da	Wu	5208 Wightman St. Apt. #7	San Diego	CA	92105
JC Hello Corporation (1 delivery)		4034 Ivey Vista Way	Oceanside	CA	92057
Qian	Yang	4493 Aspen Tree Ct.	Moorpark	CA	93021
Yatanar (1 main, 1 delivery)	Tun	14922 Whimbrel Dr.	Eastvale	CA	92880
CONNECTICUT					
Yungdung (2 main, 1 delivery)	Lhamo	46 Kennedy Dr.	Meriden	CT	06450
FLORIDA					
Yawhthung (1 main, 1 delivery)	Maran	4107 W. Estrella St.	Tampa	FL	33629
Wai	Phyo Aung	1599 Sweet Plum Cir.	Tallahassee	FL	32312
Luan K. (1 main, 1 delivery)	Mung	9487 Sunnehanna Blvd.	Pensacola	FL	32514
Brang (1 main, 1 delivery)	Mai Sana	5030 Magnolia Valley Dr.	Jacksonville	FL	32210
Saw (2 main, 1 delivery)	Jerome	4610 N. Armenia Ave. #503	Tampa	FL	33603
Thet (1 main, 1 delivery)	Ko Ko	401 NW 48th Blvd.	Gainesville	FL	32607
IDAHO					
Eloy (1 main, 1 delivery)	Bonny	1043 N. Clithero Dr.	Boise	ID	83703
Say (1 main, 3 delivery)	Bra	1518 E. Cataldo Ave.	Spokane	WA	99202
ILLINOIS					
Pyae	Mon Aye	1273 Bison Trail	Carol Stream	IL	60188
Axel (1 main, 1 delivery)	Garcia	34485 W. Lake Shore Dr.	Round Lake Beach	IL	60073
INDIANA					
Lian	Za Sang	533 W. Mc Gregor Rd.	Indianapolis	IN	46217
IOWA					
Cung (1 main, 1 delivery)	Mang	3922 74th St.	Urbandale	IA	50322
Thawng (1 Main, 1 delivery)	Lian	9498 Indian Hills Dr.	Clive	IA	50325

First Name	Last Name	Franchisee Address	City	State	Zip Code
Ceu	Hnin Thang	2401 Lakeview Dr. Apt. #1216	N. Little Rock	AR	72116
Hoi	Bik	325 23rd St.	East Moline	IL	61244
Benjamin	Thang	7154 El Rancho Ave.	Windsor Heights	IA	50324
Khan (1 main, 1 delivery)	Lian	5424 Adrian Orchard Dr.	Indianapolis	IN	46217
KANSAS					
Mang T. (3 main)	Cung	1940 NW 82nd St. Apt. #35	Clive	IA	50325
LOUISIANA					
Lu	Mai	374 Union St.	Peterborough	NH	03458
MICHIGAN					
Ngun (1 main, 1 delivery)	Hnim	3620 W. Holmes Rd.	Lansing	MI	48911
Tun	Min	1717 Mary St.	Marinette	WI	54143
Ha (2 main, 1 delivery)	Di Nar	4349 Sterling Way Apt. #513	Mt. Pleasant	MI	48858
Po	Lon Lon	1240 E. Bloomfield St. Apt. #O7	Mt. Pleasant	MI	48858
Tha (1 main, 1 delivery)	Par	5359 Glenn Valley Dr. Apt. #1A	Battle Creek	MI	49015
Sing (2 main)	Myint	28548 Thornapple Dr. Apt. #108	Southfield	MI	48034
Shein	Soe	4113 Skidmore St.	Ashland	KY	41101
Van-Hmung (1 main, 1 delivery)	Sang	1267 Avenue Lot 31	Springfield	MI	49037
Naing (1 main, 1 delivery)	Naing	580 E. 13 Mile Rd. Apt. #201	Madison Heights	MI	48071
Wen	Wang	240 Huntley Dr.	Walled Lake	MI	48390
Mang	Za Lian	4350 Norman Dr. SE Apt. #104	Grand Rapids	MI	49508
Bawi (1 main, 1 delivery)	Cung Lian	3693 Root Dr.	Troy	MI	48083
Tha (1 delivery)	Hlei Vang	3806 Bend St. SW Apt. #16	Grandville	MI	49418
MINNESOTA					
Rainy	Yangtz	10744 Tamarack Circle NW	Coon Rapids	MN	55433
Lee	Vue	7009 Candlewood Cir.	Brooklyn Park	MN	55445
Lia	Vang	1862 Conway St.	St. Paul	MN	55119
Lorena (1 main, 1 delivery)	Hang	1211 106th Ln. NW	Coon Rapids	MN	55433
Tria	Yang	1261 Beech St.	Saint Paul	MN	55106
Michelle	Vang	1328 Thomas Ave. N	Minneapolis	MN	55411
Prime Home LLC.		2858 229th Ave. NE	East Bethel	MN	55005

First Name	Last Name	Franchisee Address	City	State	Zip Code
Youa	Vue	11826 Grouse St. NW	Coon Rapids	MN	55448
Ma	Nai Nai	520 15th Ave. SE Apt. #204	St. Cloud	MN	56304
Neng	Vue	3611 85th St. NW Lot #134	Oronoco	MN	55960
MISSISSIPPI					
Naw	Naw	151 Broadway St. A3	Clinton	MS	50322
Zo	Thang	1516 Caymus Ct.	Lewisville	TX	75067
Bawi	Thang	5665 Kirkwood Blvd. SW Apt. #6	Cedar Rapids	IA	52404
MISSOURI					
Nawl (2 main)	Uk	1004 Donner Pass St. #D	St. Peter	MO	63376
Mang	Khenglawt	9114 Jonmar Ct.	St. Louis	MO	63123
MONTANA					
Van (2 main, 2 delivery)	Biak CinZah	326 10th Ave. W. Apt. #8	Kalispell	MT	59901
GreenDragon, Inc.		1799 Hwy. 93 N.	Victor	MT	59875
NEVADA					
Tuan	Nguyen	2821 Tuscany Cir.	Shreveport	LA	71106
Sein	Aung	950 Bowman Dr.	Reno	NV	89503
Thang	Kap Lo	11813 S. Vine Pl.	Jenks	OK	74037
NEW HAMPSHIRE					
Shwe	Maung Kyaw	374 Union St.	Peterborough	NH	03458
Thwe (2 main)	Nu Aye	526 Lilac Ln.	Dover	NH	03820
NEW YORK					
Brang	Nan	5 Loring Pl.	Rochester	NY	14624
Khin (1 main, 3 delivery)	Lin	2949 Niagara St.	Buffalo	NY	14207
Yelin (1 main, 4 delivery)	Thinthein	12 Collaton St.	Buffalo	NY	14207
Htat (1 main, 3 delivery)	Yar Zar	39 Ponderosa Dr. Apt. #3	Syracuse	NY	13215
OHIO					
William	Tun	659 Schiller Ave.	Akron	OH	50322
Muang	Ye Htut	578 Dayton St.	Akron	OH	44310
Biak (1 main, 1 delivery)	Mang Chiah	465 Hemhill Dr.	Galloway	OH	43119
Tommy	Htaik	5509 Dressler Rd. NW	North Canton	OH	44720
OREGON					
Ta	Eh Say	411 NE 165th Ave. #107	Portland	OR	97230

First Name	Last Name	Franchisee Address	City	State	Zip Code
PENNSYLVANIA					
Mya	Dar	4139 74th St. Apt. #2F	Elmhurst	NY	11373
Thing	Luai	523 Wyncotte St.	Pittsburgh	PA	15204
Pa	Htike	865 Grand Ave.	Pittsburgh	PA	15212
SOUTH DAKOTA					
Ningyi	Hu				
TENNESSEE					
Htay	Hlaing	425 Cavan Dr.	Stone Mountain	CA	30083
TEXAS					
Kawl	Hmung	2202 Harrison St. Apt. #165	Wichita Falls	TX	76308
Nelson	Tin-Thang Biak	500 N. Judge Ely Blvd. Apt. #8-101	Abilene	TX	79601
Suixian	Liao	2707 Bonnie Bray Dr.	Katy	TX	77494
Mayit	Nangsan	7324 Skillman St. #808	Dallas	TX	75231
Van	Khar Lian	9001 Markville Dr. Apt. #813	Dallas	TX	75243
Sam	Ngun Hu Lian	2071 Briarcliff Rd.	Lewisville	TX	75067
Jung (Franchisee closed a CA	Khum	927 Irma St.	Fortworth	TX	76104
WASHINGTON					
Lin (2 main)	Long	20 E. Bridgeport Ave.	Spokane	WA	99207
WISCONSIN					
Chan	Lian	3214 W. Farde Ave. Apt. #8	Milwaukee	WI	53221
Maung	Myn	3613 S. 77th St.	Milwaukee	WI	53220

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

Exhibit H
Financial Statements

Ace Sushi Franchise Corporation

Financial Statements

December 31, 2022 and 2021

WINDES
AUDIT | TAX | ADVISORY

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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Ace Sushi Franchise Corporation:

Opinion

We have audited the accompanying financial statements of Ace Sushi Franchise Corporation (a California corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ace Sushi Franchise Corporation as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Emphasis of Matter

As discussed in Note 5 to the financial statements, the 2022 and 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Windes, Inc.

Irvine, California
October 2, 2023

ACE SUSHI FRANCHISE CORPORATION

BALANCE SHEETS

ASSETS

	December 31,	
	2022	2021
	(As Restated)	(As Restated)
CURRENT ASSETS		
Cash	$ 100,000	$ 100,000
Accounts receivable, net	154,533	108,152
Related-party receivable	895,138	658,389
	1,149,671	866,541
TOTAL ASSETS	$ 1,149,671	$ 866,541

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES		
Unearned franchise fees	$ 571,668	$ 395,170
	571,668	395,170
NONCURRENT LIABILITIES		
Unearned franchise fees, net of current portion	$ 528,003	$ 421,371
	528,003	421,371
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDER'S EQUITY		
Common stock, $1 par value; 1,000,000 shares authorized, 50,000 shares issued and outstanding	50,000	50,000
Retained earnings	-	-
	50,000	50,000
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 1,149,671	$ 866,541

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF INCOME

	For the Year Ended December 31,	
	2022	2021
	(As Restated)	(As Restated)
REVENUE		
Franchise fees	$ 678,121	$ 502,786
Initial training fees	204,500	185,500
	882,621	688,286
GENERAL AND ADMINISTRATIVE EXPENSES		
Related-party management fees	829,321	687,486
Bad debt expense	52,500	-
	881,821	687,486
INCOME BEFORE PROVISION FOR INCOME TAXES	800	800
PROVISION FOR FRANCHISE TAXES	800	800
NET INCOME	$ -	$ -

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

	Common Stock	Retained Earnings	Total
BALANCE, DECEMBER 31, 2020	50,000	$ -	$ 50,000
NET INCOME	-	-	-
BALANCE, DECEMBER 31, 2021	50,000	-	50,000
NET INCOME	-	-	-
BALANCE, DECEMBER 31, 2022	50,000	$ -	$ 50,000

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2022	2021
	(As Restated)	(As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ -	$ -
Adjustments to reconcile net income to net cash from operating activities:		
Bad debt expense	52,500	-
Changes in operating assets and liabilities:		
Accounts receivable	(98,881)	(54,452)
Related-party receivables	(236,749)	(384,763)
Unearned franchise fees	283,130	439,215
Net Cash Provided By Operating Activities	-	-
NET CHANGE IN CASH	-	-
CASH AT BEGINNING OF YEAR	100,000	100,000
CASH AT END OF YEAR	$ 100,000	$ 100,000

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - Organization

Ace Sushi Franchise Corporation (the Company) is engaged in the business of selling franchises in various states for the operation of sushi bars in grocery stores, supermarkets, and other locations under the trade name "Ace Sushi". The Company was incorporated in California in 2004 and is a wholly owned subsidiary of Asiana Management Group, Inc. (AMG). The Company enters into franchise agreements with franchisees, which govern their arrangement and provide for franchise fees, training fees, and other terms. As of December 31, 2022, there were 424 locations franchised by the Company, 90 of which were sold during 2022.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting policies generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Significant items subject to estimates and assumptions include the carrying amounts of franchise agreements and the allowances for doubtful accounts. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and accounts receivable. Accounts receivable subject the Company to the potential for credit risk as the Company grants credit to nearly all of its customers.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. The allowance for doubtful accounts totaled $52,500 and $0 at December 31, 2022 and 2021, respectively.

The franchise agreements provide the Company the right to terminate the franchise for nonpayment of royalties and advertising funds. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Revenue Recognition

The Company's revenue consists of franchise fees and initial training fees.

Franchise fees represent the granting of a license to the franchisee to use the Company's intellectual property over the franchise period and, therefore, is recognized ratably over the period covered by the franchise agreement as the performance obligation is satisfied. Until such obligation is satisfied, fees collected are recorded as a contract liability, unearned franchise fees.

Initial training fees represent a single performance obligation and are recognized upon completion of training activities.

Income Taxes

The Company accounts for uncertainty in income taxes in accordance with the provisions of FASB ASC 740, *Income Taxes*, which requires companies to evaluate tax positions in a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained under audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. The Company reviews its tax positions periodically and adjusts the balances as new information becomes available.

For the year ended December 31, 2022 and 2021, the Company believes there are no uncertain tax positions affecting the Company, resulting in no gross interest or penalties being recorded and no effect on the effective tax rate.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Adoption of ASU 2016-13 will require the Company to use forward-looking information to better formulate its credit loss estimates. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2022, and early adoption is permitted. The adoption of this standard is not expected to have a significant impact on the financial statements.

Subsequent Events

The Company has evaluated subsequent events through October 2, 2023, the date the financial statements were available to be issued.

NOTE 3 – Unearned Franchise Fees

Unearned franchise fees represent a contract liability resulting from initial and renewal franchise fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement and billed in advance of satisfaction of the Company's performance obligation.

The following table reflects the change in contract liabilities between December 31, 2022 and 2021:

	December 31,	
	2022	**2021**
Balance at beginning of year	$ 816,541	$ 377,326
Revenue recognized during the year	(678,121)	(502,786)
New franchise fees sold during the year	961,251	942,001
Balance at end of year	$ 1,099,671	$ 816,541

NOTE 3 – Unearned Franchise Fees (Continued)

The following table illustrates the estimated contract liabilities expected to be recognized as future revenue which is being amortized over the term of the franchise agreement:

Year Ending December 31,	Amount
2023	$ 571,668
2024	212,925
2025	208,563
2026	106,515
	$ 1,099,671

NOTE 4 – Related-Party Transactions

AMG provides various management functions on behalf of the Company, including substantially all of the Company's responsibilities under the franchise agreements and collections of cash from franchisees. As consideration for these services, the Company pays a management fee to AMG equal to the Company's net income.

NOTE 5 – Restatement of Prior Financial Statements

Subsequent to the issuance of the financial statements for the years ended December 31, 2022 and 2021, the Company determined franchise fees were not being recorded properly during previous years, which resulted in a misstatement of accounts receivable, related party receivable, franchise fees earned and unearned, and management fees in the previously reported financial statements. An adjustment was recorded to correct this error as follows:

	Restated	As Previously Reported	Effect of Misstatement
Year Ending December 31, 2022			
Balance Sheet			
Accounts receivable	$ 154,533	$ 225,208	$ (70,675)
Related party receivable	$ 895,138	$ 816,942	$ 78,196
Unearned franchise fees	$ 1,099,671	$ 1,092,150	$ 7,521
Year Ending December 31, 2021			
Balance Sheet			
Accounts receivable	$ 108,152	$ 33,900	$ 74,252
Related party receivable	$ 658,389	$ 717,421	$ (59,032)
Unearned franchise fees	$ 816,541	$ 801,321	$ 15,220
Statement of Income			
Franchise fees	$ 502,786	$ 626,288	$ (123,502)
Management fee to related party	$ 687,486	$ 811,788	$ (123,502)

Ace Sushi Franchise Corporation

Financial Statements

December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Ace Sushi Franchise Corporation:

Opinion

We have audited the accompanying financial statements of Ace Sushi Franchise Corporation (a California corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ace Sushi Franchise Corporation as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Emphasis of Matter

As discussed in Note 5 to the financial statements, the 2021 and 2020 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Windes, Inc.

Irvine, California
October 2, 2023

ACE SUSHI FRANCHISE CORPORATION

BALANCE SHEETS

ASSETS

	December 31,	
	2021	2020
	(As Restated)	(As Restated)
CURRENT ASSETS		
Cash	$ 100,000	$ 100,000
Accounts receivable	108,152	53,700
Related-party receivable	658,389	273,626
	866,541	427,326
TOTAL ASSETS	$ 866,541	$ 427,326

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES		
Unearned franchise fees, current portion	$ 395,170	$ 242,957
	395,170	242,957
NONCURRENT LIABILITIES		
Unearned franchise fees, net of current portion	421,371	134,369
	421,371	134,369
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDER'S EQUITY		
Common stock, $1 par value; 1,000,000 shares authorized, 50,000 shares issued and outstanding	50,000	50,000
Retained earnings	-	-
	50,000	50,000
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 866,541	$ 427,326

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF INCOME

	For the Year Ended December 31,	
	2021	2020
	(As Restated)	(As Restated)
REVENUE		
Franchise fees	$ 502,786	$ 285,339
Initial training fees	185,500	24,500
	688,286	309,839
GENERAL AND ADMINISTRATIVE EXPENSES		
Management fee to related party	687,486	309,039
INCOME BEFORE PROVISION FOR INCOME TAXES	800	800
PROVISION FOR INCOME TAXES	800	800
NET INCOME	$ -	$ -

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

	Common Stock	Retained Earnings	Total
BALANCE, DECEMBER 31, 2019	50,000	$ -	$ 50,000
NET INCOME	-	-	-
BALANCE, DECEMBER 31, 2020	50,000	-	50,000
NET INCOME	-	-	-
BALANCE, DECEMBER 31, 2021	50,000	$ -	$ 50,000

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2021	2020
	(As Restated)	(As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ -	$ -
Adjustments to reconcile net income to net cash from operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(54,452)	(1,930)
Related-party receivables	(384,763)	106,202
Unearned franchise fees	439,215	(104,272)
Net Cash Provided By Operating Activities	-	-
NET CHANGE IN CASH	-	-
CASH AT BEGINNING OF YEAR	100,000	100,000
CASH AT END OF YEAR	$ 100,000	$ 100,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for income taxes	$ 800	$ 800

The accompanying notes are an integral part of these financial statements.

ACE SUSHI FRANCHISE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 - Organization

Ace Sushi Franchise Corporation (the Company) is engaged in the business of selling franchises in various states for the operation of sushi bars in grocery stores, supermarkets, and other locations under the trade name "Ace Sushi." The Company was incorporated in California in 2004 and is a wholly owned subsidiary of Asiana Management Group, Inc. (AMG). The Company enters into franchise agreements with franchisees, which govern their arrangement and provide for franchise fees, training fees, and other terms. As of December 31, 2021, there were 343 locations franchised by the Company, 206 of which were sold during 2021.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting policies generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Significant items subject to estimates and assumptions include the carrying amounts of franchise agreements and the allowances for doubtful accounts. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and accounts receivable. Accounts receivable subject the Company to the potential for credit risk as the Company grants credit to nearly all of its customers.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. No allowance was considered necessary at December 31, 2021 and 2020.

The franchise agreements provide the Company the right to terminate the franchise for nonpayment of royalties and advertising funds. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Revenue Recognition

The Company's revenue consists of franchise fees and initial training fees.

Franchise fees represent the granting of a license to the franchisee to use the Company's intellectual property over the franchise period and, therefore, is recognized ratably over the period covered by the franchise agreement as the performance obligation is satisfied. Until such obligation is satisfied, fees collected are recorded as a contract liability, unearned franchise fees.

Initial training fees represent a single performance obligation and are recognized upon completion of training activities.

Income Taxes

The Company accounts for uncertainty in income taxes in accordance with the provisions of FASB ASC 740, *Income Taxes*, which requires companies to evaluate tax positions in a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained under audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. The Company reviews its tax positions periodically and adjusts the balances as new information becomes available.

For the year ended December 31, 2021 and 2020, the Company believes there are no uncertain tax positions affecting the Company, resulting in no gross interest or penalties being recorded and no effect on the effective tax rate.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Company has evaluated subsequent events through October 2, 2023, the date the financial statements were available to be issued.

NOTE 3 – Unearned Franchise Fees

Unearned franchise fees represent a contract liability resulting from initial and renewal franchise fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement, and billed in advance of satisfaction of the Company's performance obligation.

The following table reflects the change in contract liabilities between December 31, 2021 and 2020:

	December 31,	
	2021	**2020**
Balance at beginning of year	$ 377,326	$ 9,894
Revenue recognized during the year	(502,786)	(285,339)
New franchise fees sold during the year	942,001	652,771
Balance at end of year	$ 816,541	$ 377,326

The following table illustrates the estimated contract liabilities expected to be recognized as future revenue which is being amortized over the term of the franchise agreement:

Year Ending December 31,	Amount
2022	$ 395,170
2023	171,817
2024	149,087
2025	100,467
	$ 816,541

NOTE 4 – Related-Party Transactions

AMG provides various management functions on behalf of the Company, including substantially all of the Company's responsibilities under the franchise agreements and collections of cash from franchisees. As consideration for these services, the Company pays a management fee to AMG equal to the Company's net income.

NOTE 5 – Restatement of Prior Financial Statements

Subsequent to the issuance of the financial statements for the years ended December 31, 2021 and 2020, the Company determined franchise fees were not being recorded properly during previous years, which resulted in a misstatement of accounts receivable, related-party receivable, franchise fees earned and unearned, initial training fees, and management fees in the previously reported financial statements. An adjustment was recorded to correct this error as follows:

	Restated	As Previously Reported	Effect of Misstatement
Year Ending December 31, 2021			
Balance Sheet			
Accounts receivable	$ 108,152	$ 33,900	$ 74,252
Related-party receivable	$ 658,389	$ 717,421	$ (59,032)
Unearned franchise fees	$ 816,541	$ 801,321	$ 15,220
Statement of Income			
Franchise fees	$ 502,786	$ 626,288	$ (123,502)
Management fee to related party	$ 687,486	$ 811,788	$ (123,502)
Year Ending December 31, 2020			
Balance Sheet			
Accounts receivable	$ 53,700	$ 23,520	$ 30,180
Related-party receivable	$ 273,626	$ 451,525	$ (177,899)
Unearned franchise fees	$ 377,326	$ 525,045	$ (147,719)
Statement of Income			
Franchise fees	$ 285,339	$ 285,649	$ (310)
Initial training fees	$ 24,500	$ 37,762	$ (13,262)

Exhibit I
Franchise Application

FRANCHISE APPLICATION FORM

Personal Information

Name of Applicant: _____ Date: _____
Last Name First Name Middle Initial

Address: _____
Street Apt. /Unit # City State ZIP Code

Phone Number: _____ Email Address: _____

Are you at least 21 years of age? Yes ☐ No ☐ SSN (Social Security Number): _____

Are you a citizen of the U.S.? (Proof of status is required upon agreement) Yes ☐ No ☐ If no, are you authorized to work in the U. S.? Yes ☐ No ☐

Have you ever been convicted of a felony, misdemeanor including minor traffic offense? Yes ☐ No ☐ If yes, explain: _____

How did you hear about ACE? : _____

Who will be operating the sushi bar? _____

Why are you interested in an ACE Franchise? _____

Locations of interest: _____ and/or _____
City and State City and State

and/or _____ Are you willing to relocate? Yes ☐ No ☐
City and State

If yes, where? _____ and/or _____
City and State City and State

and/or _____ Do you have $15K to invest? Yes ☐ No ☐
City & State

Version2020

Education

High School: _____ Address: _____

From/To (year): _____ Did you graduate? Yes ☐ No ☐

College: _____ Address: _____

From/To (year): _____ Did you graduate? Yes ☐ No ☐

Other: _____ Address: _____

From/To (year): _____ Did you graduate? Yes ☐ No ☐ Degree: _____

Previous Employment

Have you ever worked with ACE Sushi as a franchisee? Yes ☐ No ☐

Have you ever worked with ACE Sushi as a temporary contractor? Yes ☐ No ☐

Have you ever been previously employed as an ACE Sushi helper? Yes ☐ No ☐

Have you ever worked with any other sushi company before? Yes ☐ No ☐

If yes, name: _____ and year: _____

Have you previously owned a franchise? Yes ☐ No ☐ If yes, name: _____ and year: _____

Do you have any family members who own a sushi or Asian food franchise? Yes ☐ No ☐

If yes, name: _____ and year: _____

Do you have a current Food Handler's Certificate? Yes ☐ No ☐

If yes, which location: _____ Date: _____

Are you currently in a Non-Compete Agreement? Yes ☐ No ☐

Have you ever filed bankruptcy? Yes ☐ No ☐

Work History

Company (1): _____ Phone: _____ Address: _____

Supervisor: _____ Job Title: _____ Starting Salary/Wage: _____

Ending Salary/Wage: _____ From/ To (date): _____

Responsibilities: _____

Reason for leaving: _____

May we contact your previous Supervisor for reference? Yes ☐ No ☐

If no, please explain: _____

Company (2): _____ Phone: _____ Address: _____

Supervisor: _____ Job Title: _____ Starting Salary/Wage: _____

Ending Salary/Wage: _____ From/To (date): _____

Responsibilities: _____

Reason for leaving: _____

May we contact your previous Supervisor for reference? Yes ☐ No ☐

If no, please explain: _____

Company (3): _____ Phone: _____ Address: _____

Supervisor: _____ Job Title: _____ Starting Salary/Wage: _____

Ending Salary/Wage: _____ From/To (date): _____

Responsibilities: _____

Reason for leaving: _____

May we contact your previous Supervisor for reference? Yes ☐ No☐

If no, please explain: _____

References

Please list three (3) professional references.

Full name: _____ Relationship: _____ Company: _____

Phone: _____ Address: _____

Full name: _____ Relationship: _____ Company: _____

Phone: _____ Address: _____

Full name: _____ Relationship: _____ Company: _____

Phone: _____ Address: _____

Full name: _____ Relationship: _____ Company: _____

Phone: _____ Address: _____

Banking References

Bank Name & Phone number: _____ Address: _____

Current Balance: _____ Account # (checking): _____ Account # (savings): _____

Bank Name & Phone number: _____ Address: _____

Current Balance: _____ Account # (checking): _____ Account # (savings): _____

Bank Name & Phone number: _____ Address: _____

Current Balance: _____ Account # (checking): _____ Account # (savings): _____

Bank Name & Phone Number: _____ Address: _____

Current Balance: _____ Account # (checking): _____ Account # (savings): _____

Real Estate Investments

Description: _____ Address: _____ Date of Purchase: _____

Monthly Mortgage Payment: _____ Balance: _____

Disclaimer and Signature

I hereby certify that my answers are true and complete to the best of my knowledge. If the application leads to consideration, I understand that any false, misleading or material omission of information in this application may result in my disapproval to become an ACE franchisee or, if I've been approved to become a Franchisee, I understand that false information supplied on this application can result in my immediate termination of owning and operating a franchise location with ACE Sushi Franchise Corporation.

Signature: _____ Date: _____

Please return with a copy of your valid ID & Social Security Card. All information will be considered confidential and will not be disclosed to anyone.

Thank you for your interest in ACE Sushi. Please e-mail your completed application to ACE Franchising Department at aung.aye@acesushi.com or mail to the ACE Franchising Department at 22771 S. Western Avenue, Torrance, CA 90501

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, 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	July 6, 2023 as amended _____
Hawaii	Pending
Illinois	April 20, 2023 as amended _____
Indiana	Pending
Maryland	Not Registered
Michigan	June 3, 2023
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	June 3, 2023 as amended _____
South Dakota	Pending
Virginia	May 9, 2023 as amended _____
Washington	See Separate FDD
Wisconsin	April 20, 2023 as amended _____

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit J
Receipts

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Ace Sushi Franchise Corporation offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Several states, including New York, require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Several states, including Michigan and Oregon, require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever comes first.

If Ace Sushi Franchise Corporation does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on **Exhibit A**.

The franchisor is Ace Sushi Franchise Corporation, located at 22771 S Western Avenue, Torrance, California 90501.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Angela Swe and Brian Tan, 22771 S Western Avenue, Torrance, California 90501 (310) 327-2223.

Issuance Date: April 20, 2023

We authorize the agents listed in **Exhibit A** to receive service of process for us.

I have received a Disclosure Document dated April 20, 2023. This Disclosure Document includes the following Exhibits:

- **A Agents for Service of Process & State Administrators**
- **B Initial Training Agreement**
- **C Franchise Agreement and Attachments**
  - **C1 – Hot Food Addendum**
- **D State-Specific Addenda**
- **E Candidate Confidentiality Agreement**
- **F List of Franchisees**
- **G List of Terminated Franchisees**
- **H Financial Statements**
- **I Franchise Application**
- **J Receipts**

DATED: _____
SIGNED: _____ ADDRESS: _____
NAME: _____ PHONE: _____
E-MAIL: _____

Please sign this copy of the Receipt, date your signature, and return it to: Chris Chin, 22771 S Western Avenue, Torrance, California 90501, 310-327-2223.

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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- **I Franchise Application**
- **J Receipts**

DATED: _____
SIGNED: _____ ADDRESS: _____
NAME: _____ PHONE: _____
E-MAIL: _____

Keep this copy for your records. This disclosure document may be available in several formats including on paper, on a CD, in pdf format or on our website: www.acesushi.com