



FRANCHISE DISCLOSURE DOCUMENT

INTERNATIONAL FOOD CREATIONS, LLC
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Torrance, CA 90501
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The franchises offered are for food service counters offering sushi, Asian food and other food products to supermarkets and other venues, under the trade name “International Food Creations.” If you sign a Franchise Agreement for International Food Creations, you will pay an initial franchise fee of \$5,000.00. The total investment necessary to begin operation of an International Food Creations franchise is as follows: (1) if you are a new franchisee, the estimated total investment for one full-time or part-time food service counter is from \$25,270 to \$121,165 for a non-company operated location and between \$26,270 to \$221,165 if you purchase an existing company operated location. This includes \$20,500 to \$201,500 that must be paid to us; (2) if you are an existing franchisee purchasing an additional full-time or part-time location, the estimated total investment necessary to begin operation of each additional location is from \$25,270 to \$121,165 for a non-company operated location and between \$26,270 to \$221,165 if you purchase an existing company operated location. This includes \$20,500 to \$201,500 that must be paid to us; (3) if you are an existing franchisee purchasing a self-service food service counter, the estimated total investment necessary to begin operations is from \$3,350 to \$17,400. This includes \$3,000 to \$15,000 that must be paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Michael Yoshino at 2390 Crenshaw Blvd., Suite 803, Torrance, CA 90501, 877-468-3003, info@intfoodcreations.com.

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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

See the following state effective date summary page for state effective dates. See also Exhibit N State Effective Dates.

The issuance date of this Franchise Disclosure Document is: April 1, 2026.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit J.
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 A 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 International Food Creations business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a International Food Creations franchisee?	Item 20 or Exhibit J lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 Multnomah County, Oregon. 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 Oregon 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. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “us,” and “our” means the franchisor, International Food Creations, LLC “You” and “your” means the person who purchases International Food Creations, LLC franchise, as well as, in the case of a corporation, limited liability company, partnership or other legal entity, your shareholders, directors, officers, members, partners and owners, as applicable.

FRANCHISOR: We were incorporated under the laws of the State of Delaware on August 19, 2020. Other than offering our franchises, we do not offer our food service counter services and products to the public.

We have been offering franchises under the name International Food Creations since December 1, 2020. We offer food service counters offering sushi, Asian food and other food products to supermarkets and other venues, under the trade name “International Food Creations.” The franchised food service counters will feature the trademark International Food Creations (see Item 13). This principal mark and all other marks that may be designated by us in the future in writing for use with the franchise business are referred to in this Disclosure Document as the “Mark.”

Today, “International Food Creations” has 106 locations. Our corporate headquarters is located at 2390 Crenshaw Blvd., Suite 803, Torrance, CA 90501. Our agents for service of process is listed in Exhibit K.

PARENT AND AFFILIATES:

We have no parent or affiliates. Other than what is described in this disclosure document, no other food service counters or businesses carry our proprietary products or use our Marks. We will conduct all of our training of new franchisees at an International Food Creations food service counter owned and operated by International Food Creations, LLC.

PREDECESSORS: We have no predecessor.

FRANCHISOR’S BUSINESS: We offer food service counters offering sushi, Asian food and other food products to supermarkets and other venues, under the trade name “International Food Creations.” Sometimes, due to arrangements with the facility owner, you will operate your food service counter under a different name, or a generic name. If the facility owner requires you to operate under a different or generic name, all products you sell will still bear the “International Food Creations” name and logo, which will be visible to your customers. There are currently ten company-owned or franchised outlets operating under a different or generic name.

If you purchase a franchise from us, subject to the terms and conditions of the Franchise Agreement, you will be entitled to offer the identical products, including our proprietary

products and recipes, and retail services as we offer utilizing the same trade names and marks, including the International Food Creations name. We only offer International Food Creations franchises.

INTERNATIONAL FOOD CREATIONS FRANCHISE: An International Food Creations franchise will grant you the right to operate food service counters offering sushi, Asian food and other food products to supermarkets and other venues, under the trade name “International Food Creations.” You will sell prepared foods primarily to supermarket customers who are shopping at that supermarket or who visit the venue where your International Food Creations counter is located. Your franchise will be located inside another retail location, such as a supermarket, and will be operated under a lease that we negotiate directly with the owner of the retail location and without your involvement. You may only sell our authorized products at the food service counter we designate to your franchise. The supermarket has the right to sell competing products at other locations in its facility.

We are not in any other business and haven’t offered franchises in any other business. We offer three types of franchises—full-time food service counters, part-time food service counters and self-service food service counters.

Full-time food service counters allow you to operate a food service counter as a department of a retail supermarket or in another kind of location, like a college campus or arena on a full time basis.

In some instances, we may permit you to operate at these facilities on a part-time basis. In part-time locations, you are not required to be personally present or have a manager personally present at the food service counter more than four hours per day. We currently only permit franchisees to operate a part-time location if they already own a full time food service location.

Self-service food service counters are available only to selected franchisees who already operate a full-time or part-time food service counter with us. Under the self-service franchise, you service a supermarket or other location’s sushi and/or other prepared food needs from your existing location. You do not have to be physically present at the self-service location during all hours of operation. It is your responsibility to prepare the prepared foods (such as sushi and other foods in our system) at your full-time or part-time food service counter and deliver it at least once daily to your self-service location.

To purchase an International Food Creations franchise, you must sign our franchise agreement and a separate addendum for each location to be opened by you. All the addendums are controlled by one franchise agreement.

Under each type of franchise, customers pay the facility owner for their purchases and sales are recorded in the facility owner’s cash registers and then reported to us. A percentage of your gross sales is retained by us and another percentage is retained by the facility owner. We then return the remainder to you less amounts we deduct for other charges to you. At most locations, you will not use a cash register. At other locations, cash registers will be provided by the location owner for your use (See Items 6 and 11.) We also intend to operate food service counters that are similar to the ones you will operate. See Exhibit K. We are not in any other business.

There is an existing market for sushi and other prepared food products at stand-alone food service counters and restaurants, and also at grocery stores. You will sell prepared foods mainly to customers who shop at the grocery store or visit the venue where your food service counter is located. Customer traffic will be generated primarily by the facility and its owner. You are only permitted to sell your prepared food products at the food service counter(s) we designate. The facility owner has the right to sell competing products at other locations in the facility. The market for sushi products is fairly developed and is enjoyed by customers year round. Your competitors will include both franchised and non-franchised locations that sell sushi of all types. Direct competitors are other food service counters in supermarkets that sell sushi and Asian foods, however other locations that sell sushi and Asian foods are also competitors. You will compete with quick service restaurants and other food alternatives where your food service counter is located. You will also compete with company owned stores (if any are located near you, see Item 20), other food service counters, restaurants and people's other choices for dining and shopping for food.

Market conditions for the operation of your business may fluctuate due to any pandemics or epidemics affecting the geographic area where you operate.

You must comply with federal and state laws on operating a restaurant, health, safety and sanitation laws which also include health department inspections, and menu and food labeling laws. This also includes the Hazard Analysis and Critical Control Point ("HACCP") food safety program adopted by the U.S. Food & Drug Administration, and rules on handling, preparing and serving foods by people with communicable or infectious diseases. Your food service counter may also be subject to laws on disposing hazardous wastes. Some states have laws requiring you to employ a person who is certified in food safety.

As an employer, you must comply with laws on minimum wages, overtime, maximum working hours, working conditions, unlawful discrimination, restricting employment of children and other labor laws and the Department of Homeland Security's E-Verify program, if required by the facility owner.

We offer International Food Creations franchises to be operated as an independent business under our Marks. You will do business as a separate entity, but will be licensed to use the name International Food Creations and you must operate in compliance with the Franchise Agreement.

The franchises are established and operated under a comprehensive and unique system (the "System") that includes furnishings; proprietary recipes, proprietary products, proprietary bar codes, uniform standards, specifications, and procedures for operations; quality uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; all of which may change, improve, and further develop in our discretion.

INDUSTRY-SPECIFIC REGULATIONS: There are federal, state, and local laws, rules, regulations, and ordinances that apply to your business. These federal, state, and local laws, rules, regulations, and ordinances relate to the sale as well as the method of preparation and sanitation conditions applicable to businesses in the foodservice industry as well as the equipment used to process food products. You must comply with all laws and regulations that apply to you and your franchised business. Specifically, many states or cities require a specific license to be able to prepare and sell food. The following are examples of some, but

not all, of the types of regulations or laws that you may find are applicable to operating International Food Creations:

- State regulations may govern the temperatures at which you store, prepare, and serve beer, wine and food.
- Many local or state jurisdictions require food and beverage service permits for those preparing and serving food to the public. You and your employees may be required to pass a test or other certification process to obtain such a permit. There may also be local ordinances and regulations governing food storage, preparation, and serving.
- Your food service counter may be subject to local food and health permits and inspection laws. Health laws are intended in part to reduce food borne illnesses and may cover such issues as: requiring employees to take a test and obtain a license as a food service worker, having accessible sinks, bathrooms for certain size establishments, inspections for cleanliness and compliance, equipment cleaning, storage and packaging, size of facilities, allowed foods, refrigeration, etc.
- Examples of federal laws are tax, wage and hour, occupational health and safety, equal employment opportunity, hazardous waste and materials, environmental, and communication to employees.
- State laws may cover the same topics as federal laws. Examples of state laws include tax, environmental, occupational health and safety, fire, health, and building and construction laws.
- Local laws may cover the same topics as federal and state laws. Examples of local laws include tax, health and sanitation, building codes, fire codes, and waste disposal.

You should consider that certain aspects of any retail business are regulated by federal, state, and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to business generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and the Occupational, Health and Safety Act. You must also comply with Executive Order 13224 which prohibits transactions with suspected terrorists or persons or organizations associated with suspected terrorists and the USA Patriot Act.

You must get a license to operate a franchise in areas that require licensing. If you do not get a license where required to do so, you may not operate your franchise. The Franchise Agreement places the responsibility of complying with all applicable laws and regulation on you. You should research these requirements before you invest.

ITEM 2

BUSINESS EXPERIENCE

Member, President and Chief Executive Officer – Michael Yoshino

Mr. Yoshino has served as our President/CEO since our inception on August 19, 2020. From 2018 through March 2020, Mr. Yoshino was Vice President/General Manager at Advanced Fresh Concepts Food Service Corp. From 2003 to 2018 Mr. Yoshino was Director of Operations at Advanced Fresh Concepts Franchise Corp. Mr. Yoshino is based in Torrance, California.

Member, Chief Operating Officer – Jeffrey Chan

Mr. Chan has served as our Chief Operating Officer since December, 2020. From 2018 to November 2020, Mr. Chan was General Manager of Operations at Advanced Fresh Concepts Franchise Corp. From 2016 to 2018 Mr. Chan was Assistant Director of Operations at Advanced Fresh Concepts Franchise Corp. From 2014 to 2016 Mr. Chan was Senior Regional Manager at Advanced Fresh Concepts Franchise Corp. Mr. Chan is based in Lodi, New Jersey.

Member, Director of Marketing – Tatsuo Mori

Mr. Mori has served as our Director of Marketing since our inception on August 19, 2020. From 2007 to the present, Mr. Mori has been President of Summer Side Up Entertainment Inc. Mr. Mori is based in Torrance, California.

ITEM 3

LITIGATION

In the Matter of International Food Creations, LLC, Case No. 2025-0510.

On December 29, 2025, we entered into a Consent Order with the Securities Division of the Office of the Attorney General of Maryland (the “Division”) to resolve allegations from the Division that we had violated the registration and disclosure provisions of Maryland Franchise Law by selling a franchise in the state without first registering as a franchisor. Under the Consent Order, we agreed to return the initial franchise fee to the franchisee who had initially purchased the franchise, offer rescission to the franchisee who had purchased the franchise from the initial franchisee, and pay a civil penalty of \$5,000.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

FRANCHISE AGREEMENT: The initial franchise fee for a single International Food Creations franchise location is \$5,000. You must pay the initial franchise fee in full at the time that you sign the franchise agreement. The initial franchise fee is non-refundable, except where a license or permit from a governmental agency is required for you to operate the franchised business and the agency refuses to grant you a license after you have taken all required and reasonable steps to get the license. If this happens, you will be entitled to a refund of 90% of the initial franchise fee, less travel expenses incurred by us. The typical amount of our travel expenses ranges from \$1,000 to \$1,800. If you are an existing franchisee with us obtaining a self-service or part-time franchise in addition to your existing full time location, there is currently no initial franchise fee for the self-service or part-time location (although we can implement such a fee in the future). We charge the \$5,000 franchise fee for each full time location to be operated pursuant to your franchise agreement. There are no refunds or prorations if a location starts as a Full Time location and later is transformed into a Self Service or Part-Time location. However, if a location starts as a Self Service or Part-Time location and is transformed into a Full Time location, then you must pay our then current initial franchise fee for the Full Time location.

The initial franchise fee is part profit to us and is also used to pay some of the following expenses and costs to us: (1) guidance, assistance and advice provided by us for the franchised business; (2) preparation and distribution by us from time to time of operations manuals and other technical and policy bulletins and manuals; (3) enforcement and protection of our trade name, trademarks and service marks and confidential information associated with the franchise; (4) legal fees, and costs of compliance with federal, state and other laws; and (5) selling, general and administrative expense, and salaries and benefits of our employees.

In addition, if you are a new franchisee, you pay us a \$85 credit and background check fee when turning in your application, \$1,000 to \$5,000 for our training program for your principal owner(s), \$2,000 for each manager you bring with you to the initial training, \$275 per person for the ServSafe® Food Protection Manager Certification (for you and your managers), \$100 to \$2,000 for drug, tuberculosis and criminal background testing and a manual lease fee of \$400 to \$500 for each full service or part time food service counter to be opened. The cost of training varies depending on whether your principal owner(s) and managers receive sushi training, steam table training, or both. The cost of the manual lease fee varies depending on whether you elect to lease a Recipe Guide and/or Steam Table Operating Manual. You pay the training fee, ServSafe® training and examination fee and manual lease fee in a lump sum when you start training. You pay the drug, tuberculosis and criminal background test fee and/or the cost of other testing required by the facility owner after the tests/check is completed through deduction from your commissions.

If you fail to complete our training program to our satisfaction or if you fail any required drug, tuberculosis or other chemical and disease testing and/or criminal background investigation, we may cancel the franchise agreement.

Before opening, we also require you to purchase the following: (i) a label machine with a tablet and printer (except for a self-service franchise) in the approximate cost range of \$900 to \$2,000, depending on what equipment you already own; (ii) equipment and small wares in the approximate cost range of \$300 to \$30,000, depending on the type of franchise purchased; (iii) opening food inventory in the approximate cost range of \$8,000 to \$24,000 at a full-time or part-time service location and \$1,250 to \$5,000 at a self-service location; (iv) scanner in the approximate cost of \$500; (v) three months' worth of inventory in the approximate cost range of \$5,000 to \$18,000 at a full-time or part-time service location and \$1,000 to \$3,000 at a self-service location; (vi) signage in the approximate cost of \$1,000; (vii) up to \$2,000 in opening assistance fees if we stay at your location 4 additional days beyond the first 3 for on-site training; and (viii) up to \$350 for four additional sets of uniforms.

None of these fees is refundable. Except as indicated above, these initial fees are uniform to all new franchisees, though we may change them in the future.

If you are an entity, each of your owners who are individuals must sign a personal guaranty. The guaranty is on the signature page of the franchise agreement and each applicable addendum.

If you purchase an existing location from us, we will charge you the established market value of the food service counter, as we determine at our sole discretion, which shall include the food service counter business, assets, equipment. This cost may range from approximately \$1,000 to \$100,000.

We may finance some of the expenses that you incur with us. (See Item 10.)

Except for the following, the franchise fee for either International Food Creations franchise is the same for all franchisees under this offering. We may enter into franchise arrangements for one or multiple franchises with individuals associated with the franchisor under economic terms that differ from those that you are being offered.

ITEM 6

OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Compensation to International Food Creations (1)(2)(3)(4)	Varies. Typically 25% of Gross Sales to the store where you are located, and 8% of Gross Sales to us, but may be between 8% and 13%. (2)	Monthly on the 10 th day of each month that the franchise agreement is in effect.	Our agreement with the store says they keep a percent of your gross sales (25%, for example). We keep a percent (13%, for example). We return the rest to you (typically, 62%) less charges to you. These percentages can vary, but the percentage of gross sales we keep will be between 8% and 13%. (3)
Banners, logo items and displays (3)(5)	Varies	After ordered	These are items like umbrellas or carved wood signs. Prices vary depending on the type of item and supplier. You pay us if you buy these

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
			optional items from us.
Testing and Criminal Background Checks (3)	Up to \$1,000 per person. Typically, around \$100 per person (if only background check required).	After test/check is completed	Charge for conducting drug and tuberculosis tests and criminal background checks on you and your personnel.
Local Advertising		As incurred by you.	.
Advertising Cooperative Fee	Varies	On demand	If an advertising cooperative is formed in your area, you must participate in and contribute to the cooperative according to its procedures.
Advertising and Promotional Materials	Cost generally ranges from \$500 to \$3000, but varies depending on your advertising needs.	When billed.	See Items 7 and 11.
Transfer Fee (1)	\$1,000.	At the time of sale, assignment or transfer.	Sale, transfer, or assignment is subject to our approval. The prospective franchisee must be acceptable to us. No fee is charged if the franchise is transferred to an entity controlled by us.
Interest (1)	18% or highest rate allowed by applicable law.	On demand.	Interest may be charged on all overdue amounts.
Initial Training of additional or replacement personnel (1).	\$4,000 per management person.	Before training.	
Additional or Remedial Training	Our cost in providing the training, which may be up to \$450 per day.	Before additional training.	We reserve the right to charge a fee for additional or remedial training that is not mandatory. Cost will vary based on the type of training being offered.
Failure to Attend Additional Training	\$250	Payable if you fail to attend required training	If you fail to attend any required training, we may assess this fee and deduct it from commissions payable to you.
ServSafe® Food Protection Manager Training and Certification (3)(6)	\$275 per person	After taking course	Charge for training and certificate for you or your managers
Renewal Fee (1)	Our then current initial franchise fee for new franchisees.	Upon signing.	You must remodel your food service counter to the standard then in effect. You must sign the current franchise agreement, and must provide not less than 4 or more than 12 months' written notice to us of your intent to renew your franchise. You must sign a release with us for any claims you may have up to the renewal date.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Early Termination Fee (3)	\$1,000 per location	On demand	If you abandon any location or if your franchise agreement or any addendum is terminated before the end of the term, we can assess this fee against you for each location terminated or abandoned.
Periodic Training (1) at Franchisee's request	Your cost of travel, room and board.	When billed.	Not more frequently than one time a year.
Additional Assistance (1)	Our cost in providing the additional assistance generally charged as a per diem fee, which is currently \$450.	When billed.	Any additional assistance is charged at the current per diem rate plus travel expenses.
Audit Costs (1)	Cost of audit.	When billed.	Payable only if we find after an audit that you have understated any amount you owe us by more than 1%.
Late Payment or Reporting Fee (1)	\$50 per day	Daily.	If you fail to pay royalties when due, or fail to submit royalty reports as required, we may charge you \$50 per day until the payment or report is received.
Additional Uniforms (3)	Up to \$350	On demand	If you want to purchase additional uniforms. Cost is for four sets of uniforms.
Support Fee	\$100 per week.	Weekly	If you fail to have a replacement Director of Operations trained to meet our standards a Director of Operations leaves, we may charge you this fee until your replacement manager is trained, as applicable.
Indemnification	Varies according to loss.	On demand.	You must indemnify us when certain of your actions result in loss to us under the Agreement (see Item 9).
Request for Approval of New Product, Supplier or Vendor (3)(7)	\$500 plus our out of pocket investigation expenses	If requested	If you request to sell a non-approved product, or use a non-approved supplier or vendor, you pay our investigation expenses and a fee of \$500.
Customer Satisfaction Fee (3)	Up to \$1,000 per complaint	On demand	Charge to compensate us for our efforts in addressing and resolving customer complaints against you or your franchise.
Web and Data Access Charge (3)	Up to \$100 per month for each Food Service Counter you	Monthly	You pay this fee to gain access to our website pages that let you submit purchase orders online as

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
	operate.		well as information on new products, product specifications, tablet data and other information. This fee also includes access to our inventory tracking software, which lets you and us track the daily inventory of products made at your food service counter
Pricing Labels (3)	Our actual cost incurred (estimated to be \$500 per item for which price is changed)	When you decide to charge different prices requiring us to print special price labels	To charge prices that differ from pricing we print on labels, the label machine must be reprogrammed. You pay or reimburse the amount charged to us by the vendor for our computer programming to print labels with pricing you want.
Warranty Service for Labeling Machine (3)	Varies, currently \$99 for two years	On demand	To renew your labeling machine warranty after the first two years of operation.
Product Purchases – Ancillary Charges (3)	Varies	After shipping	You buy food and other items from us or authorized suppliers. You also pay freight, and other ancillary charges.
Lab Test (3)	Up to \$500 per sample tested	On demand	If we order a lab test to examine food in your facility, you must pay up to \$500 for each sample tested.
Default Charge (3)	Up to \$500 per default	On request	You pay this fee if you default on your obligations as specified in the operating manuals or franchise agreement.
Manuals Lease Fee (3)	Up to \$500 for each full-time or part-time Food Service Counter you operate	After manuals provided.	You pay a lease fee of \$100 for the Operating Manual, \$100 for the Standard Sanitation Operating Procedure and Methods Manual, up to \$200 for the Recipe Guide and \$100 for the Steam Table Operating Manual (if applicable to you) for each full or part time location. The fee is refunded when you return the manuals to us within 30 days of the expiration or termination of your location. Otherwise, there is no refund.
Reimbursement for Employee Wages Paid (3)	Varies	If and when required by the facility owner.	If the facility owner, due to labor contracts or otherwise, requires your Food Service Counter(s) employees to be employed directly by the facility owner, and

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
			we are asked to reimburse the facility owner for these employment costs, we will then deduct such payments from the amounts due to you.
Direct Deposit Fee (3)	\$10 per month	On demand	We make all payments to you via direct deposit. You will receive monthly statements via email or In rare circumstances, we may need to send your commissions via a manual check. In those circumstances, we will send these via UPS at a cost of up to \$25 per month or at your option via regular mail at no additional cost
Shipping Administrative Fee (3)	Up to 2 1/2% of total purchase price	On demand	We charge this fee to defer our administrative and other costs of shipping products to your Food Service Counter.
Administrative Fee (3)	Up to \$100 per garnishment/levy request	On demand	Reimbursement for our costs and expenses for complying with tax levies and wage garnishments issued against you or your owners.
Third Party Audits and Charges	As incurred	On demand	Payable if we are charged for audits, inspections, fines and/or charges imposed or levied against the Food Service Counter, including food safety, facility audits and customer service.
Insurance (3)(8)	Varies	When we request.	If you don't get insurance we require, then we can get it for you (though we don't have to) and you must pay for the insurance or reimburse us or we can deduct the cost from amounts we owe you.
Mailing and Reproduction Costs (3)	Varies	On demand	If we send you materials such as manuals or marketing materials for your location, we may charge you a reproduction, service and handling charge up to \$100 per shipment.
Attorney Fees and other Costs	Depending on circumstances, will vary.	As incurred.	

Footnotes:

- (1) All fees are charged by and payable to us. All fees are nonrefundable. The initial franchise fee is nonrefundable, except where a license or permit from a governmental agency is required for you to operate the franchised business and the agency refuses to

grant you a license after you have taken all required and reasonable steps to get the license. If this happens, you will be entitled to a refund of 90% of the initial franchise fee, less travel expenses incurred by us. The typical amount of our travel expenses ranges from \$1,000 to \$1,800. Except described in this chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services, and future policy changes. At the present time, we have no plans to increase payments over which we have control. Any payment made by you to us that is late or overdue shall bear interest at the rate of 18% per annum per month, from the due date until payment is made, or the maximum allowable rate allowed by law, if less than 18% per annum per month. The highest interest rate allowed by law in California is 10% annually. Fees are uniformly imposed. If you are an entity, each of your owners who are individuals must sign a personal guaranty

- (2) Gross Revenue includes all revenue earned by the Franchisee at the franchised location without deduction for any cost or fee related to such revenue from operation of the Franchised Business. Without restricting the generality of the foregoing, Gross Revenue shall include: the total selling price of all services and products and all income of every other kind and nature related to the Franchise (including, without limitation, income related to food and delivery activities, and any sales or orders of food products or food preparation services provided from or related to the Franchise), whether for cash or credit and regardless of collection in the case of credit.
- (3) Payable by deduction from our payments to you. The deduction appears on a monthly statement.
- (4) You do not receive direct payment from your sales. All sales will be through registers owned or operated by the facility owner. The facility owner forwards payments to us, less any amount to be retained by them under their agreement with us. We retain a compensation fee together with other charges owed to us. We return the rest to you. These amounts may vary according to the facility. The amounts are typically 62% paid to you (less amounts you owe us), 25% to the facility owner and 13% to us (plus any amounts you owe us.) If we negotiate a different amount to the facility owner then the percentage to you and us may be different, but the percentage paid to us will be between 8% and 13%. More often, if different, you will receive a higher percentage, but not always. When the percentage to you is lower, it is usually a location we expect to have a higher volume of sales. As an example, at a prominent university the facility owner retains 30%. We retain 8% and the operator receives 62%, but it is a higher volume location. We will pay you your percentage usually within 30 days after receiving the sales report and payment for the applicable period from the facility owner. Our sole responsibility is to remit to you the agreed commission percentage on amounts actually received from the facility owner. We have no responsibility under any circumstances to pay any commission to you on amounts not received from the facility owner. If we pay your commission in any given month before receiving payment from the facility owner and the facility owner does not pay us as required, you must reimburse us the commissions paid to you. You must also reimburse us any amounts paid to you, if we discover such amounts were paid in error, for example, if the facility owner requests a refund due to overpayment in any given period or if we otherwise overpay you. We can withhold any overpayment from future payments due to you.
- (5) Your cost may vary because there are different suppliers of logo items and banners and costs depend on the particular marketing tools selected. Other items could include umbrellas and/or carved wooden signs. Typically, prices are in the range of \$250 to \$1,000.

- (6) We and many jurisdictions require you to have a food safety certificate to operate a business serving food to the public. Every food service counter must have at least one ServSafe® Food Protection Manager certified person onsite during all operating hours. We charge this fee when we train you and your manager.
- (7) If you want to offer something we haven't approved or buy from a supplier we haven't approved, we can charge you or the supplier for expenses we incur in our investigation. The fee will depend on the extent of the investigation needed. You must notify us in writing and provide us samples and other information we need to check out the product or supplier. See Item 8.

ITEM 7

ESTIMATED INITIAL INVESTMENT

INTERNATIONAL FOOD CREATIONS LOCATION

EXPENDITURE	ACTUAL OR ESTIMATED AMOUNT LOW	ACTUAL OR ESTIMATED AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (1)(9)*	\$5,000	\$5,000	Lump Sum	At signing of franchise agreement.	Us
Purchase of already existing food service counter from us (9)	\$1,000	\$100,000	Cash	On closing if you buy an existing location from us	Us
Credit and Background Check Fee (2)	\$85	\$85	Cash	When turning in franchise application	Us
Tuberculosis, Drug Testing and Criminal Background Checks (3)	\$100	\$2,000	We deduct from commissions we pay you	Upon opening	Us
Training Fee (4)	\$1,000	\$5,000	Cash	Before training	Us
Training Fee for your managers (5)	\$0	\$2,000	Cash	Before training	Us
ServSafe® Food Protection Manager Training, Testing and Certification (6)	\$275	\$550	Cash	Before opening	Us or ServSafe
ServSafe® Allergen Awareness Training and Testing (6)	\$10	\$30	Cash	Before opening	ServSafe
Travel Lodging and Meals for Initial Training (7)	\$1,600	\$11,500	As incurred	During training	Supplier
Operating	\$400	\$500	Cash	Start of	Us

EXPENDITURE	ACTUAL OR ESTIMATED AMOUNT LOW	ACTUAL OR ESTIMATED AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Manual/SSOP/ Recipe Guide/Steam Table Manual Fee (8)				training (new franchise) or opening another location (existing franchise)	
Opening Food Inventory (10)	\$8,000	\$24,000	Cash before opening, or we deduct from commissions we pay you	Before opening, or we can deduct from commissions we pay you	Us
Opening Assistance (12)	\$0	\$2,000	Cash or we deduct from commissions we pay you	Before opening, or we can deduct from commissions we pay you	Us
Labeling machine (Tablet and label printer) and inventory scanner (13)	\$900	\$2,000	Cash	Before opening, or we can deduct from commissions we pay you	Us
Warranty Service for labeling machine (Tablet) (14)	\$100	\$100	Cash	Before opening, or we can deduct from commissions we pay you	Us
Data and Web Access Fee for Tablet (15)	\$50	\$250	Cash	Before opening, or we can deduct from commissions we pay you	Us
Equipment and Small Wares (16)	\$300	\$30,000	Cash or we deduct from commissions we pay you	Before opening, or we can deduct from commissions we pay you	Us or Suppliers
Additional Uniforms (18)	\$0	\$350	Cash	Before opening	Us
Computer and Internet Access (20)	\$150	\$800	Cash	Before opening	Suppliers

EXPENDITURE	ACTUAL OR ESTIMATED AMOUNT LOW	ACTUAL OR ESTIMATED AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Insurance Deposits and Premiums for First Year (17)	\$500	\$5,000	As invoiced	As arranged	Insurance Company
Working Capital Additional Funds -3 months (21)	\$5,500	\$25,000	As needed	As needed	Creditors
Business Licenses and Permits for First Year (19)	\$300	\$2,000	As incurred.	Before Opening	Local and State Government or Us
Signage (11)	\$0	\$1,000	Cash	Before opening	Supplier or Us
Professional Advisor (22)	\$1,000	\$2,000	Cash	As incurred	Advisors
Total new full- time or part time International Food Creations Food Service Counter Franchise (23)(24)	\$25,270 (if you do not purchase an existing location from us) \$26,270 if you purchase an existing location from us (see FN 9)	\$121,165 (if you do not purchase an existing location from us) \$221,165 if you purchase an existing location from us (see FN 9)			

Footnotes:

*None of the payments made to us are refundable. Amounts paid to third parties may or may not be refundable depending on their respective refund policies.

- (1) This table provides estimates for one full or part-time food service counter located inside a grocery store or similar location. This table estimates your initial investment from the period before your food service counter opens for business, until about 3 months of operations. We only permit you to operate a part-time location if you already own a full time location. Unless indicated otherwise, all amounts payable are non-refundable.
- (2) You pay us the credit and background check fee when you provide us your completed application to become a franchisee. We do not charge this fee if you are an existing franchisee opening an additional location.
- (3) Whenever we or the facility owner requests, you and your specified personnel must

undergo drug, tuberculosis and other chemical and disease testing and/or criminal background investigation. The low estimate assumes a criminal background check for one person only. The high estimate assumes we or the facility owner require drug, tuberculosis and other chemical and disease testing as well as a criminal background investigation on two persons (you and one helper). If you fail any required drug, tuberculosis or other chemical and disease testing (which we or the facility owner requires) or any criminal background investigation we may cancel the franchise agreement and keep the fees paid to us.

- (4) You pay us when training starts. If the franchisee is an entity, each of the franchisee's Operating Principals must attend our training. Principal owner means any individual who owns directly or indirectly 30% or more of the entity. If you (or your principal owner(s)) do not complete training to our satisfaction we may cancel the franchise agreement and keep the fees paid to us. There is no training fee for an existing previously trained franchisee adding an additional franchised location. The training fee includes the purchase price of 2 sets of uniforms. The low estimate assumes only one person receives sushi training. The high estimate assumes two persons receive steam table and sushi bar training.
- (5) You pay this fee if you elect and request to bring a manager to our initial training program. The low estimate assumes you do not bring a manager to the initial training program. The high estimate assumes you bring a manager and the manager receives both steam table and sushi training.
- (6) Every food service counter must have at least one ServSafe® Food Protection Manager certified person onsite during all operating hours. We charge this fee when we train you. We also charge this fee for a manager if one attends training. The low estimate is for training and cost of exam for one person taking the manager certification training. The high estimate applies if two people take the manager certification training. You must also enroll in the ServSafe® Allergen Awareness Training offered online by ServSafe® and pass the training exam before starting operations. We require proof that you completed the training and passed the exam prior to the last day of orientation training. See Item 11.
- (7) Expenses to travel to location of training, which may be, in our discretion in California, and for hotel and meals during our training program (including food certification training). There is no training fee for an existing franchisee adding an additional location to their existing agreement. This estimate assumes you spend \$400 to \$1,000 for round trip airfare per person, 10 to 25 nights in a hotel at \$100 - \$150 per person per night, and \$200 - \$1,000 per person for meals. The low estimate assumes only you are trained in our 10 day sushi training program and that you already have a food manager certificate. The high estimate assumes you and a manager are trained in the 10 day sushi program, 2 day food certification training and 13 day steam table training programs.
- (8) We charge a manual lease fee for each operating manual we provide to you. Currently, these are our Confidential Operation's Manual, Standard Sanitation Operating Procedure and Methods Manual and Steam Table Manual (if applicable to your franchise). You will receive one set of manuals for each full-time and part-time food service counter you operate. The manual lease fee you pay is refunded to you when you return the manuals to us on termination or expiration of your agreement.

- (9) If you purchase an existing International Food Creations food service counter from us, we will charge you our estimate of the fair market value of the food service counter, taking into account the revenue, assets, equipment and value of the established market of the food service counter sold to you. You will either sign our form of Asset Purchase Agreement, if the sale includes the assets and equipment of the food service counter, or our form of Food Service Counter Transfer Agreement, if the sale does not include the sale of assets and equipment of the food service counter (see Acquisition Agreements attached as Exhibit M).
- (10) Estimated cost for opening food inventory. We try to have the opening food inventory at your location when you arrive to start the business. The low estimate assumes you only operate a steam table food service counter. The high estimate assumes your food service counter offers both sushi and steam table foods.
- (11) For a food service counter in a grocery store, the store will usually purchase and own the display case(s), signage, refrigerator, ice machine, preparation tables, storage racks, sinks and similar equipment. The high estimate of \$1,000 assumes you buy optional decorative umbrella(s), sign(s) or banner(s) with words or slogans we approve.
- (12) After opening, we will stay at your location up to three days at no charge. If you ask, or we determine, that our employee needs to stay longer, we charge you \$450 per day. The low estimate assumes that our employee does not stay beyond three days. The high estimate assumes our employee stays with you four additional days (7 days total).
- (13) Estimated cost for Tablet and printer to print price and ingredient labels for the products you sell and an inventory scanner to track your daily inventory of products made at your food service center. The low estimate assumes you already have the printer and scanner needed at your location. The high estimate assumes you are required to purchase a Tablet, printer and inventory scanner.
- (14) Estimated cost for warranty service for 24 months for the labeling machine.
- (15) Estimated 3 month cost for the data and web access fee for the Tablet you purchase, currently \$40 per month. The high estimate assumes fee increases to \$75 per month.
- (16) Estimated cost for smallwares and additional equipment consisting of items like a rice cooker, storage containers, utensils, heated display case, delivery containers, refrigerators, steam table equipment (if required for your franchise), cooking equipment (if required for your franchise), Perfect Fryer, TurboChef Oven and related items. The low-end estimate is based on the operation of a small format store that only sells products delivered from other locations in which no cooking equipment is required. The high-end estimate is based on the operation of a location with steam table and cooking equipment.
- (17) Estimated one year premium for required insurance. Insurance premiums may vary based on sales. If we pay on your behalf, you reimburse us.
- (18) Estimated cost for four additional uniforms, including a hat, a coat and an apron beyond those you receive at the initial training. Low estimate assumes you choose not to purchase additional uniforms. The high estimate assumes you purchase these additional uniforms.
- (19) Estimated costs for retail food license and business license which typically must be obtained from the City, County and/or State. At our election, we have the right, but no obligation, to obtain any required licenses and permits in your name. You grant us a power of attorney to apply for any required licenses, permits and any renewals of these

for your food service counter(s). You reimburse us for any costs and fees incurred by us in applying for these licenses and/or permits on your behalf.

- (20) Estimated costs for computer and Internet access. The low estimate assumes you already own a computer or laptop capable of Internet access and must only pay for Internet service through your preferred provider. The high estimate assumes you purchase a computer with Internet connectivity capabilities and Internet service. This estimate is for the first 3 months, but your Internet service payments will be ongoing to your service provider.
- (21) We recommend that you have some additional funds for opening cash and expenses to cover entity formation costs, three months of operations, employee salaries (including yourself), supplies, administrative costs and funds of on-going inventory purchases for the first 3 months of operations. This estimate includes the Direct Deposit Fee of \$5 per month.
- (22) Estimated charges for you to consult with independent professional advisors like a lawyer and CPA.
- (23) A new franchisee will not achieve the low estimate of zero in any category where zero is indicated, except possibly training fee for managers (if no managers are trained) additional uniforms (if no additional uniforms are purchased) and opening assistance. The estimated range for a new franchisee is based on the low estimates from these footnotes, and a high that is the sum of the high estimates in each category.
- (24) The initial investment for an additional location is similar to a new franchise, except an existing franchisee adding an additional location may possibly achieve a low estimate of zero in one or more categories. The estimated range for an existing franchisee adding an additional location assumes that the low estimate of zero will be achieved for: a) the credit and background check fee; b) tuberculosis, drug testing and criminal background checks; c) ServSafe® Food Protection Manager Training, Testing and Certification; d) ServSafe® Allergen Awareness Training and Testing; and, since there is no further initial training for you or your managers, e) training fees for you or your managers; and f) travel and living expenses during training for you or your personnel. Thus, the total ranges are not simply the sum of the low or high estimates. Since some of the testing and certifications expire every two years, you may be required to complete c) and d). We may also require you to complete b).

**ESTIMATED INITIAL INVESTMENT FOR A SELF-SERVICE FOOD SERVICE COUNTER
LOCATED IN A GROCERY STORE OR OTHER LOCATION OWNED BY A THIRD PARTY(1)**

EXPENDITURE	ACTUAL OR ESTIMATED AMOUNT LOW	ACTUAL OR ESTIMATED AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Opening Food Inventory (2)	\$1,250	\$5,000	Cash before opening, or deducted from commissions we pay you	Cash before opening, or deducted from commissions we pay you	Us
Signage (3)	\$0	\$500	Cash	Before opening	Us

Coolers and Ice Packs (4)	\$0	\$900	Cash	Before opening	Suppliers
Insurance (5)	\$500	\$2,000	Cash	As incurred	Insurance company
Licenses & Permits (6)	\$300	\$1,500	Cash	As incurred	Government entity or Us
Working Capital – 3 months (7)	\$1,300	\$7,500	Cash	As needed	Creditors
Total for a self-service location	\$3,350	\$17,400			

Footnotes:

- (1) This table provides estimates for a self-service food service counter located inside a grocery store or similar location. We let you open a self-service food service counter **only** if you already have an existing full-time or part-time food service counter franchise. We do not charge an initial fee for you to enter into the Self-Service Location Addendum with us. This table estimates your initial investment from the period before your self-service food service counter opens for business, until about 3 months of operations. We used our experience in operating and working with franchisees to make these estimates. These are only estimates. Unless indicated otherwise, all amounts payable are non-refundable.
- (2) Estimated additional cost for opening food inventory. Food inventory is delivered to your full-time food service counter location for preparation. It is your responsibility to prepare the food and deliver it at least once daily to your self-service location.
- (3) For a food service counter in a grocery store, the store will usually purchase and own the display case(s), signage, storage racks and similar equipment. The high estimate of \$500 assumes you buy an optional decorative umbrella, sign or banner with words or slogans we approve.
- (4) Estimated cost for you to purchase coolers and ice packs to allow you to transport the food products to your self-service location. The low estimate assumes you already own this equipment.
- (5) Estimated one year premium for required insurance at your self-service location. Premium amounts may vary based on sales volume.
- (6) Estimated costs for retail food license and business license which typically must be obtained from the City, County and/or State. At our election, we have the right, but no obligation, to obtain any required licenses and permits in your name. You grant us a power of attorney to apply for any required licenses, permits and any renewals of these for your food service counter(s). You reimburse us for any costs and fees incurred by us in applying for these licenses and/or permits on your behalf.
- (7) We recommend that you have some additional funds for opening cash and expenses to cover entity formation costs, three months of operation, employee salaries (including yourself), supplies, administrative costs and funds of on-going inventory purchases for the first 3 months of operations.

Except as specifically stated above, the amounts given may be subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments over which we have control.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Your food service counter will be at a location you and we choose. It will be a grocery store or other location whose owner has an agreement with us or our parent for us to place a food service counter there. You must purchase or lease and install all fixtures, furnishings, equipment, decor items, signs and related items we require, all of which must conform to the standards and specifications in our Manuals (as defined in Item 11) or in any other written format. You may not install or permit to be installed on the premises any fixtures, furnishings, equipment, decor items, signs, games, vending machines or other items not approved by us.

To maintain the highest degree of quality and service, you must operate the franchise in strict conformity with the methods, standards, and specifications that we set forth in the Manuals or in other written material. You must maintain in sufficient supply and use and sell at all times only those food items, ingredients, products, materials, supplies and paper goods that meet our standards and specifications. All food items must be prepared according to the recipes and procedures specified in the Manuals or other written materials. You must not deviate from these standards and specifications by the use or offer of non-conforming items or differing amounts of any items. You must sell and offer for sale only those food items, products and services that we have expressly approved for sale in writing. You must sell and offer for sale only those products and services that we have expressly approved for sale in writing. You must offer for sale all products and services required by us in the manner and style we require. You must not deviate from our standards and specifications. You must discontinue offering for sale any items, products, and services we may disapprove in writing at any time. You cannot sell any food ingredient separate from the finished food product authorized by us. We can, and expect to, modify our standards and specifications as we deem necessary.

We develop some proprietary food products, sauces and spices. To protect our trade secrets and maintain quality control, we can require you to buy these proprietary items only from us or from suppliers we designate. Currently, we, our affiliates and our other approved suppliers are the only approved sources for seafood products, rice, vinegar, pre-prepared frozen salads, prepackaged condiments, prepackaged food items, other food products not including produce, utensils with our logo, and serving trays. Equipment like food preparation utensils (knives, rice scoopers) and plastic storage containers, can be purchased elsewhere provided they have been approved by the National Sanitation Foundation and bear the NSF logo. You must also comply with any source restrictions imposed by the facility owner to maintain quality control or an identifiable source for products in the event of product recalls.

We do not require you to buy or use electronic cash registers. All food purchases are normally handled through supermarket cash registers or the registers of the facility where your franchise is located. You are required to purchase a computer system with Internet connectivity to permit you to submit purchase orders online and to obtain information on new products, product specifications or other information.

We typically provide the initial inventory and equipment to the food service counter before you arrive to start operating. As a result, you will obtain these items from us. This helps

us get your food service counter ready and lets you start operating sooner. You must keep all equipment in good repair.

You must permit us or our agents, at any reasonable time, to remove a reasonable number of samples of food or nonfood items from your inventory or from the Franchise free of charge for testing by us or by an independent laboratory, to determine whether the samples meet our then-current standards and specifications. Besides any other remedies we may have, we may require you to pay for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications (see Item 6).

We have a list of approved suppliers for food products and other items you need to operate the Food Service Counter. The list identifies manufacturers, brands, suppliers, and items and services we approve. We can revise the list from time to time. We do not have any suppliers in which any of our officers own an interest.

We have the sole right to develop new items for sale at your food service counter. You must not develop, offer or sell sushi or other food items to the public without our prior written approval or sell any non-approved item from your food service counter.

If you want to offer something we haven't approved, or buy from a supplier we haven't approved, you must tell us in writing and provide us samples and other information we need to check out the product or supplier. We expect to complete our review of a proposed new supplier within 60 days, however this could take longer depending on our and the supplier's availability, and the extent of inquiry needed. Our approval may be conditioned on things like whether the supplier meets our standards, has a good reputation, has satisfactory financial condition, can provide service at a level we require, and is willing to agree to restrictions to protect our intellectual property rights. We can charge you or the supplier to investigate the supplier. Later, we can revoke any approval we've given. We permit franchisees to contract with suppliers who have been approved by us and who meet our criteria. We can issue written specifications and standards to franchisees and approved suppliers. We have the right to modify our specifications and standards on written notice.

You must use only goods and services that comply with our standards. We don't have any other required specifications, designated suppliers or approved supplies. Except as disclosed in this Item, we do not currently have any arrangements to derive revenue from your purchases or leases from third parties. We could make such arrangements in the future.

We derive revenue from your purchases from us and/or our approved suppliers. The revenue equals the amount we charge you or the supplier for the items. Your purchases from us and/or our approved suppliers will be 85% or more of the purchases you will make to start the business; and nearly 95% or more of the purchases you will make on an ongoing basis to operate the business. The main item we expect that you will buy from others is produce.

All advertising and promotional materials, signs, decorations, paper goods and other items we designate must bear the Marks (see Item 13) in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manuals or other written materials.

Before you open the franchise for business, you must get the insurance coverage for the franchise specified in the Franchise Agreement and the Manual, including comprehensive general liability insurance, worker's compensation insurance, employee liability insurance and business interruption insurance. You must get the policies from an insurance company we approve. The policies must include, at a minimum, the insurance coverage and policy limits we specify. We may change the coverage requirements and the amounts, in our discretion, and will advise you of the changes in the Manuals or in writing. You may, after getting our written consent, elect to have reasonable deductibles under certain of the coverages.

We may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System. As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above in which we require you to participate. We do not negotiate terms from any suppliers to supply direct to franchisees. There are no material benefits to you based on buying from particular suppliers.

When determining whether to grant new or additional franchises, we consider many factors, including compliance with the foregoing requirements.

ITEM 9

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

(The Franchise Agreement is abbreviated in this table as "FA")

Obligation	Section in the Franchise Agreement	Item in Disclosure Document
a. Site Selection and acquisition/lease	Article II of FA	Items 8 and 11
b. Pre-opening purchases/leases	Articles VI and VII of FA	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Article II of FA	Items 1, 8 and 11
d. Initial and ongoing training	Articles V and VI of FA	Items 5, 6 and 11
e. Opening	Article V of FA	Items 7 and 11
f. Fees	Articles IV and VIII of FA	Items 5 and 6
g. Compliance with standards and policies/Manuals	Articles II, III, VI, VII, VIII, IX, X, XI and XV of FA	Items 11 and 14
h. Trademarks and proprietary information	Articles VII, VIII, IX and X and Attachment C of FA	Items 11, 13 and 14
i. Restrictions on products/services offered	Article VII of FA	Items 8 and 16
j. Warranty and customer service	Articles IV VII of FA	Item 8

Obligation	Section in the Franchise Agreement	Item in Disclosure Document
k. Territorial development and sales quotas	n/a	Item 12
l. Ongoing product/service purchases	Article VII of FA	Items 6 and 8
m. Maintenance, appearance and remodeling	Articles II, VII, and XIV of FA	Items 8 and 11
n. Insurance	Article XII of FA	Items 7 and 8
o. Advertising	Article VIII of FA	Items 6, 8 and 11
p. Indemnification	Article XV of FA	Item 6
q. Owner's participation/management/staffing	Articles VI, VII, XIV, XV and XVIII of FA	Items 1, 11, and 15
r. Records and reports	Articles IV, VI, VII and XI of FA	Item 6
s. Inspections and audits	Articles IV, VII, IX and XI of FA	Items 6, 8, and 11
t. Transfer	Article XIV of FA	Items 6 and 17
u. Renewal or Extension of Rights	Article III of FA	Items 6 and 17
v. Post-termination obligations	Article XVII of FA	Items 6 and 17
w. Noncompetition covenants	Article X and Attachment C of FA	Item 17
x. Dispute resolution	Article XVIII of FA	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing, nor do we guarantee any of your obligations. We do not offer other direct or indirect financing. We do not finance any debt to a third party. We do not guarantee your note, lease or any of your obligations.

ITEM 11

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

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

Pre-Opening Obligations: Before the opening of a Franchise we will provide the following assistance and services:

1. We will designate your franchise area. (Franchise Agreement, Section 2.1).
2. On loan, access to our online Manuals (as described below) which we may revise. (Franchise Agreement, Section 5.1(a)).
3. A list of required equipment, inventory and supplies and a list of our approved

suppliers. (Franchise Agreement, Sections 5.1(e), 7.5).

4. We will identify a grocery store or other venue where your food service counter will be located and we will have worked with them on the build-out of the food service counter. Locations are established based on our written agreement with a grocery store chain or venue owner, to place food service counters at their locations. Our agreement with the facility owner may be month-to-month and can be terminated by the facility owner on short notice. Upon request, we will allow you to review our agreement with the facility owner. If the agreement with the facility owner is in place prior to your purchase of the franchise, we will disclose the material terms of the agreement to you prior to your purchase. We consult with you on which of the available locations to assign to you before you sign the franchise agreement. If you purchase an existing location from us, we will charge you our estimate of the fair market value of the food service counter, taking into account the revenue, assets, equipment and value of the established market of the food service counter sold to you. (Franchise Agreement, Section 2.1).

You must select a location before signing the Franchise Agreement. If you and we cannot agree on a location, then we will not enter into the Franchise Agreement. You are responsible to obtain all required licenses and permits to operate your location and to hire and train employees. You must provide copies of your licenses and permits to us. If the facility owner, due to labor contracts or otherwise, requires your Food Service Counter(s) employees to be employed directly by the facility owner, and we are asked to reimburse the facility owner for these employment costs, we will then deduct such payments from the amounts due to you under your Franchise Agreement. We can assist you obtain health permits on request. We will train those employees you select at our then standard rates. (Franchise Agreement, Section 6.5(a)).

5. An initial training program. The cost of this training is based on the type of franchise you enter into; however, you will be responsible for payment of travel and living expenses during the training. If you wish to have additional personnel trained we charge \$1,500 per person. (See Item 6). (Franchise Agreement, Section 6.5(a)). We will provide you (or your Operating Principals) training described in the tables, below, unless you already received our training. The training provided will depend on the type of food service counter you will operate--sushi, steam table or a combination of both and whether you already have food safety certification. We may exempt you from some or all of our training sessions if we determine, at our sole discretion, that you are already experienced in these subjects. You (or your Operating Principals) must complete this training to our satisfaction before starting operations. If you (or your Operating Principals) fail to complete training to our satisfaction, we may cancel the franchise agreement and keep all amounts paid to us. We may also exempt you from some or all training (at our sole discretion) if you or your affiliate currently owns or operates an International Food Creations food service counter or the Franchise Agreement is executed as a renewal Franchise Agreement.

6. You must purchase from us and/or our approved suppliers any required equipment, signs, fixtures, opening inventory and supplies not provided by the owner of the facility where you will operate. We will provide written specifications to you about these requirements on written request. You are responsible to install these items, unless the installation will be done by the facility owner. We will deliver initial inventory and equipment to the food service counter. (Franchise Agreement, Attachment A, Section 4; Franchise Agreement, Attachment B, Section 3). You pay us

for these. You must keep all equipment, signs and fixtures in good repair.

7. If we agree to grant you a franchise, then typically you will start operating your food service counter within 10 days after you complete training. The main factors to this timing are whether the location is already built out by the facility owner, equipped and ready to operate, time for you to return to where the franchise will be located, and your ability to start. If there is a delay by the facility owner in building the location, or delay by you and us in choosing a location, it could be 30-60 days or longer before you start operating the food service counter.

8. Opening assistance at the Franchise location. (Franchise Agreement, Sections 5.1(g) and 6.5(d)).

We provide all of the assistance listed above to your franchise. We are not required to provide any other service or assistance to you before the opening of your Franchise.

Post-Opening Obligations: We must provide the following services and assistance after the opening of the Franchise:

1. As we reasonably determine necessary, visits to, and evaluations of, the Franchise and the products and services provided there to ensure that the high standards of quality, appearance and service of the System are maintained. (Franchise Agreement, Sections 5.1(b) and 7.5).

2. Advice and written materials (including updates to the online Manuals) concerning techniques of managing and operating the Franchise, including new developments and improvements in equipment. (Franchise Agreement, Section 5.1(c)).

3. For your first location only, we will send our regional manager or other employee to assist you at your location for up to three days. If you ask, or we decide that additional on-site training is needed, we'll charge you \$450 per additional day. Our decision will be based on our evaluation of your need for additional assistance. We decide in consultation with you. On-site post-opening assistance at the Franchise as we find appropriate. (Franchise Agreement, Sections 5.1(g) and 6.5(d)).

4. We will provide ongoing research and development seeking to identify new products that you may sell at your food service counter. (Franchise Agreement Section 7.6(e)). We will tell you about identified new products that you must offer or sell.

5. We will identify suggested and approved suppliers for products you will use in your food service counter(s). For some items we may be the only approved supplier. We plan to identify any approved supplier in writing. (Franchise Agreement Section 5.1(e)).

6. We may recommend resale prices or pricing schedules to you and may provide pricing labels conforming to these recommendations. You have the right to determine prices that you charge for products sold from your Food Service Counter(s). If you want to charge a price or prices that differ from a price or price schedule recommended by us, then you must pay or reimburse any additional reasonable costs that we incur to prepare price labels containing the pricing determined by you. When allowed by law, we can specify maximum and minimum prices

for products sold at your Food Service Counter. (Franchise Agreement Section 7.6(d)).

7. Training programs and other related activities regarding the operating of the Franchise as we may conduct for you, or Franchise personnel generally, which you and other Franchise personnel may attend. (Franchise Agreement, Section 6.5(c)). We may periodically provide additional training on new products or operation. We can require you and your manager to attend. We can charge you our current training fees for each person for whom we provide such additional training. You are responsible for all travel and living expenses incurred to attend any training programs. (Franchise Agreement Section 6.5(a)-(d)).

8. Certain optional on-site remedial training for your Franchise personnel when you reasonably request it or as we find appropriate. If the remedial training is requested by you, we may require you to pay the per diem of our employee(s) providing the training and our expenses in providing the training (see Item 6). (Franchise Agreement, Section 6.5(e)).

9. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of the Marks (including settlement amounts), provided that you and your Controlling Principals have fully complied with the terms of the Franchise Agreement. (Franchise Agreement, Section 9.4).

10. We have the right to step in and operate the franchise business if you or your manager is (a) absent or incapacitated by reason of illness or death, (b) you have failed to pay all taxes and assessments against the business inventory and equipment, (c) you have failed to pay when due any and all liens or encumbrances placed against the business, (d) you have lost or had suspended your license or permit to operate, or (e) we determine that there are operational problems that could imperil the franchise business or its assets. (Franchise Agreement, Section 7.7).

11. If you must stop operating at a location because the owner of the location no longer wants an International Food Creations Food Service Counter there, or objects to you as the operator there, without your fault, we will try to find another location in the area for you to relocate to. There could be delay in getting another location, relocation may not be possible before expiration of the term of your agreement, or at all and your new location may not be comparable to the old. Additionally, any relocation, will involve a substantial interruption in operating your food service counter until a new location is identified and prepared. You do not have to pay another franchise fee but you could lose expenses incurred from the original location. Conditions and results of the new location may differ from the prior location. If we cannot get a new location there is still no refund of any fees. (Franchise Agreement Section 2.2).

12. If you ask, we will give you a list of our franchises in an area to help you comply with the restriction on competing that continues in effect after you are no longer our franchisee. (Franchise Agreement Section 10.3(b)(iii)).

Advertising

We encourage you to advertise your food service counter. You must submit proposed advertising to us and use the materials only after you get our consent. (Franchise Agreement Section 8.6). You can't use any materials without first getting our written consent. We can

restrict where you can advertise and how you advertise. You may not advertise on the Internet or use other electronic media without obtaining our prior written consent. Your advertising must include trademark, copyright and independent ownership notices that we request. There is no franchisor sponsored or operated franchise advertising program or fund at this time. We have no obligation to spend any amount on advertising in the area or territory where your food service counter is located.

We can designate a geographic area as an advertising cooperative that you must participate in. You'll participate and contribute to the cooperative according to its procedures. We can set the amount you and other franchisees contribute to any advertising fund operated by the cooperative. There is no requirement for franchisor owned outlets to contribute to the fund, although we anticipate that they will do so according to guidelines we establish. The cooperative will operate according to governing documents that we prepare or consent to. (Franchise Agreement Section 8.3). If and when formed, these will be available to you for review. We can decide who administers the cooperative. There are no current requirements for cooperatives to prepare financial statements. We have the power to form, change, dissolve or merge cooperatives, at our discretion. (Franchise Agreement Section 8.3).

There are no current advertising councils composed of franchisees that advise us on advertising policies.

Computer Equipment and Registers

We do not require you to buy or use electronic cash registers. All food purchases are normally handled through supermarket cash registers or the registers of the facility where your franchise is located.

We require you to purchase a computer system with Internet connectivity to permit you to submit purchase orders online and to obtain information on new products, product specifications and other information from us. We do not have specific brand or other computer system specifications. We estimate the cost of purchasing a computer system with Internet capabilities is about \$600. You are solely responsible for your computer system, including maintaining and repairing it when necessary. The Franchise Agreement does not impose any obligation on you to purchase maintenance, update, upgrade or support contracts for your computer system. We do not currently require you to provide us independent access to the information generated or stored on your computer system, but may require you to do so in the future on written notice. We do not impose any upgrade or update obligations for your computer, but you must keep your computer current. You are also required to obtain and provide us an email address to which we may send written communications and sales reports pertaining to your location(s).

We require you to purchase a Samsung Tablet (Galaxy Tab E or A), Dongle and printer ("Tablet System") meeting our specifications to enable you to print labels for your products. We estimate the cost of purchasing the Tablet System and warranty will range between \$900 and \$1,599. You must also pay the monthly web and data fee (currently up to \$100 per month) for each food service counter you operate. You are solely responsible for your Tablet System, including maintaining and repairing it when necessary. The Franchise Agreement does not impose any obligation on you to purchase maintenance, update, upgrade or support contracts for your Tablet. We can require you to provide us independent access to the information generated or stored on your tablet, including inventory tracking logs. You must keep the Tablet System current. We can require you to upgrade or update the Tablet System. We may, in the

future, develop or designate computer application software for use with the Tablet System for performing various functions for your Food Service Counter(s). You must purchase, implement and use the software in operating the Food Service Counter(s) and comply with all standards we prescribe regarding the software, including upgrade and maintenance requirements.

We provide all of the assistance listed above to your franchise. We are not required to provide any other service or assistance to you for the continuing operation of your Franchise.

Training: No sooner than 16 days before the date the Franchise begins operation, you must attend and complete, to our satisfaction, our initial training program. We will conduct this training at our corporate headquarters and/or a location operated by us, or at another location we designate. Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement principals needing training, the number of new Franchises being opened and the timing of the scheduled openings of Franchises to be operated by franchisees generally. The initial training program will generally last six days. The fees for the initial training are listed below. We will determine whether you have satisfactorily completed the initial training. If you do not satisfactorily complete the initial training program or if we determine that you cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training. Any individual who you choose must also receive and complete the initial training. We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor individual. You must pay for all expenses you and your other personnel incur for any training program, including costs of travel, lodging, meals and wages (see Item 6).

You must attend the additional training programs and seminars we offer if required to do so. For all of these programs and seminars, we will provide the instructors and training materials. If the training is mandatory, we will not charge you a fee for attending the training. We reserve the right to charge a reasonable fee for the additional training programs and seminars that we provide on an optional basis. You must also pay for all expenses you or your other personnel incur in participating in any additional training, including costs of travel, lodging, meals, and wages (see Item 6).

For the opening of the Franchise, we will provide you with at least one of our trained representatives. This training and assistance will be provided to you at no additional expense. For any additional assistance requested by you and any similar assistance that we provide to a replacement Franchise, if the premises are destroyed or the Franchise is required to be closed for any other reason, we reserve the right to require you to pay us the per diem fee then being charged to franchisees generally for trained representative assistance, including payment of any expenses the trained representative incurs, such as costs of travel, lodging, meals and wages (see Item 6).

Michael Yoshino, our CEO, (see Item 2) and Jeffery Chan, our COO, (see Item 2) will oversee training.

The subjects covered, hours of classroom and on the job training and instructions provided in the initial training program are described below:

International Food Creations Training Program

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
Introduction, Labeling, Nutritional Facts, Sanitation, Licensing	12 Hours	Not Applicable	Onsite location, online or Meeting Rooms we choose.
Sampling Programs, Demonstration, Service	4 Hours	Not Applicable	Onsite location, online or Meeting Room we choose.
Sushi Training and Other Food Preparation. Test and Evaluation	Not Applicable	40 Hours	Onsite location and/or at a company operated food service counter that we select, or other location we choose.
Hot Foods or other concepts that we introduce to the Account/ Client	Not Applicable	16 Hours if Applicable	Onsite location and/or at a company owned and operated food service counter that we select, or other location we choose.
Franchise Management, inventory control/ orders	4 Hours	Not Applicable	Our corporate headquarters, online or other location we choose.
TOTALS	20 Hours	56 Hours	

Hot Food Training

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
Kitchen Equipment, Sanitation and Food Safety/ Logs	Not Applicable	8 Hours	Onsite locations, online and/or at a company owned and operated food service counter that we select, or other location we choose
Kitchen Set-Up and Ingredient and Material Preparation	Not Applicable	8 Hours	Onsite locations, online and/or at a company owned and operated food service counter that we select, or other location we choose
Steam Table Menu, Product Cooking and Evaluation	Not Applicable	40 Hours	Onsite locations, online and/or at a company owned and operated food service counter that we select, or other location we choose.
TOTALS		56 Hours	

Food Protection Manager Certification Training

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
ServSafe® Food Protection Certification (1),(2),(3),(4)	12 Hours	Not Applicable	Online or other location we choose.
Allergen Awareness Training (5)	1 - 3 Hours	Not Applicable	Online
TOTAL	13 -15 Hours		

- (1) You must enroll in the ServSafe® Food Protection Manager Certification program and pass the certification exam before starting operations. ServSafe® Food Protection Manager Certification training takes 2 days.
- (2) We will offer the training program online or as needed.
- (3) The instructions material used is ServSafe® Essentials.
- (4) Every food service counter must have one ServSafe® Food Protection Manager Certified person onsite during all operating hours.
- (5) You must enroll in the ServSafe® Allergen Awareness Training offered online by ServSafe® and pass the training exam before starting operations. ServSafe® Allergen Awareness Training takes 1-3 hours. We require proof that you completed the training and passed the exam prior to the last day of orientation training.

We charge \$1,750 for the sushi training, \$2,250 for the steam table training and up to \$275 per person for the ServSafe® Manager Examination and Certification. If we exempt you from all training, we will waive the training fee. You pay your own travel and living expenses during training, if applicable.

Our trainers are various individuals who work in various departments such as accounting, operations, marketing and compliance. Each individual provides instruction on the area of his or her experience. At the issuance date of this Disclosure Document these included: Michael Yoshino (President and Chief Executive Officer), who has 15 years in the Sushi industry and 30 years' experience in the Food and Beverage industry. Jeffrey Chan (Chief Operations Officer), who has 13 years in the Sushi industry and 20 years in the Food and Beverage Industry. All this is also in conjunction with multiple field operations people who will also assist in the training and educating of our new franchisees.

The entire training program may be changed due to updates in materials, methods, manuals and personnel without notice to you.

The subjects and times allocated to the subjects actually taught to you and your personnel may vary based on the experience of those persons being trained.

If you reasonably request or as we deem appropriate, we will, during the term of the Franchise Agreement, when our personnel is available, provide you with additional trained representatives who will provide on-site optional remedial training to your Franchise personnel.

For additional training that you request, you may be required to pay the per diem fee then being charged to franchisees under the System for the services of our trained representatives, plus their costs of travel, lodging, meals, and wages. The per diem fee will not be charged if the assistance is provided based on our determination that the training is necessary; however, we reserve the right to charge for our reasonable expenses incurred in providing the assistance.

The Table of Contents for our Operations Manual is attached as Exhibit I to this Disclosure Document.

If your franchise is located in an area in which a governmental license is required, you must apply for the license within 15 days after execution of the lease agreement and the franchise food service counter site must open and commence operations at the earlier of 90 days after execution of the lease or 10 days after receipt of the license. For all other franchised businesses, you must open the franchise within 90 days after execution of your lease agreement.

ITEM 12

TERRITORY

We grant you a franchise for one or more specific location(s) in grocery stores or other venues. These locations will be specified in one or more franchise addendums. You do not receive any minimum territory.

If on signing the franchise agreement or thereafter we agree that you may operate more than one location, you will sign our then current location addendum for each additional location to be opened and pay the applicable fee. We assess whether to grant you the right to operate another location, based on the following factors: availability of another location; the additional location is in a non-competing store; the new location is relatively near your existing location(s); in our judgment, you are financially able to operate multiple locations; in our judgment you are capable of operating and managing another franchise location; and you have qualified managers to assist you operate multiple locations. Our form location addendums are attached as Exhibit C.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We can grant franchises or licenses to others to operate International Food Creations Food Service Counters anywhere, regardless of how close they are to your food service counter(s). We can sell products and other items to anyone and anywhere (even in the facilities where you operate), including pre-packaged products identified by our marks or other marks, whether or not such marks are authorized for your use, as well as other products or services under the marks and other trademarks and service marks. We may also sell and distribute products through different distribution channels, such as via the Internet, telemarketing, catalog sales, other direct marketing sales and other means. We are not required to compensate you for any sales we make through these methods. You can operate only at your grocery store (or other type of facility) location and you must comply with the store's (or other type of facility's) rules, policies and guidelines. If required by the facility owner, you must sign any code of conduct or equivalent document required by the facility owner.

Other franchisees and we can solicit and advertise anywhere, including in the area where your food service counter is located.

We can impose geographic and/or other restrictions on advertising that you conduct or propose to conduct.

You must only sell products to end customers who are physically present at your Food Service Counter(s). You may not engage in the resale of any product or supply at wholesale, retail or through other means without our written consent. You are not permitted to sell any product using other channels of distribution (such as the Internet, catalog sales or telemarketing).

If the location where you operate closes or objects to you operating there or otherwise becomes unavailable without your fault, we will try to help arrange for you to operate a food service counter at another location in the same general area. There is no assurance we will be able to do so. The facility you relocate to may be month-to-month and can be terminated by the facility owner on short notice. You release us from any loss of right or consent to operate at the location and agree not to hold us liable for any such event occurring during or after the term of the agreement.

Unless you sign an additional location addendum, you do not get any right to acquire additional food service counters. If we are satisfied with how you operate your initial food service counter, we can agree to add one or more locations to your existing franchise agreement. See our location addendums attached as Exhibit C.

We can grant franchises to others using our trademarks and system, at any location. We can also sell through company owned outlets.

We do not have any current plans to operate or franchise a business under a different trademark that sells goods or services similar to those to be sold at your food service counter, but reserve the right to do so.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us, including the Marks described in Item 1. These Marks may be used only in the manner we authorize and only for the operation of your franchise at the location specified in the Franchise Agreement.

The franchise entitles you to operate your business under the name International Food Creations. You will also be entitled to use other trademarks in the operation of your franchised business. We have registered the following proprietary marks with the United States Patent and Trademark Office. The marks are registered on the Principal Register:

Mark	Registration Number	Registration Date
International Food Creations	6480849	September 7, 2021
International Food Creations (logo)	6558992	November 16, 2021



You must abide by our rules while using our proprietary marks. You may not use a name or mark as part of a corporate or other legal name or with modifying words, designs or symbols except for those that we license to you. You must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity of our ownership in and to the Marks.

There are no currently effective determination of the U.S. Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above.

There are no agreements currently in effect that limit our rights to use or license the use of the Mark. We know of no superior rights or infringing uses of any Mark that could materially affect your use of the Mark in your state or in any other state.

You must notify us immediately by telephone, and thereafter in writing, of any apparent infringement of or challenge to your use of any of our proprietary marks, of any claim by any person of any rights in any of our proprietary marks, and you must not communicate with any person other than us or any affiliate which we designate, their counsel and your counsel in connection with any such infringement, challenge or claim. We will have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of our affiliates of, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any of our proprietary marks. You must execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain the interests of us or any affiliate in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in our proprietary mark.

We are not obligated to protect any rights that you have to use the Mark or to protect you against claims of infringement or unfair competition with respect to the Mark. We reserve the right to substitute different proprietary marks for use in identifying the business and the products and services offered by it. As such, we may require you, at your expense, to discontinue or modify your use of any of the proprietary marks or to use one or more additional or substitute proprietary marks.

To protect the goodwill and integrity associated with the Mark, you are required, in conducting your business, to conform to our specifications as to business hours and days, items and services offered for sale, inventory, supplies and equipment used, the artwork, lettering, colors, size, construction, content and overall appearance of your food service counter, signs, emblems and advertising. The Franchise Agreement requires you to use only trade names, trademarks, service marks and logos currently approved by us and promotional and marketing materials approved by us. Any materials used to advertise or promote the franchise business and/or which use new trade names, trademarks, service marks and logos of International Food Creations must be provided by us or you must get our prior written consent. Our specifications may be contained in the Manuals, which will be provided to you after payment of the initial

franchise fee. In the absence of applicable published specifications regarding the use of the Mark, the Franchise Agreement requires you to get our prior written consent for any proposed use.

We have the right to inspect your franchise location to verify that you are using the Mark properly.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to your business.

We claim a copyright for our operations manual and training manual, and the information contained within the manuals are proprietary. To supplement our existing copyright, we intend to file an application for federal copyright registration for these manuals. You must take all reasonable steps necessary to assure that the manuals and the proprietary information that they contain remain confidential, are not published, communicated or disclosed without our express authorization.

You may not disclose any of the proprietary information, use it in any way, or assist any other person to use it either during the term of your franchise or at any time thereafter. All Manuals that we provide you, online or otherwise, remain our sole property and all printed copies must be promptly returned upon expiration of your franchise.

We may revise the contents of the Manuals and you must comply with each new or changed standard. You must also ensure that the Manuals are kept current at all times. If there is a dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our home office will be controlling.

We claim proprietary rights in certain of our recipes which are included in the online Manuals and which are our trade secrets. You are prohibited, during and after the term of the Franchise Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of the Franchise Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the franchise that may be communicated to you or that you may learn about, including these trade secrets. You can divulge this confidential information to your employees who must have access to it to operate the franchise. Any and all information, knowledge, know-how, and techniques related to the System that we communicate to you, including the online Manuals, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, are considered confidential.

There are no currently effective determinations of the Copyright Office or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the copyrights that may significantly affect the ownership or use of any copyright described above. There are no effective agreements that will affect your use or our use of the copyrights.

You must notify us immediately by telephone, and thereafter in writing, of any apparent infringement of or challenge to your use of any of our copyrights, of any claim by any person of any rights in any of our copyrights, and you must not communicate with any person other than us or any affiliate which we designate, their counsel and your counsel in connection with any such infringement, challenge or claim. We will have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of our affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any of our copyrights. You must execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain the interests of us or any affiliate in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in our copyrights. We are not obligated to protect any rights that you have to use the copyrights or to protect you against claims of infringement or unfair competition with respect to the copyrights. We reserve the right to substitute different copyrighted material for your use in the business. You agree not to contest the validity or ownership of any of our copyrights.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not required to personally participate in the day-to-day operations of your franchised business. If you choose not to participate personally in the running of the business, you must designate a manager to do so for you. You must complete our initial training program before you will be eligible to transact business under your franchise. Your manager is not required to be an owner or to have any stake in your business. Our only requirements are that either your manager or you, depending upon who is running the business on a day-to-day basis, be at the franchised premises on a full-time basis, and have successfully completed our training program.

When you sign the Agreements, you must designate and retain at all times an individual to serve as the "Operating Principal" under the Agreements. If you are an individual, you must be the Operating Principal. If you are an entity, the Operating Principal must be one of your Controlling Principals, as defined below, and must hold an ownership interest in you or any entity that directly or indirectly controls you. Except as may be provided in the Agreements, the Operating Principal's interest in you must remain free of any pledge, lien, encumbrance, voting agreement, proxy, or purchase right or option.

The Operating Principal may, at the Principal's option, and subject to our approval, designate an individual to perform the duties and obligations of the Operating Principal described in the Agreements and in, this Disclosure Document. The Operating Principal must take all necessary action to ensure that the designee conducts and fulfills all of the Operating Principal's obligations and will remain fully responsible for the Principal's performance. The Operating Principal (or the Principal's designee, if applicable) must devote substantial full time and best efforts to the supervision and performance of the Franchise under the Agreements. The Operating Principal must sign the Agreements as one of your Controlling Principals, and will

individually guarantee all of your obligations, and will be jointly and severally bound by all of your obligations and the obligations of the Operating Principal and your Controlling Principals under the Agreements.

The Operating Principal (and any designee) must meet our standards for these positions, as provided in the Manuals or other written instructions. Under the Agreements, the Operating Principal (or his designee) must satisfy the training requirements stated in the Franchise Agreement.

If, during the term of the Agreements, the Operating Principal or any designee cannot serve as Operating Principal or no longer qualifies, you must promptly notify us and designate a replacement within 30 days after the Operating Principal or designee stops serving or no longer meets the requirements. Any replacement must meet the same qualifications listed above. You must provide for interim management of the Franchise until you designate a replacement. This interim management must be conducted in accordance with the Agreements.

As described in Item 1, we have identified certain persons under the Franchise Agreement that we refer to in this Disclosure Document as your Principals. Your Principals include your spouse, if you are a married individual, your Principals also include those of your business entity's officers and directors (including the officers and directors of your general partner, if applicable) whom we designate as your Principals and all holders of an ownership interest in you and in any entity that directly or indirectly controls you, and any other person or entity controlling, controlled by, or under common control with you.

If we designate certain of your Principals as Controlling Principals, they must sign the Franchise Agreement, as applicable, and agree to be individually bound by certain obligations under the Agreements, including confidentiality and noncompetition covenants and to personally guarantee your performance under the Agreements. We typically designate your principal equity owners and executive officers, as well as any other affiliated entities that operate Franchises as Controlling Principals.

You must retain at all times a Director of Operations and the other personnel that are needed to operate and manage the Franchise. The Director of Operations must satisfy our educational and business criteria as provided to you in the online Manuals or other written instructions, and must be individually acceptable to us.

In addition, the Director of Operations must be responsible for the supervision and management of the Franchise, and must devote full time and best efforts to this activity. The Director of Operations also must satisfy the applicable training requirements in the Franchise Agreement. If the Director of Operations cannot serve in the position or does not meet the requirements, the Director of Operations must be replaced under the same guidelines we have for the Operating Principal.

If you employ any individual as Director of Operations or in a managerial position who is at the time employed in a managerial position by us or any of our affiliates, or by another of our franchisees, you must pay the former employer for the reasonable costs and expenses the employer incurred for the training of the employee.

You must also get covenants not to compete, including covenants applicable on the termination of the person's relationship with you, from your Director of Operations and any of your other management personnel who have received or will have access to our training before employment, and any holder of a beneficial interest in you (except for any limited partners) who is not designated as a Controlling Principal and does not sign the Franchise Agreement as a Controlling Principal. You must require all of your management personnel to sign covenants that they will maintain the confidentiality of information they receive or have access to base on their relationship with you (see Item 14). These covenants will be in substantially the same form attached to the Franchise Agreement as Attachment C. We reserve the right, in our discretion, to decrease the amount of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that is required to sign an agreement as described in this paragraph (see Item 17).

For a full-time location, you or your principal owner (if you are an entity) must either directly or through a manager, devote your full time to managing the food service counter and your employees.

For a part-time location, you or your principal owner (if you are an entity) must either directly or through a manager operate the food service counter on a part-time basis each day that the location where the food service counter is located is open for business. As a part-time food service counter, you are not required to be personally present or have a manager personally present at the food service counter more than four hours per day.

For a self-service location, to assure food safety compliance, you must perform all food preparation only at your already existing full-time or part-time food service counter. To promote a consistent customer experience, the self-service food service counter must be inspected and the display case restocked at least once daily with sufficient amount of sushi and/or other food products before trading hours each day as directed by the facility owner. We can revise these requirements.

If a location is operated by a manager, you are still required to be personally and actively involved in operations and remain fully responsible for each location including supervising your employees.

If you operate more than one location, then at least one trained employee with ServSafe Manager Certification must act as manager under your supervision for those other locations. To assure we are aware of whom to contact at the location in the event of your absence, you must provide to us a written list of every manager you employ. You must update and provide a revised manager list to us in writing within 24 hours of any new manager being hired and any manager leaving your employment. You must abide by lawful requests of the business owner or manager of the premises regarding any employee or prospective employee. To protect the franchise system, before hiring a manager, you must require the manager to sign a confidentiality and non-disclosure agreement in a form satisfactory to us requiring the manager to protect our trade secrets and any other item we specify in writing from time to time. You must also provide adequate training to the manager before start of employment. There is no requirement for the manager to own any equity interest in you (if you are an entity, such as a corporation or limited liability company).

Your food service counter(s) must be staffed by a sushi chef (if applicable to your location) before and during what we consider to be peak hours. To promote a consistent

customer experience with the franchise system, you must also ensure that each food service counter you operate is adequately staffed and that your display cases are adequately stocked during business hours.

You must not interfere with our relationship with the store where you are located.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only items that we approve for sale at your food service counter(s). If you want to offer other items, you must first get our written consent. We don't have to consent.

You must offer the full range of menu items that we designate. If you wish to remove any item from your menu, you must first get our approval in writing. We can add additional items to the menu from time to time and remove items from our menu. There is no limit on our right to make changes. We have the sole right to develop new items for sale at your food service counter(s). You must not develop, offer or sell any non-approved item from your food service counter(s).

You are not restricted with regard to customers you may sell products to. However, you must conduct your business only from the grocery store or other location where you are located. We can restrict where and how you advertise.

You must only sell products to end customers who are physically present at your Food Service Counter(s). You must not engage in the resale of any product or supply at wholesale, retail or through other means without our written consent. You may not use any other channels of distribution such as the Internet, catalog sales or telemarketing to conduct sales. (see Item 8).

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Term of the Franchise	3.1	3 years
b. Renewal or extension of the term	3.2	Execute Franchise Agreement in effect at that time and pay renewal fee.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
c. Requirements for renewal/ extension	3.2	You must give at least 6 months' notice, repair and update equipment and premises, not be in breach of any agreement with us or our affiliates, have the right to remain in possession of premises, pay renewal fee, sign current agreement and general release, and comply with current qualification and training requirements (see applicable State Amendments to FDD and Agreements). When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by Franchisee	3.1	At any time, you may apply in writing to terminate the Franchise Agreement early, with the termination to be effective on the 90th day following delivery of written notice. You may also terminate under any grounds permitted by law.
e. Termination by Franchisor without cause	Not applicable	Not applicable
f. Termination by Franchisor with cause	16.1, 16.2, and 16.3	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
g. Cause defined defaults which can be cured	16.2 and 16.3	We may terminate you for cause if you fail to cure certain defaults, including: If you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within 5 days after notice (or longer period required), fail to have signed the Confidentiality and Noncompetition Covenants contained in the Franchise Agreement within 5 days after a request, fail to procure and maintain required insurance within 7 days after notice, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to cure any other default that is susceptible of cure within 30 days after notice.
h. Cause defined defaults which cannot be cured	16.1 and 16.2	We may terminate you for cause if you fail to cure certain defaults, including: If you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to acquire an accepted location within time required, fail to remodel when required, fail to open Franchise when required, abandon or lose right to the Franchise premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent or maintain false books or records.
i. Franchisee obligations on termination/ non renewal	17	Obligations include: you must cease operating the Franchise and using the Marks and completely de-identify the business, pay all amounts due to us or our affiliates, return all Manuals and other proprietary materials, comply with confidentiality requirements, and at our option, sell or assign to us your rights in the Franchise premises and the equipment and fixtures used in the business.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
j. Assignment of contract by franchisor	14.1	Franchisor can transfer its obligations and rights under the franchise to any person or legal entity.
k. Transfer by franchisee – definition	14.2(a)	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Franchise or in an entity owned by you.
l. Approval of transfer by franchisor	14.2(b)	Franchisor must approve all transfer, but cannot unreasonably withhold its consent.
m. Conditions for approval of transfer	14.2(b)	Conditions include: you must pay all amounts due us or our affiliates, not otherwise be in default, sign a general release, and pay a transfer fee. Transferee must meet our criteria, attend training and sign current Franchise Agreement (see applicable State Amendments to FDD and Agreements).
n. Franchisors' right of first refusal to acquire business.	14.4	Franchisor has first right to purchase or match offer that is received for business.
o. Franchisors' option to purchase business	14.4 and 17.9	Other than assets on termination, nonrenewal or right of first refusal, we have no right or obligation to purchase your business.
p. Franchisees' death or disability	14.5	If you or a Controlling Principal are a natural person, on death or permanent disability, your successor must be approved by us, or franchise must be transferred to someone approved by us within 6 months after death or notice of permanent disability.
q. Non-Competition covenants during the term of the franchise (No Conflict).	10.3(a)	You are prohibited from operating or having an interest in a similar business during the term of the franchise.
r. Non-competition covenants after the franchise is terminated	10.3(b)	You and your Controlling Principals are prohibited from operating or having an interest in a similar business which is located,

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
or expires		or is intended to be a 5-mile radius of any Franchise in existence or under construction for a period of two years from the earlier of (i) the expiration or termination of, or the transfer of all of your interest in, the franchise Agreement or (ii) the time a Controlling Principal ceases to satisfy the definition of a Controlling Principal, as applicable. Further, you may not hire any of our employees for a period of two years.
s. Modification of the agreement	10.1(e), 10.3(e) and 18.3	Later amendments to the Franchise Agreement must be in writing and signed by both you and us. You must comply with Manuals as amended.
t. Integration/Merger clause.	18.2	This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u. Dispute resolution by arbitration or mediation	18.8 and 18.9	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, and subject to state law, all disputes must be mediated at our headquarters or arbitrated in Multnomah County, Oregon.
v. Choice of forum	18.10	The venue for all proceedings related to or arising out of the Franchise Agreement is Multnomah County, Oregon, unless otherwise brought by us (see applicable State Amendments to FDD and Agreements.)

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
w. Choice of law.	18.10	The Franchise Agreement is interpreted, governed, and construed under the laws of the State of Oregon. (See applicable State Amendments to FDD and Agreements.)

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Michael Yoshino, 2390 Crenshaw Blvd., Suite 803, Torrance, CA 90501, 877-468-3003, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1: Systemwide Outlet Summary
Through December 31, 2025**

Outlet Type	Year	Outlets at Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	41	64	+23
	2024	64	76	+12
	2025	76	106	+30
Company- Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	41	64	+23
	2024	64	76	+12
	2025	76	106	+30

**Table No. 2: Transfer of Outlets from Franchisees to New Owners (other than the
Franchisor)
Through December 31, 2025**

State	Year	Number of Transfers
Alabama	2023	0
	2024	0
	2025	0

California	2023	2
	2024	2
	2025	3
Colorado	2023	0
	2024	2
	2025	0
Delaware	2023	0
	2024	0
	2025	0
Florida	2023	0
	2024	0
	2025	0
Georgia	2023	0
	2024	1
	2025	0
Hawaii	2023	0
	2024	1
	2025	0
Indiana	2023	0
	2024	1
	2025	1
Nevada	2023	1
	2024	0
	2025	3

New Hampshire	2023	1
	2024	0
	2025	0
New York	2023	1
	2024	0
	2025	0
Rhode Island	2023	0
	2024	0
	2025	0
South Carolina	2023	0
	2024	0
	2025	0
Tennessee	2023	0
	2024	0
	2025	0
Wisconsin	2023	0
	2024	0
	2025	1
Totals	2023	5
	2024	6
	2025	8

Table No. 3: Status of Franchised Outlets Through December 31, 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termin- ations	Non- Renewals	Outlets Reacquired From Franchise	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Alabama	2023	2	0	0	1	0	0	0	1
	2024	1	0	0	0	0	0	0	1
	2025	1	0	0	0	0	0	0	1
California	2023	13	19	0	1	0	2	0	29
	2024	29	9	0	0	0	0	0	38
	2025	38	23	0	0	0	2	0	59
Colorado	2023	1	3	0	0	0	0	0	4
	2024	4	0	0	0	0	1	0	3
	2025	3	0	0	0	0	3	0	0
Delaware	2023	1	0	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0	1
	2025	1	0	0	0	0	0	0	1
Georgia	2023	0	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0	1
	2025	1	0	0	0	0	0	0	1
Indiana	2023	0	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	0	2
	2025	2	0	0	0	0	0	0	2
Hawaii	2023	4	0	0	0	0	0	0	4
	2024	4	0	0	0	0	0	0	4

	2025	4	0	0	0	0	0	0	4
Maryland	2023	1	0	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0	1
	2025	1	1	0	0	0	0	0	2
Missouri	2023	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	0	1
Nevada	2023	11	1	0	0	0	0	0	12
	2024	12	2	0	0	0	0	0	14
	2025	14	0	0	0	0	0	0	14
New Hampshire	2023	1	0	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0	1
	2025	1	1	0	0	0	1	0	1
New York	2023	5	0	0	0	0	1	0	4
	2024	4	0	1	0	0	1	0	2
	2025	2	0	0	0	0	0	0	2
Ohio	2023	0	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	0	3
Rhode Island	2023	0	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	0	2
	2025	2	10	0	0	0	0	0	12
South Carolina	2023	1	0	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0	1

	2025	1	0	0	0	0	1	0	0
Tennessee	2023	1	1	0	0	0	0	0	2
	2024	2	0	0	0	0	0	0	2
	2025	2	0	0	0	0	0	0	2
Wisconsin	2023	0	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0	1
	2025	1	0	0	0	0	0	0	1
Totals	2023	41	28	0	2	0	3	0	64
	2024	64	15	1	0	0	2	0	76
	2025	76	37	0	0	0	7	0	106

**Table No. 4: Status of Company-Owned Outlets
Through December 31, 2025**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alabama	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
California	2023	2	0	0	1	1	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Colorado	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Delaware	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Florida	2023	1	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Georgia	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Indiana	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Nevada	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
New Hampshire	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
New York	2023	5	0	0	2	3	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Rhode Island	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

South Carolina	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Tennessee	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Wisconsin	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	2023	10	0	0	4	6	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

**Table No. 5: Projected Openings
Through December 31, 2026**

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPEN	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLETS IN THE NEXT FISCAL YEAR
Alabama	0	0	0
Alaska	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	15	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	0	0	0
Georgia	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0

Louisiana	0	0	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	5	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
North Dakota	0	0	0
Nevada	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	0	0	0
Washington, D.C.	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Totals	0	20	0

Company Owned Locations:

Franchise Owned Locations:

Van Mang
1 Mercedes Drive
Vance, AL 35493
(205) 507-2252

Su Lae Shwe Syu
13384 Lincoln Way
Auburn, CA 95603
(626) 324-6041

Yurii Bulateskyi (hot wok bar)
2222 Grass Valley Hwy.
Auburn, CA 95603
(916) 940-0916

Win Aye (sushi bar)
2222 Grass Valley Hwy.
Auburn, CA 95603
(916) 300-0884

Aung Zaw Lin
3510 Palmer Dr.
Cameron Park, CA 95682
(646) 247-3672

Aung Zaw Zaw
5159 Fair Oaks Blvd.
Carmichael, CA 95608
(916) 521-6780

Jin Yuan
4005 Manzanita Ave.
Carmichael, CA 95608
(916) 798-0626

Wai Chyo Maung
2485 Notre Dame Blvd.
Chico, CA 95928

Mercy Wong
7847 Lichen Dr.
Citrus Heights, CA 95621
(415) 602-4302

Huang Wen Bin
21250 Stevens Creek Blvd.
Cupertino CA 95014
(510) 282-5547

Wathone Oo
1049 La Rue Rd.
Davis, CA 95616
(877) 468-3003

Than Win
3935 A Park Dr.
El Dorado Hills, CA 95762
(916) 475-4505

Than Aye
4840 San Juan Ave.
Fair Oaks, CA 95628
(669) 236-7631

Jie Ping Tan Inc.
4840 San Juan Ave.
Fair Oaks, CA 95628
(916) 288-7337

Shi Juan Huang
8870 Madison Ave.
Fair Oaks, CA 95628
(916) 640-5418

Anson H. Wang
715 E. Bidwell St.
Folsom, CA 95630
(916) 831-0931

Anson H. Wang
2760 E. Bidwell St.
Folsom, CA 95630
(916) 831-0931

Hein Htet
25025 Blue Ravine Rd.
Folsom, CA 95630

Si Thu Tun
2155 Golden Centre Lane
Gold River, CA 95670
(415) 342-9934

Wat Yee Mon
6845 Douglas Blvd.
Granite Bay, CA 95746
(916) 856-0983

Ko Lay
692 Freeman Lane
Grass Valley, CA 95949
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Su Myat Aung Thu
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Myo Sanda Sint Sint Win
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Xiao Cao
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Redwood City, CA 94061
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Naw Eh Eh Gay
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Rocklin, CA 95677

Kay Thi
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Htet Htet San
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Wendy Oo (hot wok bar)
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Roseville, CA 95747

Thet Mar Htay
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Roseville, CA 95747

Su Thae Mon
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Sacramento, CA 95825

Jain Hong Tang (hot wok bar)
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Di Nu Shadau
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Pan Tsin
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Kimi Lal
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Denver, CO 80208
(720) 757-1981

Grace Himi
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Denver, CO 80208
(720) 936-9779

Lum Banwaw
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Golden, CO 80401
(720) 480-7547

Thein Oo Arakan
2500 N. River Road
Manchester, NH 03106
(702) 470-6822

Ning Nuam
316 Boulevard
Anderson, SC 29621
(877) 468-3003

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. There has never been any franchisee organization associated with us or relating to our Marks.

ITEM 21

FINANCIAL STATEMENTS

We have been in business for less than three years and, therefore, cannot include the audited financial statements required by the Federal Trade Commission's Franchise Rule. As permitted by the Franchise Rule, attached hereto as Exhibit A are our audited financial statements for fiscal years 2023, 2024, and 2025.

ITEM 22

CONTRACTS

Attached are copies of all of the agreements for use regarding the Disclosure Document of this franchise:

- | | | |
|----|--------------------------------------|-----------|
| 1. | Franchise Agreement | Exhibit B |
| 2. | Franchise Agreement Addenda | Exhibit C |
| 3. | Electronic Fund Authorization | Exhibit D |
| 4. | Power of Attorney (Telephone) | Exhibit E |
| 5. | Power of Attorney (Tax) | Exhibit F |
| 6. | Assumed Business Name Relinquishment | Exhibit G |
| 7. | State-Specific Addenda | Exhibit L |
| 8. | Acquisition Agreements | Exhibit M |

ITEM 23

RECEIPT

The last 2 pages of this Disclosure Document (**Exhibit O**) are two copies of a detachable document acknowledging your receipt of this Disclosure Document. The Federal Trade Commission requires that you promptly sign and return one copy of the receipt to us. This does not obligate you to purchase a franchise and it does not obligate us to sell you a franchise. Retain the other copy of the receipt for your records.

EXHIBIT A

FINANCIAL STATEMENTS

INTERNATIONAL FOOD CREATIONS, LLC

FINANCIAL STATEMENTS

December 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
International Food Creations, LLC

Opinion

We have audited the financial statements of International Food Creations, LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of International Food Creations, LLC as of December 31, 2025 and 2024, 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 International Food Creations, LLC 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 International Food Creations, LLC's ability to continue as a going concern for 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 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 International Food Creations, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about International Food Creations, LLC's ability to continue as a going concern for a reasonable period of time.

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



Long Beach, California
March 25, 2026

INTERNATIONAL FOOD CREATIONS, LLC

BALANCE SHEETS

ASSETS

	December 31,	
	2025	2024
CURRENT ASSETS		
Cash	\$ 615,740	\$ 387,839
Accounts receivable, net	1,784,120	1,420,924
Inventory	231,803	157,314
Prepaid expenses and other current assets	21,505	5,000
Total current assets	2,653,168	1,971,077
OTHER ASSETS		
Operating lease right-of-use assets	529,160	-
Property and equipment, net	53,072	7,634
Other assets	27,292	6,625
Total other assets	609,524	14,259
TOTAL ASSETS	\$ 3,262,692	\$ 1,985,336

LIABILITIES AND MEMBERS' DEFICIT

CURRENT LIABILITIES		
Accounts payable	\$ 2,293,660	\$ 1,894,049
Accrued expenses	417,305	166,759
Loan from member, current portion	256,080	-
Operating lease liabilities, current portion	183,393	-
Total current liabilities	3,150,438	2,060,808
NONCURRENT LIABILITIES		
Loan from member, net of current portion	640,200	635,000
Operating lease liabilities, net of current portion	347,060	-
Total noncurrent liabilities	987,260	635,000
MEMBERS' DEFICIT		
Common units	3,118,306	3,118,306
Accumulated deficit	(3,993,312)	(3,828,778)
Total members' deficit	(875,006)	(710,472)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	\$ 3,262,692	\$ 1,985,336

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	<u>2025</u>	<u>2024</u>
REVENUE	7,155,974	\$ 4,607,107
COST OF GOODS SOLD	<u>(4,994,471)</u>	<u>(3,187,291)</u>
GROSS PROFIT	<u>2,161,503</u>	<u>1,419,816</u>
OPERATING EXPENSES	<u>2,327,866</u>	<u>1,616,425</u>
LOSS FROM OPERATIONS	<u>(166,363)</u>	<u>(196,609)</u>
OTHER INCOME (EXPENSE), NET		
Interest expense	(7,796)	(3,929)
Other income	<u>9,625</u>	<u>11,675</u>
Total other income, net	<u>1,829</u>	<u>7,746</u>
NET LOSS	<u>\$ (164,534)</u>	<u>\$ (188,863)</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

STATEMENTS OF CHANGES IN MEMBERS' DEFICIT

	<u>Common Units</u>	<u>Amount</u>	<u>Accumulated Deficit</u>	<u>Total Members' Deficit</u>
BALANCE, DECEMBER 31, 2023	7,000,000	\$ 2,826,114	\$ (3,639,915)	\$ (813,801)
DEBT FORGIVENESS OF NOTES PAYABLE AND ACCRUED INTEREST	-	292,192	-	292,192
NET LOSS	<u>-</u>	<u>-</u>	<u>(188,863)</u>	<u>(188,863)</u>
BALANCE, DECEMBER 31, 2024	7,000,000	3,118,306	(3,828,778)	(710,472)
NET LOSS	<u>-</u>	<u>-</u>	<u>(164,534)</u>	<u>(164,534)</u>
BALANCE, DECEMBER 31, 2025	<u>7,000,000</u>	<u>\$ 3,118,306</u>	<u>\$ (3,993,312)</u>	<u>\$ (875,006)</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (164,534)	(188,863)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation	12,676	6,604
Amortization of operating lease right-of-use assets	47,529	-
Changes in operating assets and liabilities:		
Accounts receivable	(363,196)	(66,691)
Inventory	(74,489)	98,404
Prepaid expenses and other current assets	(16,505)	(5,000)
Other assets	(20,667)	(2,731)
Accounts payable	399,611	(115,581)
Accrued expenses	250,546	(401,361)
Operating lease right-of-use assets and liabilities	(46,236)	-
Net Cash Provided By (Used In) Operating Activities	<u>24,735</u>	<u>(675,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(58,114)	(2,625)
Net Cash Used In Investing Activities	<u>(58,114)</u>	<u>(2,625)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on loan from affiliate	-	100,000
Proceeds from issuance of loan from member	261,280	635,000
Net Cash Provided By Financing Activities	<u>261,280</u>	<u>735,000</u>
NET CHANGE IN CASH	227,901	57,156
CASH, BEGINNING OF YEAR	<u>387,839</u>	<u>330,683</u>
CASH, END OF YEAR	<u>\$ 615,740</u>	<u>\$ 387,839</u>
NONCASH FINANCING ACTIVITIES		
Forgiveness of loan from affiliate and accrued interest	<u>\$ -</u>	<u>\$ 292,192</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 – Summary of Significant Accounting Policies

Company Formation and Nature of Operations

International Food Creations, LLC (the “Company”), a Delaware limited liability company, was formed on August 18, 2020, and is headquartered in Portland, Oregon. The Company offers qualified individuals and entities the opportunity to own and operate an International Food Creations franchise, including use of programs, systems, and the name International Food Creations and related trademarks, service marks, and logos. The Company’s franchises contain food service counters offering sushi, Asian food, and other food products at supermarkets and other venues.

As of December 31, 2025, there were 130 locations operated by franchisees and 3 corporate-owned locations. During the year ended December 31, 2025, there were 40 locations opened by franchisees.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the balance sheets and the statements of cash flows, the Company considers all highly liquid investments with maturities of three months or less when acquired to be cash equivalents. The Company is required by the state of California to maintain \$100,000 in cash while it is registered in the state. The Company had no cash equivalents as of December 31, 2025 and 2024. The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company historically has not experienced any losses related to such deposits.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company extends credit to its customers and generally does not require collateral from them but regularly analyzes significant customer accounts to determine the need for collateral. The Company also evaluates the collectability of accounts receivable and exposure to possible credit losses considering a variety of factors, including the length of time any receivable is past due, a customer's financial health, macroeconomic considerations, and historical experience, including an estimation of future returns and discounts related to current customer receivables. If the Company becomes aware of a specific customer's inability to meet its financial obligation to the Company, the Company considers recording a specific reserve for bad debt to reduce the related accounts receivable to the amount the Company reasonably believes is collectable.

Based on management's assessment of the realization of receivables from customers having outstanding balances, it has concluded that the allowance for credit losses was approximately \$102,000 as of December 31, 2025. There was no allowance for the year ended December 31, 2024. Bad debt expense for the years ended December 31, 2025 and 2024 was approximately \$103,500 and \$10,900, respectively.

Concentrations of Credit Risk

The Company's customers and suppliers are concentrated in the food service industry, and a majority of its revenue is derived from a small number of customers and purchased from a limited number of suppliers.

For the years ended December 31, 2025 and 2024, two customers accounted for approximately 70% and 74% of the Company's total revenue, respectively. These customers accounted for approximately 63% and 65% of the Company's total accounts receivable as of December 31, 2025 and 2024, respectively. Management does not believe that these concentrations represent a significant risk of material loss with respect to its financial position at December 31, 2025 or 2024.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Concentrations of Credit Risk (Continued)

For the year ended December 31, 2025, two suppliers accounted for approximately 56% of the Company's inventory and cost of sales purchases. These suppliers accounted for approximately 63% of the Company's total accounts payable as of December 31, 2025, excluding amounts due to franchisees. For the year ended December 31, 2024, four suppliers accounted for approximately 75% of the Company's inventory and cost of sales purchases. These suppliers accounted for approximately 61% of the Company's total accounts payable as of December 31, 2024, excluding amounts due to franchisees.

Inventory

Inventory is stated at average cost and consists of finished goods. The Company periodically evaluates its inventory for obsolescence and to confirm it is stated at the lower of cost or net realizable value based on criteria such as customer demand and changes in product offerings. A reserve is recorded when necessary. As of December 31, 2025 and 2024, management determined that no allowance was necessary.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Expenditures for major additions and improvements are capitalized and expenditures for minor replacements, maintenance, and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

Estimated useful lives of property and equipment are as follows:

Furniture and Equipment	3 years
Vehicles	5 years

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the asset, the asset's carrying value is adjusted to fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. To date, no impairment has been recorded.

Leasing Arrangements

The Company determines if an arrangement contains a lease at inception based on whether the Company has the right to control the asset during the contract period and other facts and circumstances.

The Company's policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable then the Company has elected to use the risk-free rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

The Company has elected a policy to account for short-term leases, defined as any lease with a term less than 12 months, by recognizing all components of the lease payment in the statements of operations in the period in which the obligation for the payments is incurred.

Advertising and Promotions

Advertising and promotions costs are expensed as incurred. Advertising and promotion costs were approximately \$38,000 and \$4,000 for the years ended December 31, 2025 and 2024, respectively, and are included within operating expenses in the accompanying statements of operations.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Company accounts for revenue contracts with customers in accordance with ASC 606, as supplemented by the franchisor-specific guidance of ASC 952, *Franchisors*. Revenue is recognized through the following steps:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

The Company's revenue consists of royalties from franchisee Company-owned food service counters located in supermarkets or other venues. Revenue from franchised locations include royalties based on a percent of sales, initial fees, and sales of inventory items and are recognized at the time the underlying sales occur.

For initial and franchise renewal fees, the Company applies a practical expedient that permits private company franchisors to account for pre-opening services as distinct from the franchise license. The Company has elected to recognize pre-opening services as a single performance obligation. Initial and franchise renewal fees are recognized upon commencement of franchise operations or contract renewal, when this performance obligation is substantially satisfied. Until then, collected fees are recorded as deferred franchise revenue. There were no contract liabilities for the years ended December 31, 2025 and 2024.

The Company provides certain goods, described as supply sales, to franchisees that are distinct from the franchise agreement because they do not require integration with other promised goods. The Company has determined that it is the principal in these arrangements. Accordingly, the related revenue is presented on a gross basis in the statements of operations. Revenue is recognized as control of the goods transfers to the franchisee, and related expenses are recognized as incurred.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Restaurant sales pertain to transactions at corporate-owned locations and are recognized at a point in time when control of the goods transfers to the customer.

Revenue consists of the following:

	For the Year Ended December 31,	
	2025	2024
Supply sales	\$ 5,281,417	\$ 3,759,131
Royalties	1,030,584	740,576
Restaurant sales	568,954	-
Franchise fee income	216,982	106,950
Other income	58,037	450
	<u>\$ 7,155,974</u>	<u>\$ 4,607,107</u>

Recently Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The guidance introduces a practical expedient and an accounting policy election that simplify the application of the current expected credit loss (CECL) model for current accounts receivable and current contract assets arising from revenue transactions accounted for under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (ASC 606).

The amendments allow all entities to elect a practical expedient under which current conditions as of the balance sheet date are assumed not to change over the remaining life of the asset, eliminating the need to develop and document reasonable and supportable forecasts when estimating expected credit losses for assets within the scope of the guidance. In addition, entities other than public business entities may elect an accounting policy to consider collection activity occurring after the balance sheet date but before the financial statements are available to be issued when estimating expected credit losses.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements (Continued)

Management has elected early adoption of ASU 2025-05 during the current reporting period. The adoption was applied prospectively, as required by the standard. Upon adoption, management elected the practical expedient to assume that current conditions as of December 31, 2025, remain unchanged for the remaining life of accounts receivable. The Company has also elected the accounting policy to consider subsequent collection activity through March 25, 2026 when estimating expected credit losses. Accounts receivable collected prior to that date are excluded from the allowance for credit losses.

The adoption of ASU 2025-05 did not have a material impact on the Company's financial position or results of operations.

Income Taxes

The Company is a limited liability company and is taxed as a partnership for federal and state tax purposes; accordingly, the income or loss of the Company will be included in the returns of the members. As a result, no provision for income taxes has been recorded in these financial statements. The Company's income tax returns are subject to examination by the federal and state taxing authorities, and any changes could adjust the individual income tax of the members.

Subsequent Events

Management has evaluated subsequent events from the date of the balance sheets through March 25, 2026, the date the financial statements were available to be issued for the year ended December 31, 2025.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 – Liquidity and Capital Resources

The accompanying financial statements have been prepared in conformity with U.S. GAAP, which contemplates continuation of the Company as a going concern. The Company has generated operating losses and negative cash flow from operations as it builds out its franchisee network and overall business model. Accordingly, the Company's cash on hand may not be sufficient to sustain operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management has evaluated the significance of these conditions in relation to the Company's ability to meet its obligations and intends to support its operations in the near term. The Company anticipates continued commitments to its business plan roll out for the foreseeable future. The Company believes it will be able to support its projected growth through positive cash flow generated from the opening of franchisees through the reporting date. Additionally, if the Company is unable to raise additional cash through debt or equity issuances, it has the ability and intent to implement cost reduction measures to sustain its operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 – Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2025	2024
Furniture and equipment	\$ 68,249	\$ 10,136
Vehicles	20,149	20,149
	88,398	30,285
Less accumulated depreciation	(35,326)	(22,651)
Property and equipment, net	<u>\$ 53,072</u>	<u>\$ 7,634</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$12,676 and \$6,604, respectively.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 4 – Loan From Member

From November 2022 through February 2024, the Company entered into multiple promissory notes with its member, maturing on various dates. In May 2024, in connection with a Unit Purchase Agreement and resulting change in ownership, all outstanding promissory notes were forgiven. The remaining balance of \$292,192 was converted to equity, and no amounts were due to the former member as of December 31, 2024.

On May 28, 2024, the Company entered into a promissory note with an affiliate with borrowings up to 100 million yen, adjusted for foreign currency conversion, which was approximately \$635,000 at the time of deposit. The adjusted value for foreign currency exchange rates at December 31, 2025, was approximately \$640,000. The note bears interest of 1.0% per annum and any principal and accrued interest is due in full in May 2027.

In May 2025, the Company entered into a promissory note with an affiliate with borrowings up to 10 million yen, adjusted for foreign currency conversion, which was approximately \$69,000 at the time of deposit. The adjusted value for foreign currency exchange rates at December 31, 2025, was approximately \$64,000. The note bears interest of 1.0% per annum and any principal and accrued interest is due in full in May 2026.

In August 2025, the Company entered into a promissory note with an affiliate with borrowings up to 30 million yen, adjusted for foreign currency conversion, which was approximately \$204,000 at the time of deposit. The adjusted value for foreign currency exchange rates at December 31, 2025, was approximately \$192,000. The note bears interest of 1.0% per annum and any principal and accrued interest is due in full in August 2026.

NOTE 5 – Leases

During the year ended December 31, 2025, the Company entered into operating lease agreements for corporate owned storefronts, which are subject to the provisions of Topic 842.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5 – Leases (Continued)

The Company also leases certain warehousing and kitchen space, as well as kitchen machinery, to support franchisee operations. Lease terms are generally specified in the underlying agreements; when renewal options are included, management assesses whether exercise is reasonably certain. Certain of the Company's contracts have been determined to not contain leases under Topic 842 due to the existence of lessor substantive substitution rights and the lease arrangements not conveying substantially all of the use of the underlying asset. The Company's other lease contracts are not subject to Topic 842 due to being short-term in nature.

The components of operating lease expense that are included in costs of goods sold and operating expenses on the accompanying statements of operations were as follows:

	For the Year Ended December 31,	
	2025	2024
Operating long-term lease costs	\$ 52,596	\$ -
Variable and short-term lease costs	99,189	80,360
	<u>\$ 151,785</u>	<u>\$ 80,360</u>

The following table summarizes the cash flow information related to leases:

	For the Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 150,492	\$ 80,360
Noncash investing and financing activity:		
Right-of-use assets obtained in exchange for the measurement of operating lease liabilities	\$ 576,689	\$ -

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 – Leases (Continued)

The weighted-average remaining lease term and discount rate related to operating leases were as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term	2.74 years	0 years
Weighted-average discount rate	3.60%	0.00%

The maturities of operating lease liabilities as of December 31, 2025 are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2026	\$ 198,887
2027	203,859
2028	<u>153,707</u>
Total minimum lease payments	556,453
Less amount representing interest	<u>(26,000)</u>
Present value of minimum lease payments	530,453
Less current portion	<u>(183,393)</u>
	<u>\$ 347,060</u>

NOTE 6 – Contingencies

The Company may be periodically involved in legal proceedings and claims in the ordinary course of business. The Company does not believe it is a party to any legal proceedings that could have a material adverse effect on its financial position or results of operations.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

NOTE 7 – Members' Equity

The Company entered into a limited liability agreement dated November 12, 2020. Pursuant to the agreement, the Company authorized the issuance of 10,000,000 common membership units ("Units"), with 1,000,000 Units available for issuance as an incentive to employees, officers, consultants, or service providers for services provided to the Company. At inception, the Company issued 9,000,000 Units to the owners of the Company. In August 2021, the Company issued an additional 1,000,000 Units to the member.

Units designated as incentive units are not entitled to voting rights, while all other Units are entitled to one vote per unit. Distributions to members have the following priority:

1. Pro rata tax distributions to all members proportionate to the quarterly estimated taxes due;
2. To the member, until distributions equal the aggregate amount of capital contributions attributable to the member's capital contribution in exchange for the issuance of Units;
3. To the members pro rata in proportion to their holding of Units until distributions equal the aggregate of initial capital contributions attributable to the members' initial capital contributions;
4. Any remaining distributions to all members, including incentive units for which the distribution threshold has been reached pro rata in proportion to their aggregate holding of Units.

On November 12, 2020, the Company issued 3,000,000 Units to three members in exchange for \$250,000 in notes receivable from the members. In October 2022, the 3,000,000 Units were surrendered to the Company in exchange for the forgiveness of the \$250,000 in notes receivable.

Effective May 17, 2024, the sole member of the Company entered into a Unit Purchase Agreement to sell 100% of the 7,000,000 Units. On May 18, 2024, the new sole member of the Company entered into an assignment and unit transfer agreement to sell 60%, or 4,200,000 Units, to a third party for \$3,322,507. The loan entered into as part of this transaction is settled outside of the Company between owners with an interest rate of 1% per annum, maturing on August 2024. As of the amendment date, the Company is authorized to issue 10,000,000 Units. As of December 31, 2025, 7,000,000 Units are issued and outstanding.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 8 – Employee Benefit Plans

The Company sponsors a 401(k) plan for all non-excluded employees who have completed at least three months of service. The Company may make employer contributions to the plan as either safe harbor or profit-sharing contributions. Profit-sharing contributions are subject to a five-year vesting schedule based on the eligible employee's hire date. The Company made approximately \$6,500 and \$2,600 in employer contributions to the plan for the years ended December 31, 2025 and 2024, respectively.

NOTE 9 – Related-Party Transactions

The Company receives accounting and administrative support from an affiliated entity, which is billed to the Company as management fees. Management fees of approximately \$17,000 and \$58,000 were charged to the Company for the years ended December 31, 2025 and 2024, respectively. These amounts are included in operating expenses within the accompanying statements of operations. Related-party payables were \$1,680 at December 31, 2025, and are included in accounts payable in the accompanying balance sheets. The Company had no related-party payables as of December 31, 2024.

INTERNATIONAL FOOD CREATIONS, LLC

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Member of
International Food Creations, LLC

Opinion

We have audited the financial statements of International Food Creations, LLC, which comprise the balance sheet as of December 31, 2024 and 2023, and the related statements of operations, changes in member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of International Food Creations, LLC as of December 31, 2024 and 2023, 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 International Food Creations, LLC 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 International Food Creations, LLC's ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 International Food Creations, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about International Food Creations, LLC's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

The 2023 financial statements of International Food Creations, LLC were audited by predecessor auditors whose report dated April 17, 2024 expressed an unmodified opinion on those financial statements.



Long Beach, California
March 19, 2025

INTERNATIONAL FOOD CREATIONS, LLC

BALANCE SHEETS

ASSETS

	December 31,	
	2024	2023
CURRENT ASSETS		
Cash	\$ 387,839	\$ 330,683
Accounts receivable	1,420,924	1,354,233
Inventory	157,314	255,718
Prepaid expenses and other current assets	5,000	-
Total current assets	<u>1,971,077</u>	<u>1,940,634</u>
OTHER ASSETS		
Property and equipment, net	7,634	11,613
Other assets	6,625	3,894
Total other assets	<u>14,259</u>	<u>15,507</u>
TOTAL ASSETS	<u>\$ 1,985,336</u>	<u>\$ 1,956,141</u>

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES		
Accounts payable	\$ 1,894,049	\$ 2,009,630
Accrued expenses	166,759	568,120
Loan from affiliate, current portion	-	192,192
Total current liabilities	<u>2,060,808</u>	<u>2,769,942</u>
NONCURRENT LIABILITIES		
Loan from affiliate, net of current portion	<u>635,000</u>	<u>-</u>
MEMBER'S DEFICIT		
Common units	3,118,306	2,826,114
Retained deficit	<u>(3,828,778)</u>	<u>(3,639,915)</u>
Total member's deficit	<u>(710,472)</u>	<u>(813,801)</u>
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>\$ 1,985,336</u>	<u>\$ 1,956,141</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	2024	2023
REVENUE	\$ 4,607,107	\$ 3,420,431
COST OF GOODS SOLD	(3,187,291)	(2,066,742)
GROSS PROFIT	1,419,816	1,353,689
OPERATING EXPENSES	1,616,425	1,828,297
LOSS FROM OPERATIONS	(196,609)	(474,608)
OTHER INCOME (EXPENSE)		
Interest expense	(3,929)	(9,347)
Other income (expense)	11,675	(23,110)
Total other income (expense)	7,746	(32,457)
NET LOSS	\$ (188,863)	\$ (507,065)

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

STATEMENTS OF CHANGES IN MEMBER'S DEFICIT

	<u>Common Membership</u>		<u>Retained</u>	<u>Total</u>
	<u>Units</u>	<u>Amount</u>	<u>Deficit</u>	<u>Member's</u>
			<u>Deficit</u>	<u>Deficit</u>
BALANCE,				
DECEMBER 31, 2022	7,000,000	\$ 2,826,114	\$ (3,132,850)	\$ (306,736)
NET LOSS	<u>-</u>	<u>-</u>	<u>(507,065)</u>	<u>(507,065)</u>
BALANCE,				
DECEMBER 31, 2023	7,000,000	2,826,114	(3,639,915)	(813,801)
DEBT FORGIVENESS OF				
NOTE PAYABLE AND				
ACCRUED INTEREST	-	292,192	-	292,192
NET LOSS	<u>-</u>	<u>-</u>	<u>(188,863)</u>	<u>(188,863)</u>
BALANCE,				
DECEMBER 31, 2024	<u>7,000,000</u>	<u>\$ 3,118,306</u>	<u>\$ (3,828,778)</u>	<u>\$ (710,472)</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (188,863)	(507,065)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6,604	6,764
Interest expense on debt	-	9,263
Changes in operating assets and liabilities:		
Accounts receivable	(66,691)	(545,164)
Inventory	98,404	130,125
Prepaid expenses and other current assets	(5,000)	13,746
Other assets	(2,731)	1,285
Accounts payable	(115,581)	576,731
Accrued expenses	(401,361)	243,633
Net Cash Used In Operating Activities	<u>(675,219)</u>	<u>(70,682)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,625)	-
Net Cash Used In Investing Activities	<u>(2,625)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on loan from affiliate	-	(80,000)
Borrowings on loan from affiliate	100,000	102,929
Proceeds from issuance of loan from member	635,000	-
Net Cash Provided By Financing Activities	<u>735,000</u>	<u>22,929</u>
NET CHANGE IN CASH	57,156	(47,753)
CASH, BEGINNING OF YEAR	<u>330,683</u>	<u>378,436</u>
CASH, END OF YEAR	<u>\$ 387,839</u>	<u>\$ 330,683</u>
NONCASH ACTIVITIES		
Forgiveness of loan from affiliate and accrued interest	<u>\$ 292,192</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies

Company Formation and Nature of Operations

International Food Creations, LLC (the “Company”), a Delaware limited liability company, was formed on August 18, 2020, and is headquartered in Portland, Oregon. The Company offers franchises to qualified individuals and entities to own and operate an International Food Creations franchise, including use of programs, systems, and the name International Food Creations and related trademarks, service marks, and logos. The franchises will operate food service counters offering sushi, Asian food, and other food products at supermarkets and other venues.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. This process may result in actual results differing from those estimated amounts used in the preparation of the financial statements.

Cash and Cash Equivalents

The Company considers cash equivalents to be those highly liquid investments with original maturities of three months or less, when acquired. The Company is required by the state of California to maintain \$100,000 in cash while it is registered in the state. The Company maintains cash balances with financial institutions in excess of the Federal Deposit Insurance Corporation insurance limit. The Company exceeded the limit by \$120,797 and \$80,683 as of December 31, 2024 and 2023, respectively. There were no cash equivalents as of December 31, 2024 and 2023.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding. The Company typically does not require collateral, but regularly analyzes significant customer accounts to determine the need for collateral. The Company also evaluates the collectability of accounts receivable and exposure to possible credit losses considering a variety of factors, including the length of time any receivable is past due, a customer's financial health, macroeconomic considerations, and historical experience, including an estimation of future returns and discounts related to current customer receivables. If the Company becomes aware of a specific customer's inability to meet its financial obligation to the Company, the Company considers recording a specific reserve for bad debt to reduce the related accounts receivable to the amount the Company reasonably believes is collectable.

Based on management's assessment of the realization of receivables from customers having outstanding balances, it has concluded that as of December 31, 2024 and 2023, no allowance was necessary. Bad debt expense for the years ended December 31, 2024 and 2023 was \$10,900 and \$51,206, respectively.

Concentrations of Credit Risk

The Company's customers and suppliers are concentrated in the food service industry, and a majority of its revenue is derived from a small number of customers and purchased from a limited number of suppliers. For the year ended December 31, 2024, two customers accounted for approximately 74% of the Company's revenue and approximately 65% of the accounts receivable. For the year ended December 31, 2023, four customers accounted for approximately 78% of the Company's revenue and approximately 82% of the accounts receivable. The Company does not require collateral as a condition of sales to its customers. To the extent customer accounts receivable become delinquent, collection activities commence. Management does not believe that these concentrations represent a significant risk of material loss with respect to its financial position at December 31, 2024 or 2023.

For the year ended December 31, 2024, four suppliers accounted for approximately 75% of the Company's inventory and cost of sales purchases and approximately 61% of accounts payable, excluding amounts due to Franchisees. For the year ended December 31, 2023, three suppliers accounted for approximately 70% of the Company's inventory and cost of sales purchases and approximately 64% of accounts payable, excluding amounts due to Franchisees.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Inventory

Inventory is stated at average cost and consists of finished goods. The Company periodically evaluates its inventory for obsolescence and to confirm it is stated at the lower of cost or net realizable value based on criteria such as customer demand and changing offerings and records a reserve when necessary. As of December 31, 2024 and 2023, management determined that no allowance was necessary.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are expensed as incurred. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is recorded in the results of operations in the period of disposal or retirement.

Estimated useful lives are as follows:

Furniture and Equipment	3 years
Vehicles	5 years

Leasing Arrangements

The Company determines if an arrangement contains a lease at inception based on whether the Company has the right to control the asset during the contract period and other facts and circumstances.

The Company's policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable then the Company has elected to use the risk-free rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

The Company has elected a policy to account for short-term leases, defined as any lease with a term less than 12 months, by recognizing all components of the lease payment in the consolidated statement of operations in the period in which the obligation for the payments is incurred.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Advertising and Promotions

Advertising and promotion costs are expensed as incurred. Advertising and promotion costs were \$4,350 and \$1,705 for the years ended December 31, 2024 and 2023, respectively, and are included within operating expenses in the accompanying statements of operations.

Revenue Recognition

The Company accounts for revenue contracts with customers in accordance with ASC 606, *Revenue from Contracts with Customers*, as supplemented by the franchisor-specific guidance of ASC 952, *Franchisors*. Revenue is recognized through the following steps:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

The Company's revenue consists of royalties from franchisee food service counters located in supermarkets or other venues and from Company-owned food service counters. Revenue from franchised locations include royalties based on a percent of sales, initial fees, and sales of inventory items and are recognized at the time the underlying sales occur.

For initial and franchise renewal fees, the Company applies a practical expedient that permits private company franchisors to account for pre-opening services provided to a franchisee as distinct from the franchise license and has elected to recognize the pre-opening services as a single performance obligation. Initial franchise and renewal fees are recognized upon commencement of franchise operations and contract renewal, which is when the single performance obligation of pre-opening services is substantially satisfied. Until such obligation is satisfied, initial and renewal franchise fees collected are recorded as the contract liability, deferred franchise revenue. There were no contract liabilities for the years ended December 31, 2024 and 2023.

The Company provides goods or services to certain franchisees that are distinct from the franchise agreement because they do not require integration with other goods or services that the Company provides. The Company has determined that it is the principal in these arrangements. Accordingly, the related revenue is presented on a gross basis in the statements of operations. Revenue is recognized as the goods or services are transferred to the franchisee, and related expenses are recognized as incurred.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

For the years ended December 31, 2024 and 2023, revenue consists of the following:

	2024	2023
Supply sales	\$ 3,759,131	\$ 2,585,999
Royalty sales	740,576	703,436
Franchise fee income	106,950	129,859
Other income	450	1,137
	<u>\$ 4,607,107</u>	<u>\$ 3,420,431</u>

Income Taxes

The Company is a limited liability company and is taxed as a partnership for federal and state tax purposes and, accordingly, the income or loss of the Company will be included in the returns of the members. As a result, no provision for income taxes has been recorded in these financial statements. The Company's income tax returns are subject to examination by the federal and state taxing authorities, and any changes could adjust the individual income tax of the members.

Subsequent Events

The Company has evaluated subsequent events through March 19, 2025, the date the financial statements were available to be issued for the year ended December 31, 2024.

NOTE 2 – Liquidity and Capital Resources

The Company has generated operating losses and negative cash flow from operations as it builds out its franchisee network and overall business model. The Company anticipates continued commitments to its business plan roll out for the foreseeable future. The Company believes it will be able to support its projected growth through additional debt and equity financing (see Notes 4 and 7). If the Company is unable to raise additional cash through debt or equity issuances, it has the ability and intent to implement cost reduction measures to sustain its operations.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 – Property and Equipment

Property and equipment as of December 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 10,136	\$ 8,811
Vehicles	20,149	20,149
Less: accumulated depreciation	<u>(22,651)</u>	<u>(17,347)</u>
Property and equipment, net	<u>\$ 7,634</u>	<u>\$ 11,613</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$6,604 and \$6,764, respectively.

NOTE 4 – Loan From Affiliate

In November 2022, the Company entered into a promissory note with the member for \$160,000, with payments of \$40,000 due monthly beginning January 31, 2023. The note does not carry an interest rate. After making payments of \$80,000 in 2023, the note was modified for the rest of the payments to be due monthly beginning on January 15, 2024. The note had a carrying balance of \$80,000 as of December 31, 2023.

In October 2023, the Company entered into an additional promissory note with the member for \$102,929 bearing an interest rate of 9.00% maturing on June 30, 2024. The interest rate will increase to 12.0% if not paid upon maturity and all unpaid sums shall be paid on a five-year amortization schedule.

In February 2024, the Company entered into an additional promissory note with the member for \$100,000 bearing an interest rate of 9.0% maturing on December 31, 2027. Annual payments of interest shall begin on December 31, 2024. The interest rate will increase to 12.0% if not paid upon maturity and all unpaid sums shall be paid on a five-year amortization schedule.

In May 2024, the outstanding balance of all promissory notes were forgiven in connection with a Unit Purchase Agreement that resulted in a transfer of ownership. The remaining balance of \$292,192 was converted to equity and there are no amounts due to the former member as of the year ended December 31, 2024.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 – Loan From Affiliate (Continued)

On May 28, 2024, the Company entered into a promissory note with an affiliate with borrowings up to 100 million yen, adjusted for foreign currency conversion, which at the time of deposit was approximately \$635,000. The note bears interest of 1.0% per annum and any principal and accrued interest is due in full May 2027.

NOTE 5 – Leases

The Company leases certain warehousing and kitchen space as well as kitchen machinery to support franchisee operations. In general, the lease term is clearly stated in the lease agreement, but when the agreement includes renewal options, management determines whether the renewal option is reasonably certain to be exercised. Certain of the Company's contracts have been determined to not include any leases under Topic 842 due to the existence of lessor substantive substitution rights and the leases not conveying substantially all of the use of the underlying asset. The Company's other lease contracts are not subject to Topic 842 due to them being short-term in nature.

Short-term and variable lease cost was \$80,360 and \$80,701 for the years ended December 31, 2024 and 2023, respectively.

The Company's future commitments under long-term noncancelable contracts, which include arrangements that do not meet the definition of a lease under Topic 842, are as follows as of December 31, 2024:

<u>Year Ending December 31,</u>	
2025	\$ <u>57,858</u>

NOTE 6 – Contingencies

The Company may be periodically involved in legal proceedings and claims in the ordinary course of business. The Company does not believe it is a party to any legal proceedings that could be expected to have a material adverse effect on its financial position or results of operations.

INTERNATIONAL FOOD CREATIONS, LLC

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

NOTE 7 – Member’s Equity

The Company entered into a limited liability agreement dated November 12, 2020. Pursuant to the agreement, the Company authorized the issuance of 10,000,000 common membership units (“Units”), with 1,000,000 of these Units available for issuance as incentive units to employees, officers, consultants, or service providers for services provided to the Company. At inception, the Company issued 9,000,000 Units to the owners. In August 2021, the Company issued an additional 1,000,000 Units to the member.

Units designated as incentive units will not be entitled to voting rights, while all other Units are entitled to one vote per unit. Distributions to members have the following priority:

1. Pro rata tax distributions to all members proportionate to the quarterly estimated taxes due;
2. To the member, until distributions equal the aggregate amount of capital contributions attributable to the member’s capital contribution in exchange for the issuance of units;
3. To the members pro rata in proportion to their holding of Units until distributions equal the aggregate of initial capital contributions attributable to the members’ initial capital contributions;
4. Any remaining distributions to all members, including the incentive unit members for which the distribution threshold has been reached pro rata in proportion to their aggregate holding of common units and incentive units treated as one class of units.

On November 12, 2020, the Company issued 3,000,000 Units to three members in exchange for \$250,000 in note receivable from the members. In October 2022, the 3,000,000 Unit were surrendered to the Company in exchange for the forgiveness of the \$250,000 in notes receivable.

Effective May 17, 2024, the sole member of the Company entered into a Unit Purchase Agreement to sell 100% of the 7,000,000 membership units. On May 18, 2024, the new sole member of the Company entered into an assignment and unit transfer agreement to sell 60%, or 4,200,000 units, for \$3,322,507. The loan entered into as part of this transaction is settled outside of the Company between owners with an interest rate of 1% per annum, maturing on August 2024. As of the amendment date, the Company is authorized to issue 10,000,000 common units and as of December 31, 2024, 7,000,000 common units are issued and outstanding.

INTERNATIONAL FOOD CREATIONS, LLC

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 8 – Employee Benefit Plans

The Company sponsors a 401(k) plan for all non-excluded employees who have completed at least three months of service. The Company may make employer contributions to the plan as either safe harbor or profit-sharing contributions. Profit-sharing contributions are subject to a five-year vesting schedule based on the eligible employee's hire date. There were \$2,645 and \$2,971 in employer contributions for the years ended December 31, 2024 and 2023, respectively.

NOTE 9 – Related-Party Transactions

The Company receives accounting and administrative support from an affiliated entity, which is billed to the Company as management fees. Management fees of \$57,783 and \$73,948 were charged to the Company for the years ended December 31, 2024 and 2023, respectively. These amounts are included in operating expenses within the accompanying statements of operations. Related-party payables were \$0 and \$113,083 at December 31, 2024 and 2023, respectively, and are included in accounts payable in the accompanying balance sheets.

EXHIBIT B
FRANCHISE AGREEMENT

INTERNATIONAL FOOD CREATIONS

FRANCHISE AGREEMENT

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Attachments:

- A – Full-Time Location Franchise Addendum
- B – Part-Time Location Franchise Addendum; Self-Service Location Franchise Addendum
- C – Confidentiality Agreement and Ancillary Covenants Not to Compete
- D – Controlling Principals Guaranty

INTERNATIONAL FOOD CREATIONS, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is dated as of _____, 20____ (the "Effective Date"), by and between INTERNATIONAL FOOD CREATIONS, LLC, a Delaware limited liability company ("Franchisor"), and _____ ("Franchisee").

WITNESSETH:

WHEREAS, as the result of the expenditure of time, skill, effort and money, Franchisor has developed and owns a unique and distinctive system ("System") relating to the establishment and operation of food service counters offering sushi, Asian food and other food products to supermarkets and other venues, under the trade name "International Food Creations."

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; proprietary and uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; a recommended standardized system for the operation of the business; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

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

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

WHEREAS, Franchisor intends to control the use of the System and the Proprietary Marks for the benefit and exclusive use of itself and its franchisees in order to identify the franchise to the public as a franchise which represents the highest standards of quality and service;

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications; and

WHEREAS, Franchisee desires to use the System in connection with the operation of a Franchise at the location specified in Attachment A hereto, as well as to receive the training and

other assistance provided by Franchisor in connection therewith;

WHEREAS, Franchisee desires to use the System in Franchisee's business and to be franchised by, and become a franchisee of, Franchisor in a network of such businesses under the terms and conditions contained in this Agreement.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE I. GRANT

1.1 Grant. Franchisor hereby grants to Franchisee, upon the terms and conditions in this Agreement, the right and license, and Franchisee hereby accepts the right and obligation, to operate a franchise under the Marks and the System in accordance with this Agreement (the "Franchise" or the "Franchised Business"). Franchisor grants to Franchisee, and Franchisee accepts, the right to operate one or more International Food Creations Food Service Counter(s) (the "Food Service Counter(s)") at the location(s) identified in the Franchise Addendum(s) attached to this Agreement (the "Franchise Addendum(s)") using the System as it may be modified or further developed by Franchisor, all according to the terms in this Agreement. Franchisee acknowledges that the Franchise Addendum(s) may be comprised of one or more of the following: Full-Time Location Franchise Addendum, Part-Time Location Franchise Addendum and/or Self-Service Location Addendum. Franchisee shall use Franchisee's best efforts to develop and expand the market for the goods and services offered by the Food Service Counter(s) and shall cooperate with Franchisor in accomplishing the purposes of this Agreement. Franchisee and the Controlling Principals (as defined in Section 18.21) have represented to Franchisor that they have entered this Agreement with the intention to comply fully with the obligations to construct a Franchise hereunder and not for the purpose of reselling the rights to develop the Franchise hereunder. Franchisee and the Controlling Principals understand and acknowledge that Franchisor has granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by Franchisee and the Controlling Principals and that this Agreement and the rights and obligations hereunder may not be transferred until after the Franchise is open for business to the public.

ARTICLE II. LOCATION; OPERATIONAL STANDARDS

2.1 Location. The specific street address of the Franchise location consented to by Franchisor shall be set forth in the Franchise Addendum(s) (the "Location"). Franchisee shall not relocate the Franchise without the prior written consent of Franchisor. This Agreement does not grant to Franchisee the right or license to operate the Franchise or to offer or sell any products or services described under this Agreement at or from any other location. If Franchisee is unable to continue the operation of the Franchise at the Location because of the occurrence of a *Force Majeure* event (as described in Section 16.2(c)), then Franchisee may request the consent of Franchisor to relocate the Franchise to another location.

2.2 Relocation. In the event of the loss of the right or consent to operate at any of Franchisee's location(s), or the location owner's or manager's objection to Franchisee, without fault

of Franchisee, Franchisor shall attempt to identify a new location for Franchisee, and shall consent to relocation of the affected Food Service Counter to an alternate location and site acceptable to Franchisor. Any such relocation shall be at Franchisee's sole expense. Franchisee acknowledges that relocation may not be possible before expiration of the term of this Agreement, or at all; that any new location may not be comparable to the old; and that relocation, if possible, could involve a substantial interruption in operating a food service counter until a new location is identified and prepared. Franchisee releases Franchisor and its affiliates, and each of their respective officers, directors, agents and employees from any loss of right or consent to operate at the location through no fault of Franchisor, and further agrees not to hold Franchisor liable for any such event during the term of this Agreement or thereafter.

2.3 Acknowledgment. Franchisee acknowledges that the right to locate any Food Service Counter at a particular location, may be derived from an agreement between Franchisor and the owner or lessee of the location where the Food Service Counter is located; that the agreement may be modified or terminable by the owner and/or manager of the location at any time and on short notice; and/or the owner or facility manager may object to Franchisee operating there; and that modification, termination or objection by the owner or facility manager may therefore result in the need for relocation and resulting disruption and interruption to Franchisee or adjustment to the franchise operations (such as if the facility owner requests that the operations be converted from a full time location to a self-service, or part time location, and vice versa). Franchisee also acknowledges that the owner or facility manager may require changes to the type of food products offered at the Food Service Counter and other changes. Franchisee acknowledges that the choice of location (identified in the Franchise Addendum(s)), types of food offered at the location, types of operations (full time, part time or self-service) and right to continue operating at the location is subject to the location owner's and/or manager's consent.

2.4 No Exclusivity. This Agreement does not include any territory or marketing exclusivity. Franchisor shall have the right to operate or grant franchises or licenses to others to operate food service counters under the Marks or any other mark anywhere, regardless of how close they are to the Food Service Counter(s) that Franchisee operates; to sell products and other items to anyone and anywhere (even in the facilities where Franchisee operates), including pre-packaged products identified by the Marks (as defined below) or other marks, whether or not such marks are authorized for use by Franchisee, as well as other products or services under the Marks and other trademarks and service marks. Furthermore, Franchisor shall have the right to use other channels of distribution, such as the Internet, telemarketing, catalog sales, other direct marketing sales and other means to advertise, sell and distribute products to anyone and anywhere; and other Food Service Counters (regardless of who owns or operates them) may advertise to and solicit prospective customers regardless of geographic location. Franchisor shall have no obligation to compensate Franchisee for any sales made through these methods or any other methods.

2.5 Restrictions on Distribution Methods. Franchisee shall only sell products to end customers who are physically present at Franchisee's Food Service Counter(s). Franchisee shall not engage in the resale of any product or supply at wholesale, retail or otherwise without Franchisor's express written consent. Franchisee shall not use any other channels of distribution such as the Internet, catalog sales, telemarketing or otherwise to conduct sales.

2.6 Improvements. It is understood that Franchisor constantly is working to improve its franchise System. Franchisor reserves the right to change the System or any part of the System, including, without limitation, its Marks, at any time upon reasonable notice to Franchisee, and as changed, it shall remain the System referred to in this Agreement.

2.7 Variations. Franchisee acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any given circumstance, to vary standards for any System franchisee based upon the peculiarities of the particular site or circumstance, business potential, trade area, existing business practices or any other condition that Franchisor deems to be of importance to the successful operation of such franchisee's business. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation hereunder.

ARTICLE III. TERM AND RENEWAL

3.1 Initial Term. Unless sooner terminated as provided in Article XVI, the term of this Agreement shall begin on the Effective Date and on the third anniversary of that date, notwithstanding any start date stated in any Franchise Addendum between Franchisee and Franchisor. Further, at any time during the three year term, Franchisee may apply to Franchisor in writing to terminate this Agreement early, with the termination to be effective on the 90th day following delivery of written notice, or such earlier time as the parties mutually agree in writing. Franchisor shall have 30 days to accept Franchisee's early termination request. Franchisor's failure to accept Franchisee's request within such 30 day period shall be deemed Franchisor's election to reject Franchisee's early termination request.

3.2 Renewal. If Franchisee fully complied with all conditions to renewal in this Section 3.2, and if this Agreement has not previously terminated, then Franchisee shall have the right, but no obligation, on expiration of this Agreement, to enter into a renewal Franchise Agreement (the "Renewal Agreement") for one consecutive term of three years (the "Renewal Term"). Each of the conditions stated in Section 3.2 shall be conditions precedent to Franchisee's right to enter into a Renewal Agreement. The following conditions must, in Franchisor's discretion, be met prior to and at the time of renewal:

(a) Notice. Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial term or first renewal term, as applicable;

(b) Conditions to Renewal. As conditions to the right to enter into a Renewal Agreement, Franchisee shall have (a) complied with all provisions of this Agreement and any applicable Addendum during its entire term, including the time when Franchisee gives notice of intent to renew; (b) the ability to maintain possession of all Food Service Counter locations operated by Franchisee under this Agreement; (c) brought the Food Service Counter(s) into full compliance with the specifications and standards then applicable for new or renewing International Food Creations Food Service Counters; (d) given written notice of renewal to Franchisor as provided herein; (e) signed Franchisor's then-current form of Franchise Agreement and applicable addendum(s) at least 30 days before the expiration date (with appropriate

modifications to reflect the fact that the Franchise Agreement relates to the grant of a renewal franchise), and that agreement shall supersede this Agreement. The terms of that Agreement may differ materially from the terms in this Agreement including, without limitation, different payment amounts or arrangements; (f) complied with Franchisor's then-current qualifications and training requirements; and (g) paid a non-refundable renewal fee which shall equal Franchisor's then current initial franchise fee charged by Franchisor to new franchisees for each location to be renewed. Franchisee's failure to comply with each obligation under this Section 3.2 by the applicable deadline shall be deemed Franchisee's desire not to renew this Agreement.

(c) Improvements. Franchisee shall repair or replace, at Franchisee's cost and expense, equipment, signs, fixtures, furnishings, supplies and other products and materials required for the operation of the Franchise as Franchisor may reasonably require and shall obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials that may be reasonably required by Franchisor for Franchisee to offer and sell new items or services from the Franchise or to provide the Franchise's services by alternative means and shall otherwise modernize the Franchise as reasonably required by Franchisor to reflect the then-current standards and image of the System as contained in the Manuals (as defined in Section 5.1(a)) or otherwise provided in writing by Franchisor;

(d) No Defaults. Franchisee shall not be in default of any provision of this Agreement, or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates; and Franchisee shall have substantially and timely complied with all the terms and conditions of such agreements during the terms thereof;

(e) Monetary Obligations. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates and shall have timely met those obligations throughout the terms thereof;

(f) Renewal Franchise Agreement. Franchisee shall execute Franchisor's then-current form of renewal franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee, advertising contribution or expenditure requirement; provided, however, that Franchisee shall pay to Franchisor the then current initial franchise fee being charged to new franchisees;

(g) Release. Franchisee and the Controlling Principals shall execute a general release of any and all claims against Franchisor and its affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders;

(h) Qualification and Training. Franchisee shall comply with Franchisor's then-current qualification and training requirements; and

(i) Non-Renewal. Notwithstanding the foregoing, Franchisor shall not be obligated to renew this Agreement if Franchisor has determined in good faith to cease carrying

on its business and has given Franchisee at least one hundred eighty (180) days' notice of its intent not to renew and has otherwise complied with applicable law concerning renewal of franchises.

3.3 Month-to-Month. If Franchisee does not sign Franchisor's then-current Franchise Agreement prior to the expiration date and Franchisee continues to accept the benefits of this Agreement after it expires, then at Franchisor's option, this Agreement may be treated either as (i) expired as of the expiration date with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Month-to-Month Agreement") until one party provides the other with written notice of such party's intent to terminate the Month-to-Month Agreement, in which case the Month-to-Month Agreement will terminate thirty (30) days after receipt of the notice to terminate the Month-to-Month Agreement, or such longer notice period as is required by Applicable Law. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Month-to-Month Agreement as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Month-to-Month Agreement.

ARTICLE IV. FEES

4.1 Franchise Fee. In consideration of the franchise and license granted to Franchisee herein, and the assistance, training, System, Marks, trade secrets, and other materials and services to be received by Franchisee, Franchisee shall pay to Franchisor an initial franchise fee of Five Thousand Dollars (\$5,000) upon execution of this Agreement for a Full Time Food Service Counter.

The franchise fee is fully earned by Franchisor upon execution of this Agreement in consideration of the administrative and other expenses incurred by Franchisor in granting the franchise hereunder and for its lost or deferred opportunity to grant such franchise to any other party. The full amount of the initial Franchise Fee shall be due and payable upon the execution of this Agreement in immediately available funds. The initial Franchise Fee payment shall become the sole property of Franchisor and shall not be refunded in any event, except as provided herein. No rights or privileges under this Agreement shall exist until the initial Franchise Fee is paid. Franchisor and Franchisee expressly agree that the grant of a franchise and the initial Franchise Fee afford Franchisee no rights regarding additional franchises. If a license or permit from a governmental agency is required in order for Franchisee to operate the franchised business, and the agency refuses to grant Franchisee a license after Franchisee has taken all required and reasonable steps to obtain the license, then Franchisee shall be entitled to a refund of ninety percent (90%) of the Franchise Fee, less travel expenses incurred by Franchisor.

Franchisee shall pay to Franchisor Franchisor's then current initial franchise fee for each Full Time Location to be operated by Franchisee under this Agreement. The initial fee shall be specified in the applicable Full Time Location Addendum. Franchisee acknowledges that Franchisor does not currently charge initial fees for Part-Time or Self Service location(s), however, Franchisee must have at least one operating Full Time location to be granted rights to a Part Time or Self Service location. While Franchisor does not currently charge initial fees for Part Time and Self Service locations, Franchisor reserves the right to implement such fees in the

future. Franchisee shall pay the initial fee(s) in a lump sum on signing each Full Time Location Addendum. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Time location and later is transformed into a Self Service or Part-Time location. However, if a location starts as a Self Service or Part-Time location and is transformed into a Full Time location, then Franchisee shall pay Franchisor's then current initial franchise fee for such Full Time location.

4.2 Customer Payments. Franchisee acknowledges that under International Food Creation's System's initial structure, Franchisee shall not receive payments for sales of goods and services of the Food Service Counter(s); and that those payments will be made directly or indirectly from customers to the facility (for example, a grocery store) where the Food Service Counter is located, which shall then direct all payments to Franchisor, less an amount to be retained by the facility owner, pursuant to the facility owner's separate agreement with Franchisor. Franchisee acknowledges that under International Food Creation's System, all sales will be sold by and through cash registers owned or operated by the owner of the facility where the Food Service Counter is located. Franchisee shall not make any sales through cash registers of Franchisee without prior written consent of Franchisor. Franchisor shall have the right, but no obligation, to modify this payment structure from time to time.

4.3 Payments to Franchisee. Franchisor shall return to Franchisee the percentage amounts stated in the applicable Franchise Addendums attached to this Agreement. Franchisor shall have the right to deduct all amounts owed by Franchisee to Franchisor from the payments to Franchisee provided for in the applicable Franchise Addendum, or elsewhere, either as lump sum deductions or partial deductions made over time, until such deductions equal the full amounts owed to Franchisor. Franchisee acknowledges that Franchisor's sole responsibility shall be to remit to Franchisee the agreed commission percentage on amounts actually received from the facility owner. Franchisor shall have no responsibility to pay any commission to Franchisee on amounts not received from the facility owner. If Franchisor pays Franchisee's commission in any given month before receiving payment from the facility owner, and the facility owner does not pay Franchisor as required, Franchisee shall reimburse Franchisor the commissions paid. Franchisee shall reimburse Franchisor any amounts paid to Franchisee, that Franchisor discovers were paid in error. At Franchisor's discretion, Franchisor shall have the right (in lieu of Franchisee reimbursement) to withhold from future payments due to Franchisee such amounts paid in error. Franchisor shall send payments to Franchisee via direct deposit. Franchisee shall pay Franchisor's then current direct deposit fee for this purpose.

4.4 Payment Responsibility. Franchisee shall be solely responsible to pay when due all costs and expenses of the Food Service Counter, including but not limited to the purchase price of food items and inventory, utilities, employee compensation, sales and any other taxes imposed on, required to be collected, or paid on account of goods or services furnished by Franchisee. Franchisee acknowledges and agrees that if the facility owner, due to labor contracts or otherwise, requires Food Service Counter employees to be employed directly by the facility owner, and Franchisor is asked to reimburse the facility owner for these employment costs, that Franchisor shall have the right to and shall deduct such payments from the amounts due to Franchisee pursuant to Section 4.3 of the Franchise Agreement.

4.5 Royalty. Franchisor shall have the right at any time to revise the International Food Creation System so that Franchisee collects revenues from sales, and pays Franchisor royalties on a basis approximately equivalent in amount or rate to amounts or rates that Franchisor receives and retains pursuant to this Agreement. Any such revisions made from time to time shall be deemed to occur pursuant to this Agreement and shall not constitute a modification of the Franchise or of this Agreement.

4.6 Gross Sales. For the purposes of this Agreement, “Gross Sales” shall mean the total selling price of all services and products and all income of every other kind and nature related to the Franchise (including, without limitation, income related to beverage and food and delivery activities, and any sales or orders of beverage and food products or food preparation services provided from or related to the Franchise), whether for cash or credit and regardless of collection in the case of credit. Gross Sales shall be reduced by discounts and coupons. Gross Sales shall expressly exclude the following:

(a) Sums representing sales taxes collected directly from customers, based upon present or future laws of federal, state or local governments, collected by Franchisee in the operation of the Franchise, and any other tax, excise or duty that is levied or assessed against Franchisee by any federal, state, municipal or local authority, based on sales of specific merchandise sold at or from the Franchise, provided that such taxes are actually transmitted to the appropriate taxing authority;

(b) Proceeds from isolated sales of trade fixtures not constituting any part of Franchisee’s products and services offered for resale at the Franchise nor having any material effect upon the ongoing operation of the Franchise required under this Agreement; and

(c) Other items authorized by Franchisor in writing to be excluded from Gross Sales. Any such authorization may be revoked or withdrawn at any time in writing by Franchisor in its discretion.

4.7 Customer Satisfaction Fee. Franchisor shall have the right to assess Franchisee up to One Thousand Dollars (\$1,000) for each customer complaint received, whether the complaint has any merit or not. This fee is not a penalty but to compensate Franchisor for the efforts the Franchisor must take to address the complaint. Franchisor’s assessment of the customer satisfaction fee shall not constitute a waiver by Franchisor of its rights to seek damages and/or other relief against Franchisee due to Franchisee’s conduct.

4.8 Default Charge Fee. Franchisor shall have the right to assess Franchisee up to \$500 per violation of any term, obligation or requirement of the Manuals or this Agreement. Franchisor’s assessment of this fee shall not constitute a waiver by Franchisor of its rights to seek damages and/or other relief against Franchisee arising from the violation.

4.9 Web and Data Charges. To gain access to Franchisor’s website pages which enable Franchisee to submit purchase orders online, and obtain information on new products, product specifications and other information, updates to Franchisee’s tablet data, and access to Franchisor’s inventory tracking software, Franchisor shall charge Franchisee a monthly fee of up to \$100 per Food Service Counter operated by Franchisee.

4.10 Bankruptcy By Facility Owner. If the facility owner where Franchisee's Food Service Counter is located files for bankruptcy, or other similar proceeding, Franchisor's sole responsibility shall be to remit to Franchisee the agreed percentage on amounts actually received from the facility owner. Franchisor shall have no responsibility to pay any commission to Franchisee on amounts not received from the facility owner. If Franchisor pays Franchisee's commission in any given month before receiving payment from the facility owner, and the facility owner does not pay Franchisor as required, Franchisee shall reimburse Franchisor the commissions paid.

4.11 Early Termination Fee. If this Agreement or any Franchise Addendum is terminated and/or if Franchisee abandons any Food Service Counter before the end of the term of this Agreement, Franchisor shall have the right, in addition to all other rights and remedies available to Franchisor in law and/or equity, to assess Franchisee an early termination fee of \$1,000 for each location terminated and/or abandoned. Such fee shall be payable at the earlier of (1) the time Franchisee notifies Franchisor of the desire to terminate/abandon, or (2) actual termination or abandonment of any location. Franchisor's assessment of the early termination fee shall not constitute a waiver by Franchisor of its rights to seek damages and/or other relief against Franchisee due to the early termination and/or breach.

4.12 Administrative Fee. Franchisee shall reimburse Franchisor for Franchisor's costs and expenses in complying with tax levies and wage garnishments issued against Franchisee or Franchisee's owners, up to \$100 per garnishment/levy request.

4.13 Third Party Audits and Charges. Franchisee shall reimburse Franchisor for amounts paid by Franchisor to third parties (including, but not limited to, government agencies and facility owner(s)) for audits, inspections, fines and/or charges imposed or levied against the Food Service Counter, including food safety, facility audits and customer service.

4.14 Shipping Administrative Fee. Franchisor shall have the right to charge and Franchisee shall pay Franchisor's administrative charges, to ship products to Franchisee's Food Service Counter, in an amount up to two and one-half percent (2 1/2%) of the purchase price. The administrative fee is in addition to actual shipping costs to ship products to Franchisee's Food Service Counter.

4.15 Security Interest. Franchisee hereby grants Franchisor a security interest in the following, whether now owned or hereafter acquired: all of Franchisee's inventory; Franchisee's equipment; Franchisee's accounts; Franchisee's accounts receivable; Franchisee's general intangibles; Franchisee's furnishings and equipment; replacement parts and accessories; supplies; proceeds from collateral, and the like.

ARTICLE V. FRANCHISOR'S OBLIGATIONS

5.1 Franchisor Services. Franchisor agrees to provide the services described below with regard to the Franchise:

(a) Manuals. On loan, one (1) set of Confidential Operations Manuals and such other manuals and written materials as Franchisor shall have developed for use in the

franchised business (as the same may be revised by Franchisor from time to time, the “Manuals”), as more fully described in Section 10.1.

(b) Visits. Visits to the Franchise and evaluations of the products sold and services rendered therein from time to time as reasonably determined by Franchisor, as more fully described in Section 7.6(j).

(c) Operating Techniques. Advice and written materials concerning techniques of managing and operating the Franchise from time to time developed by Franchisor, including proprietary recipes, new developments and improvements in Franchise services.

(d) Merchandise. From time to time and at Franchisor’s discretion, at a reasonable cost make available for resale to Franchisee’s customers, certain merchandise identifying the System in sufficient amounts to meet customer demand. Similarly, Franchisor may make available from time to time certain Franchise equipment and decor items at a reasonable cost.

(e) List of Suppliers. A list of approved suppliers as described in Section 7.1 from time to time as Franchisor deems appropriate.

(f) Training. An initial training program for Franchisee’s Operating Principal and other training programs in accordance with the provisions of Section 6.5.

(g) On-Site Assistance. On-site pre-opening and post-opening assistance at the Franchise in accordance with the provisions of Section 6.5.

ARTICLE VI. FRANCHISEE’S AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

Franchisee understands and acknowledges that every detail of the Franchise is important to Franchisor in order to develop and maintain high and uniform standards of quality, service, facilities, and techniques, to increase the demand for the System, and to protect the reputation and goodwill of Franchisor. Therefore, in addition to the covenants of Franchisee contained elsewhere in this Agreement, Franchisee agrees to the following representations, warranties, and covenants set forth in this Section.

6.1 Optimum Sales. Franchisee and the Controlling Principals each covenant and agree that each shall make all commercially reasonable efforts to operate the Franchise so as to achieve optimum sales consistent with good business practices.

6.2 Entity Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and the Controlling Principals represent, warrant and covenant that:

(a) Due Formation. Franchisee is duly organized and validly existing under the state law of its formation;

(b) Qualification. Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(c) Single Purpose. Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise, unless otherwise consented to in writing by Franchisor;

(d) Power and Authority. The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

(e) Organizational Documents. Copies of Franchisee's organizational documents, other governing documents, resolutions or consents of the governing board authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of equity interests in Franchisee, and any other documents as may be reasonably required by Franchisor shall be furnished to Franchisor prior to the execution of this Agreement;

(f) Ownership Interests. The ownership interests in Franchisee are described accurately and completely in Attachment A. Franchisee shall immediately provide a copy of the updated list of all owners to Franchisor upon the occurrence of any change of ownership and otherwise make its list of owners available to Franchisor upon request;

(g) Restriction on Transfer. If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section shall not apply to the transfer of equity securities of a publicly held corporation (as defined in Section 18.21. If Franchisee is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an interest in such entity is held subject to all restrictions imposed upon assignments by this Agreement;

(h) Financial Statements. Franchisee and, at Franchisor's request, each of the Controlling Principals, must have provided Franchisor with the most recent financial statements of Franchisee and such Controlling Principals. Such financial statements present fairly the financial position of Franchisee and each of the Controlling Principals, as applicable, at the dates indicated therein, and with respect to Franchisee, the results of its operations and its cash flow for the years then ended. Franchisee agrees that it shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill its obligations under this Agreement. Each of the financial statements mentioned above shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute,

contingent or otherwise, that are not reflected as liabilities on the financial statements of Franchisee or the Controlling Principals;

(i) Franchisee's Principals. If, after the execution of this Agreement, any person ceases to qualify as one of Franchisee's Principals (as defined in Section 18.21) or if any individual succeeds to or otherwise comes to occupy a position that would, upon designation by Franchisor, qualify him as one of Franchisee's Principals, Franchisee shall notify Franchisor within ten (10) days after any such change and, upon designation of such person by Franchisor as one of Franchisee's Principals or as a Controlling Principal, as the case may be, such person shall execute such documents and instruments (including, as applicable, this Agreement) as may be required by Franchisor to be executed by others in such positions; and

(j) Execution of Documents. Franchisee's Principals shall each execute and bind themselves to the confidentiality and noncompetition covenants set forth in the Confidentiality Agreement and Ancillary Covenants Not to Compete, which forms Attachment C to this Agreement (*see* Sections 10.2(b) and 10.3(d)). The Controlling Principals shall, jointly and severally, guarantee Franchisee's performance of all of Franchisee's obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained herein, and which forms Attachment D to this Agreement, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(k) Continuing Obligations. Franchisee and the Controlling Principals acknowledge and agree that the representations, warranties and covenants set forth in this Section are continuing obligations of Franchisee and the Controlling Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and the Controlling Principals shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties, and covenants.

6.3 Operating Principal.

(a) Designation. Upon the execution of this Agreement, Franchisee shall designate and retain an individual to serve as the Operating Principal of the Franchise (the "Operating Principal"). If Franchisee is an individual, Franchisee shall be the Operating Principal.

(b) Qualifications. The Operating Principal shall, during the entire period he serves as such, meet the following qualifications:

(i) The Operating Principal must, at its option, either serve as the Director of Operations (as defined in Section 6.4) or, subject to the approval of Franchisor, designate another individual to serve as the Director of Operations; which designated individual shall also perform the duties and obligations of Operating Principal described herein; provided that Operating Principal shall take all necessary action to ensure that such designee conducts and fulfills all of Operating Principal's obligations in accordance with the terms of this Agreement and Operating Principal shall remain fully responsible for such performance.

(ii) The Operating Principal must maintain a direct or indirect ownership interest in Franchisee. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Franchisee shall be and shall remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options.

(iii) Franchisee and the Operating Principal (or his designee, if applicable) shall devote substantial full time and best efforts to the supervision and conduct of the franchised business. Operating Principal shall execute this Agreement as one of the Controlling Principals, and shall be individually, jointly, and severally, bound by all obligations of Franchisee, the Operating Principal, and the Controlling Principals hereunder. Notwithstanding the above, the Operating Principal shall have the right to own and/or participate in any other business that is not competitive with the franchise business.

(iv) The Operating Principal (and any such designee) shall meet Franchisor's standards and criteria for such individual, as set forth in the Manuals or otherwise in writing by Franchisor.

(v) The Operating Principal (or his designee) shall satisfy the training requirements set forth in Section 6.5.

(c) Replacement. If, during the term of this Agreement, the Operating Principal or any designee is not able to continue to serve in the capacity of Operating Principal or no longer qualifies to act as such in accordance with this Section, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the Operating Principal or such designee ceases to serve or be so qualified, such replacement being subject to the same qualifications and restrictions listed above. Franchisee shall provide for interim management of the activities contemplated under this Agreement until such replacement is so designated, such interim management to be conducted in accordance with this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.

6.4 Director of Operations.

(a) Designation. Franchisee shall designate and retain at all times a Director of Operations ("Director of Operations") to direct the operation and management of the Franchise. Franchisee shall designate its Director of Operations concurrently with the execution of this Agreement. The Director of Operations shall be responsible for the daily operation of the Franchise. The Director of Operations may be one of the Controlling Principals.

(b) Qualifications. The Director of Operations shall, during the entire period he serves as Director of Operations, meet the following qualifications:

(i) The Director of Operations shall satisfy Franchisor's educational and business experience criteria as set forth in the Manuals or otherwise in writing by Franchisor.

(ii) The Director of Operations shall devote full time and best efforts to the supervision and management of the Franchise.

(iii) The Director of Operations shall be an individual acceptable to Franchisor.

(iv) The Director of Operations shall satisfy the training requirements set forth in Section 6.5.

6.5 Training. Franchisee agrees that it is necessary to the continued operation of the System and the Franchise that Franchisee's Operating Principal receive such training as Franchisor may require, and accordingly agrees as follows:

(a) Initial Training. Franchisor shall provide Franchisee on one occasion, an initial training program in Franchisor's methods and techniques to prepare fresh sushi and/or other products and to operate a retail food service counter. If Franchisee is an entity, each of Franchisee's Operating Principals, shall be required to attend training. The training program shall take place at Franchisor's headquarters, online or other location that Franchisor designates. The training program shall include classroom and on-the-job training and cover various aspects of the operation of a retail food service counter, with emphasis on techniques and examples used in the operation of food service counters bearing the Marks. Topics to be covered may include, but are not limited to legal compliance, sanitation, sushi and other food preparation and evaluation, steam table menu, cooking and evaluation (if applicable to the franchise), franchise management, including, basic accounting, operations, business insurance, inventory control, employee management, marketing, license and permitting requirements. Before starting operations, Franchisee and Franchisee's manager shall also take and pass the ServSafe® Manager certification offered by Franchisor and the ServSafe® Allergen Awareness Training provided online by ServSafe®. Franchisor shall have the right to reduce the scope of any training provided, if Franchisor, in its sole discretion, determines that Franchisee already has experience in these subjects. Each person attending Franchisor's training program(s) shall pay Franchisor's then current fee for this training. Franchisee shall be solely responsible for all travel and living expenses incurred for Franchisee, Franchisee's Operating Principals and other staff Franchisee elects to send to the training program. If Franchisee or any owner of Franchisee attending the training fails to complete the training to Franchisor's satisfaction, Franchisor may cancel this Agreement in Franchisor's sole judgment on written notice to Franchisee. There shall be no refunds of any sums paid to Franchisor if Franchisor cancels this Agreement under this Section 6.5. Franchisor reserves the right to waive the training requirement in Franchisor's absolute discretion where Franchisor is satisfied that Franchisee or Franchisee's principals have sufficient skill, knowledge and experience with both the operational requirements and Franchisor's prescribed and preferred procedures. Franchisor may also exempt Franchisee from some or all training (at Franchisor's sole discretion) if Franchisee or any affiliate of Franchisee already owns or operates a Food Service Counter or the Franchise Agreement is executed as a Renewal Franchise Agreement (as defined in Section 3.2). Franchisee acknowledges that all training is provided to protect the System and the Marks and not to control the day-to-day of Franchisee's operations.

(b) Replacement Training. Franchisor shall determine, in its sole discretion, whether the Operating Principal has satisfactorily completed initial training. If the initial training program is not satisfactorily completed by the Operating Principal, or if Franchisor in its reasonable business judgment based upon the performance of the Operating Principal,

determines that the training program cannot be satisfactorily completed by any such person, Franchisee shall designate a replacement to satisfactorily complete such training. Any Operating Principal subsequently designated by Franchisee shall also receive and complete such initial training. Franchisor reserves the right to charge a reasonable fee for any optional initial training provided by Franchisor to any initial Director of Operations or any other Franchise personnel for any Franchise subsequently developed by Franchisee and otherwise for any initial training provided to a replacement or successor Director of Operations, if Franchisee is not approved by Franchisor to provide such training. Franchisee shall be responsible for any and all expenses incurred by Franchisee or Franchisee's Operating Principal, Director of Operations and other Franchise personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals, and wages.

(c) **Additional Training.** Franchisee's Operating Principal, Director of Operations, and such other Franchise personnel as Franchisor shall designate shall attend such additional training programs as Franchisor may offer from time to time, if Franchisor requires such attendance. For all such programs, Franchisor will provide the instructors and training materials. However, Franchisor reserves the right to impose a reasonable fee for such additional training programs. Franchisee shall be responsible for any and all expenses incurred by Franchisee or its Operating Principal, Director of Operations and other Franchise personnel in connection with such additional training, including, without limitation, costs of travel, lodging, meals, and wages. If Franchisee fails to attend any mandatory additional training, Franchisor shall have the right to assess Franchisee a \$250 penalty for the failure to attend. Franchisee acknowledges that all training is provided to protect the System and the Marks and not to control the day-to-day of Franchisee's operations.

(d) **Post Opening Training.** For Franchisee's initial location only, Franchisor shall provide Franchisee up to 3 days training at Franchisee's location. Franchisor shall not charge a fee for this post opening training. If Franchisee asks, or Franchisor decides that additional post opening training is needed, Franchisor shall have the right to charge its then current fee per additional day of training provided.

(e) **On-Site Remedial Training.** Upon the reasonable request of Franchisee or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's Franchise personnel. For additional training and assistance requested by Franchisee, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, meals, and wages. The per diem fee will not be charged if such assistance is provided based on Franchisor's determination that such training and assistance is necessary; however, Franchisor reserves the right to charge for its reasonable expenses incurred in connection with such training and assistance.

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

health permits, certificates of occupancy and any permits, certificates or licenses required by any environmental law, rule or regulation.

For franchised businesses located in areas in which a governmental license is required, Franchisee must apply for the license within fifteen (15) business days after execution of the lease or possession of the franchise site if owned by Franchisee, and must open and commence operations of the franchise at the earlier ninety (90) days after execution of the lease or possession of the store location or ten (10) days after receipt of the license.

6.7 Notification of Proceedings. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

6.8 Power-of-Attorney.

(a) Telephone and Internet. Upon the execution of this Agreement and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to Franchisor upon the termination or expiration of this Agreement, as required under Section 17.11, all rights to the telephone numbers of the Franchise and all related Yellow Pages, White Pages and other business listings, and all Internet listings, domain names, Internet accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usages related to the Franchised Business.

(b) Tax Returns. Upon execution of this Agreement and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

ARTICLE VII. FRANCHISE OPERATIONS

7.1 Uniformity. Franchisee understands the importance of maintaining uniformity among all of the Franchises and the importance of complying with all of Franchisor's standards and specifications relating to the operation of the Franchise. Franchisee shall maintain a high ethical standard in the conduct of its business and shall follow the Franchisor's customer service, marketing, and display guidelines. Franchisee shall also provide prompt, efficient, courteous and high quality service to the public, of the same high quality and distinguishing characteristics as provided at all of Franchisor's franchises and company-owned stores.

7.2 Compliance with System/Reports. Franchisee shall comply with the Manuals and all other written policies provided to Franchisee by Franchisor. Franchisee shall not make any material changes to the operation or structure or facilities of the Food Service Counter(s) nor make any material replacement or alterations to equipment, fixtures, signs or decor without Franchisor's prior written consent. Franchisee shall submit to Franchisor such periodic reports, forms and records

as Franchisor requests from time to time, including but not limited to, cleaning schedules, daily production reports, delivery logs, overnight rice cooling logs, pH logs, temperature logs and sushi cooling logs. Franchisee shall obtain and provide Franchisor an email address to which Franchisor may send written communications and sales reports to Franchisee.

7.3 Condition. Franchisee shall maintain the condition and appearance of the Food Service Counter(s) and all equipment consistent with Franchisor's standards. Franchisee shall maintain each Food Service Counter in a high level of cleanliness and first class appearance, including but not limited to, replacing worn or obsolete signs, fixtures, decor and equipment. Franchisee shall repair, at Franchisee's sole cost and expense, any equipment and/or worn or obsolete signs, fixtures and décor. If at any time in Franchisor's judgment the appearance of a Food Service Counter or equipment, fixtures, signs or decor does not meet Franchisor's standards, Franchisor shall have the right to notify Franchisee, specifying the corrective action to be taken by Franchisee. Franchisee shall correct the deficiency within 15 days after receipt of the notice, or such shorter period of time that Franchisor reasonably requests, provided that any deficiency that Franchisor believes could threaten public health or safety shall be corrected immediately.

7.4 No Other Purpose. Franchisee shall not conduct any business or activity from the location of the Food Service Counter other than the operation of the Food Service Counter according to the System. All food items prepared at the Food Service Counter shall be sold at the Food Service Counter only and at no other location without the prior written consent of Franchisor. Under no circumstances are the premises of the Food Service Counter to be used for the preparation of food items to be sold other than on the premises, except Franchisee may prepare and deliver prepared foods to Self Service locations owned by Franchisee, if operated pursuant to an addendum to this Agreement.

7.5 Purchase of Inventory and Equipment. Franchisee shall comply with all of Franchisor's standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, and other products used or offered for sale at the Franchise. Except as provided in Sections 7.8 and 7.10 with respect to certain materials bearing the Marks and proprietary products, Franchisee shall obtain such items from suppliers (including manufacturers, distributors and other sources) who continue to demonstrate the ability to meet Franchisor's then-current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at Franchises and who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier; and who have not thereafter been disapproved by Franchisor. If Franchisee desires to purchase, lease, or use any products or other items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-

inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier.

7.6 Standards and Specifications. To ensure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchise in strict conformity with such methods, standards and specifications of Franchisor set forth in the Manuals and as may from time to time otherwise be prescribed in writing. In particular, Franchisee also agrees:

(a) Products. To sell or offer for sale all menu items, products and services required by Franchisor and in the method, manner, and style of distribution prescribed by Franchisor, only as expressly authorized by Franchisor in writing in the Manuals or otherwise. Franchisor has developed and may continue to develop other proprietary food products, sauces and spices. To protect Franchisor's trade secrets and maintain quality control, Franchisor shall have the right to require Franchisee to purchase such proprietary items only from Franchisor or third parties that Franchisor designates.

(b) Use of Marks. Franchisee shall use in the operation of the franchised business and in all materials and advertising the distinguishing characteristics of the System as directed by Franchisor.

(c) Menu Items. To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by Franchisor; to refrain from deviating from Franchisor's standards and specifications; and to discontinue selling and offering for sale any menu items, products or services that Franchisor may, in its sole discretion, disapprove in writing at any time. Franchisee shall offer for sale and sell at the Food Service Counter all food items that Franchisor authorizes from time to time; and shall not offer for sale or sell at the Food Service Counter any other category of products. Franchisee shall have the right to offer additional prepared food items from time to time on a special or market test basis, provided that Franchisee shall notify Franchisor in writing at least 30 days in advance and shall comply with any request by Franchisor to refrain from offering any one or more such items.

(d) Pricing. Franchisor may recommend resale prices or pricing schedules to Franchisee and may provide pricing labels conforming to these recommendations. Franchisee shall have the right to determine prices that Franchisee charges for products sold from the Food Service Counter. If Franchisee desires to charge a price or prices that differ from a price or price schedule recommended by Franchisor, then Franchisee shall pay or reimburse any additional reasonable costs that Franchisor incurs to prepare price labels containing the pricing determined by Franchisee. When allowed by law, Franchisor shall have the right to specify maximum and minimum prices for products sold at the Food Service Counter, and Franchisee shall abide by these specifications.

(e) New Products. From time to time, Franchisor may introduce new products, or reintroduce previously introduced new products. Franchisee shall purchase, maintain and display reasonable inventories of such new products for at least 120 days. Franchisor may require Franchisee to again purchase, maintain and display the products regardless of prior

compliance with this section. Franchisee shall not introduce, offer or sell any new items that have not been approved by franchisor in writing.

(f) Inventory. To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, products, materials, supplies and paper goods that conform to Franchisor's standards and specifications; to prepare all menu items in accordance with the recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients; and to refrain from deviating from Franchisor's standards and specifications by the use or offer of non-conforming items or differing amounts of any items.

(g) Samples. Franchisee shall comply with sampling policies that Franchisor establishes from time to time. These may include requirements to provide free samples to customers and potential customers.

(h) Preparation. To ensure that all items produced by Franchisee meet Franchisor's standards, and to protect Franchisor's goodwill and Marks, all food products shall be prepared only by properly trained personnel according to Franchisor's recipes, preparation techniques and processes as designated in the Manuals, and shall be sold only at retail to customers in conformity with Franchisor's marketing plan and concept.

(i) Operating Hours; Staffing. Franchisee or Franchisee's approved manager shall operate each Food Service Counter every day that the location where the Food Service Counter is located is open for business and subject to any additional requirements in any applicable Franchise Addendum attached to this Agreement. Franchisee shall ensure each Food Service Counter is adequately staffed and managed. In locations operated by a manager, Franchisee shall remain personally and actively involved in the Food Service Counter(s) operations and shall remain responsible for operating the Food Service Counter(s) and supervising employees. The personnel Franchisee retains to work at Franchisee's Food Service Counter(s) shall be Franchisee's agents and employees and Franchisor shall not be a joint employer of those persons. Franchisee alone shall determine who to retain, how many personnel to retain (subject to any minimum staffing requirements Franchisor may prescribe), compensation terms, employment terms and working conditions for Franchisee's personnel, and when and how to discipline or terminate the employment of Franchisee's personnel.

(j) Store's Rules. Franchisee shall comply with the rules, policies and guidelines of the facility where the Food Service Counter(s) is/are located and sign any code of conduct or equivalent document required by the facility owner. If required by the facility owner, Franchisee shall obtain proof of employability for each prospective employee by completing the Department of Homeland Security's electronic employee verification system (E-Verify) before hiring.

(k) Use of Marks. Franchisee shall not engage in any activity or practice which results, or may be anticipated to result, in litigation or public criticism of Franchisor or the System. Franchisee shall use the Marks only in connection with the operation of the Franchise and for no other purpose.

(l) Testing. To permit Franchisor or its agents, at any reasonable time, to remove a reasonable number of samples of beverages, food or non-food items from Franchisee's inventory, or from the Franchise, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether such samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform with Franchisor's specifications.

(m) Use of Approved Items. All goods and services used in operating the Food Service Counter(s) that are not specifically required to be purchased according to Franchisor's approved suppliers list, shall conform to specifications and standards that Franchisor establishes from time to time. Franchisee shall also comply with any source restrictions imposed by the facility owner to maintain quality control or an identifiable source for products in the event of product recalls.

(n) Private Label. Franchisor may develop proprietary or private-labeled products for the Food Service Counter(s). To monitor the manufacture, packaging, processing and sale of these products Franchisor shall: (a) manufacture, supply and sell the proprietary or private labeled products to franchisees; and/or (b) disclose the designs or specifications of these products to a limited number of suppliers who Franchisor will authorize to make them to Franchisor's specifications and to sell them to franchisees. Franchisee acknowledges that Franchisee shall be required to purchase the proprietary or private labeled products from Franchisor, or from a limited number of suppliers designated by Franchisor.

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

(p) Charges for Purchases. From time to time Franchisee may purchase food and other items from Franchisor. Franchisor shall have the right to charge, and Franchisee shall pay, freight, and other ancillary charges for such items, as well as Franchisor's prices for such items. Franchisor shall have the right to deduct product purchases from payments owed to Franchisee.

(q) Product Purchases. Franchisee shall reimburse Franchisor for product purchases from third party suppliers shipped to Franchisee on Franchisee's behalf. For Franchisee's convenience, Franchisor may ship routine shipments of products, including but not limited to, ingredients, product supplies and retail items, to Franchisee for use at the Food

Service Counter. Franchisee may cancel such shipment by providing Franchisor written notice of Franchisee's desire to do so at least one week prior to the scheduled delivery date.

(r) Fees. Franchisee shall pay promptly to Franchisor all fees due under this Agreement or under any other agreement between Franchisee and Franchisor and pay promptly for supplies or equipment which Franchisee may purchase from Franchisor.

(s) Procedures. Except as may be otherwise approved by Franchisor in writing, Franchisee's business operation shall conform to the procedures and requirements of the Manuals, as they may be amended and updated from time to time.

(t) Licenses. Franchisee shall obtain and maintain all required licenses, permits and certificates needed to operate the Food Service Counter and provide copies of such licenses and permits to Franchisor. At Franchisor's election, Franchisor shall have the right, but no obligation, to obtain any required licenses and permits in Franchisee's name. Franchisee hereby grants Franchisor a power of attorney to apply for any required licenses, permits and any renewals of these for Franchisee's Food Service Counter. Franchisee shall reimburse Franchisor for any costs and fees incurred by Franchisor in applying for these licenses and/or permits on Franchisee's behalf. Franchisee shall operate the Food Service Counter in full compliance with all applicable laws, ordinances and regulations, including but not limited to health, safety and sanitation laws.

(u) Uniforms. Franchisee shall purchase and Franchisee's employees shall at all times wear uniforms imprinted with the Marks and conforming to other specifications prescribed by Franchisor.

(v) Computer and Software Requirements. Franchisee shall purchase a computer system meeting Franchisor's specifications with Internet connectivity capabilities to permit Franchisee to submit purchase orders online and to obtain information on new products, product specifications and other information Franchisor designates from time to time. Franchisee shall be solely responsible for the computer system, including maintaining and repairing it when necessary. Franchisor may require Franchisee to provide Franchisor independent access to the information generated or stored on Franchisee's computer system. Franchisee shall keep the computer system current. Franchisor may, in the future, develop or designate additional and/or alternate hardware and/or software for performing various functions for the Food Service Counter. Franchisee shall implement and use the hardware and software in operating the Food Service Counter and comply with all standards prescribed by Franchisor regarding such hardware and software.

(w) Tablet and Inventory Scanner. Franchisee shall purchase a tablet, inventory scanner and printer ("Tablet System") meeting Franchisor's specifications with Internet connectivity capabilities to permit Franchisee to print labels, track daily products made at the Food Service Counter and conduct other functions prescribed by Franchisor. Franchisee shall be solely responsible for the Tablet System, including maintaining and repairing it when necessary. Franchisor may require Franchisee to upgrade and/or update the Tablet System and to provide Franchisor independent access to the information generated or stored on Franchisee's tablet, including inventory tracking logs. Franchisee shall keep the Tablet System current. Franchisor

may, in the future, develop or designate computer application software for use with the Tablet System for performing various functions for the Food Service Counter. Franchisee shall purchase, implement and use the software in operating the Food Service Counter and comply with all standards prescribed by Franchisor regarding the software, including upgrade and maintenance requirements.

(x) Quality. Franchisee shall use only fresh ingredients and products of the highest quality, as determined by Franchisor in its reasonable discretion.

(y) Mailing, Reproduction Costs and Handling Costs. Franchisor may charge Franchisee a reproduction, service and handling charge for written materials provided to Franchisee, such as manuals and marketing materials up to \$100 per shipment.

(z) Testing and Criminal Background Checks. Whenever requested by Franchisor or the facility owner where Franchisee is located, Franchisee shall require specified personnel (which may also include Franchisee), to undergo drug, tuberculosis and other chemical and disease testing and/or criminal background investigation. The foregoing obligations are subject to the condition that the request is lawful in the jurisdiction where the Franchisee and Franchisee's personnel are located. Franchisee shall pay all costs of the testing and investigation, complete all forms and consents, and take all other action needed to comply with such request. If Franchisee fails any required test or background check, Franchisor may cancel this Agreement on written notice to Franchisee. There shall be no refunds of any sums paid to Franchisor if Franchisor cancels this Agreement under this Section.

(aa) Operational Communications. Franchisee agrees to receive notices and other communications from Franchisor on operations, recalls and other emergency communications via all available means, including, but not limited to, telephone calls, text messages, emails, instant messaging and other then current modes of communication.

(bb) Accounts. Franchisee shall keep and preserve full, complete, and accurate financial statements, books, records, accounts, and data which shall accurately reflect all particulars of the affairs and condition of the franchised business required by this Agreement.

(cc) Management. Franchisee shall cause its Operating Principal or Director of Operations to work diligently, fairly and in good faith to perform all of Franchisee's duties and obligations under this Agreement. In addition, Franchisee agrees that at the request of Franchisor, any manager who is not the Franchisee will be required to execute an agreement with Franchisee in a form approved by Franchisor prior to commencing employment, covenanting that the manager shall devote manager's entire time, attention, and energies to the franchised business and that the manager shall maintain all of Franchisor's trade secrets and shall not disclose or allow any unauthorized person to copy any of Franchisor's copyrighted materials.

(dd) Staff. To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe. Franchisee shall employ only those persons who are suitable in qualification, skill, health, appearance, manner, and character to represent the good name and reputation of the System and the Marks, and who shall conform to

such standards that Franchisor may establish from time to time. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe.

7.7 Step-In Rights.

(a) In order to prevent interruption in the operation of franchised business, Franchisee authorizes Franchisor to operate the franchised business for so long as Franchisor deems necessary and practical and without waiver of any other rights or remedies Franchisor may have under this Agreement if, in Franchisor's sole judgment, Franchisor deems Franchisee incapable of operating the franchised business because (i) Franchisee or its Operating Principal or Operating Manager is absent or incapacitated by reason of illness or death; (ii) Franchisee has failed to pay when due all taxes and assessments against the franchised business, inventory or equipment used in connection with the franchised business; (iii) Franchisee has failed to pay when due any and all liens or encumbrances of any kind placed upon or against Franchisee's business property; (iv) Franchisee has lost or had suspended its license or permit to operate the franchised business; or (v) Franchisor determines that there are operational problems that could imperil the franchised business or its assets, such as shortages of cash necessary to operate the business or interruption in banking relationships necessary to effectively operate the business. Franchisor is in no way obligated to exercise these step-in rights.

(b) Franchisor shall keep in a separate account for the benefit of Franchisee all monies generated by the operation of the franchised business less the expenses of the franchised business, including reasonable attorney fees and reasonable compensation and expenses for Franchisor's representatives. If Franchisor temporarily operates the franchised business, Franchisee shall hold harmless Franchisor and Franchisor's representatives for all actions occurring during the course of the temporary operation. Franchisor shall not, by exercising its step-in rights of this Agreement, assume any of Franchisee's liabilities.

(c) Franchisee shall pay Franchisor a per diem fee per person plus Franchisor's reasonable attorney fees and costs incurred as a consequence of Franchisor's exercise of its step-in rights.

7.8 Recipes. Franchisee acknowledges and agrees that the Franchise will feature certain proprietary products and that Franchisor has and may continue to develop for use in the System certain products that are prepared from Franchisor proprietary recipes and that bear the Marks. Because of the importance of quality and uniformity of production and the significance of such products in the System, it is to the mutual benefit of the parties that Franchisor closely controls the production and distribution of such products. Accordingly, Franchisee agrees that with respect to such products, whether or not such products are proprietary, Franchisee shall use only products manufactured by or on behalf of Franchisor, and shall purchase solely from Franchisor or from a source designated by Franchisor or, with respect to products manufactured by or on behalf of Franchisor, from a seller of such products, all of Franchisee's requirements for such products. Franchisee further agrees to purchase from Franchisor or from a source designated by Franchisor for resale to Franchisee's customers certain merchandise identifying the System as Franchisor shall require, such as pre-packaged food products and memorabilia and promotional products, in amounts sufficient to satisfy Franchisee's customer demand.

7.9 Complaints. Franchisee shall promptly notify Franchisor in writing of any complaints from the owner(s) or manager(s) of the facility where any Food Service Counter is located, or from the public of problems relating to operation of the Food Service Counter or its products. Franchisee shall be primarily responsible to resolve and remedy all complaints to the satisfaction of the complaining person or entity. Franchisee shall process and handle all consumer complaints connected with or relating to the Franchise, and shall promptly notify Franchisor by telephone and in writing of all of the following complaints: (a) food related illnesses, (b) safety or health violations, (c) claims exceeding One Thousand Dollars (\$1,000), and (d) any other material claims against or losses suffered by Franchisee. Franchisee shall maintain for Franchisor's inspection any inspection reports affecting the Franchise or equipment located in the Franchise during the term of this Agreement and for thirty (30) days after the expiration or earlier termination hereof.

7.10 Pure Food Warranty. Franchisee warrants that the Products (i) will be prepared in accordance with the Operations Manual, (ii) will be fit for human consumption, (iii) will not be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as from time to time amended, and regulations promulgated thereunder, (iv) will not be articles which, under the provisions of Sections 404 or 505 of said federal act, may not be introduced into interstate commerce, and (v) will not violate the provisions of the Food Additives Amendment of 1958. This warranty is in like terms extended and shall be applicable to any lawful state law or municipal ordinance in which the definitions of adulteration or misbranding are substantially the same as those in said federal act.

ARTICLE VIII. ADVERTISING AND RELATED FEES

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

8.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchises operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement, and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisee shall submit to Franchisor for prior approval, all advertising and promotion that Franchisee proposes to use, whether for print, broadcast, electronic or other media (including on the Internet), as well as novelty items, signs and containers. Franchisee shall use those materials only after receiving Franchisor's written consent, and shall not use any material without first obtaining Franchisor's written consent. Franchisor may withhold or later revoke consent, or may condition consent on modifications or other restrictions. Delay by Franchisor to require compliance or cure does not waive Franchisor's rights under this Section 8.1.

8.2 Advertising Restrictions. Franchisor shall have the right to impose geographic and/or other restrictions on advertising that Franchisee conducts or proposes to conduct.

Franchisee shall include trademark and copyright notices and notices of independent ownership in advertising as Franchisor requests from time to time.

8.3 Cooperative Advertising. Franchisor reserves the right, in the future, to designate a geographic region that includes Franchisee's Food Service Counter(s) and at least one other International Food Creations Food Service Counter as a local, regional or national cooperative area, for the purpose of developing a cooperative program. Franchisee shall participate in and contribute its share to the cooperative designated by Franchisor, as determined according to the cooperative's operating procedures. The cooperative shall operate according to written governing documents prepared by or consented to by Franchisor. Franchisor shall have the right to veto any decision of the cooperative. Franchisor shall have the power to form, change, dissolve or merge cooperatives, at Franchisor's discretion.

8.4 Grocery Store Objection. Franchisee shall not conduct any advertising that is objectionable to the owner or manager of the premises where the Food Service Counter is located.

8.5 Listing Advertisement. In addition to any other advertising obligations set forth in this Article VIII, Franchisor may require Franchisee to advertise, solely at Franchisee's expense, in any medium that allows for the listing of the business operations, such as the local yellow pages or its functional equivalent, in the geographic area in which the franchised business is located by placing an advertisement in the form, of the type and under the heading Franchisor approves or designates. Franchisee may advertise either as a single franchisee, or, if more than one (1) franchise is established in the general area served by the telephone directory, as a *pro rata* participant in a common or group advertisement with other System franchisees.

8.6 Approval of Advertising. All advertising and promotion by Franchisee in any medium shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manuals or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising and promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed (e.g., materials to be made available through a computer or telecommunications network such as the Internet), that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within fifteen (15) business days of Franchisor's receipt thereof. Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Franchisee shall not advertise or use the Franchisor's Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication, or establish any website listing on the Internet or World Wide Web, without the express written consent of Franchisor. Any advertising, marketing, or sales concepts, programs or materials proposed or developed by Franchisee for the Franchise and approved by Franchisor may be used by other System Franchises without any compensation to Franchisee.

ARTICLE IX. MARKS

9.1 Grant. Franchisor grants Franchisee the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications. Franchisee shall operate under the trade name of “International Food Creations” as authorized herein, and shall use no other name in conducting the business franchised under this Agreement without the prior written consent of Franchisor. Franchisee shall comply with all applicable fictitious name statutes, with evidence of such compliance to be furnished to Franchisor. If Franchisee is a corporation, partnership, or limited liability company, it shall not legally or otherwise incorporate the name “International Food Creations” in its corporate, company or partnership name.

9.2 Acknowledgements. Franchisee expressly understands and acknowledges that:

(a) Ownership. Franchisor authorizes Franchisee to use the System, the Marks, the trade secrets and goodwill, and any improvements and modifications of these items, in the operation of Franchisee’s business at the franchise location. Franchisee expressly agrees that the ownership of all right, title and interest in and to the System, the Marks, trade names, copyrighted materials, trade secrets and goodwill, and any improvements and modifications of these items shall remain solely owned by Franchisor and that the materials and information now and hereafter provided or revealed to Franchisee under and pursuant to this Agreement are revealed in confidence. Franchisor may change or modify the System, modify or discontinue certain Marks or copyrighted material or adopt new Marks or copyrighted material. Franchisee agrees at its own expense to discontinue, adopt and/or use any such changed items.

(b) No Interference. Neither Franchisee nor any Controlling Principal shall take any action that would prejudice or interfere with the validity of Franchisor’s rights with respect to the Marks. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Marks or any of Franchisor’s service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Franchise and only at or from its Location or in approved advertising related to the Franchise.

(c) Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee’s use of the Marks and the System shall inure solely and exclusively to Franchisor’s benefit, 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 of the Marks. So long as this Franchise Agreement shall remain in effect, Franchisee agrees to maintain a clean and attractive store which meets the specifications provided by Franchisor to preserve, maintain and enhance the reputation and goodwill built up by Franchisor and its franchisees and the value of the Marks. In developing and maintaining those high and uniform standards of quality and service to protect the reputation and goodwill of Franchisor, Franchisee further agrees to use only the Marks Franchisor designates and to use them solely in the manner authorized by Franchisor. Franchisee further agrees to use the Marks only for the operation of the franchised business and only at its designated location or in advertising related to the franchised business and only during the term of this Agreement.

(d) Validity. Franchisee shall not contest the validity of or Franchisor's interest in the Marks or assist others to contest the validity of or Franchisor's interest in the Marks.

(e) Infringement. Franchisee acknowledges that any unauthorized use of the Marks shall constitute an infringement of Franchisor's rights in the Marks and a material event of default hereunder. Franchisee agrees that it shall provide Franchisor with all assignments, affidavits, documents, information and assistance Franchisor reasonably requests to fully vest in Franchisor all such rights, title and interest in and to the Marks, including all such items as are reasonably requested by Franchisor to register, maintain and enforce such rights in the Marks. Franchisee agrees to neither infringe upon nor use or imitate the System or any part of the System, except under a written franchise agreement and license from Franchisor.

(f) Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchise if the current Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Marks will be beneficial to the System. In such event, Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute Marks.

9.3 Agreements. With respect to Franchisee's franchised use of the Marks pursuant to this Agreement, Franchisee further agrees that:

(a) Exact Use. Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchise only under "International Food Creations" without prefix or suffix. Franchisee shall not use the Marks as part of its corporate or other legal name, and shall obtain the Franchisor's approval of such corporate or other legal name prior to filing it with the applicable state authority. Franchisee shall not advertise, publish, or circulate any documents or other items using the Marks except in strict compliance with the latest edition of Franchisor's Manuals.

(b) Identification. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the Franchise in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchise as Franchisor may designate in writing.

(c) Debt. Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

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

(e) Identification as Independent Operator. Franchisee shall prominently display a sign in the retail portion of the franchise premises to the effect that Franchisee is "An

Independent Franchise of "International Food Creations" Franchise System," or other similar statement approved in writing by Franchisor.

(f) Unauthorized Use. Any compensation received by Franchisee in connection with the unauthorized use of the Marks shall be held in trust for and paid to Franchisor.

(g) Inspections. In order to preserve the validity and integrity of the System and the Marks, and to assure that Franchisee is properly using authorized Marks in the operation of Franchisee's business, Franchisor may inspect Franchisee's operations from time to time. Franchisor will advise Franchisee of any deficient or improper use of the Marks following such inspection. Franchisee shall cooperate with Franchisor's representative in such inspection and render any assistance that is requested. Any obstruction, interference or prohibition by Franchisee of Franchisor's right to inspect the Food Service Counter(s), including, without limitation, to investigate threats or dangers to public health and safety, shall constitute a material breach of this Agreement. If Franchisor, in its sole discretion, determines that a lab test is required to test the quality, safety and freshness of the foods sold at any Food Service Counter operated by Franchisee, Franchisor shall have the right to assess Franchisee a lab fee of up to \$500 for each sample tested.

(h) Termination and Use. Upon termination or expiration of this Agreement, Franchisee immediately shall cease use of the Marks and shall immediately remove the Marks from the Food Service Counter and to cancel any advertising relating to Franchisee's use of the Marks.

9.4 Infringement. Franchisee shall notify Franchisor immediately by telephone and thereafter in writing of any apparent infringement of or challenge to Franchisee's use of any Mark, of any claim by any person of any rights in any Mark, and Franchisee and the Controlling Principals shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Marks. Franchisor will indemnify Franchisee against and reimburse Franchisee for all damages for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Marks (including settlement amounts), provided that the conduct of Franchisee and the Controlling Principals with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

9.5 Nonexclusive License. The right and license of the Marks granted hereunder to Franchisee is nonexclusive and Franchisor thus has and retains the following rights, among others, subject only to the limitations of Article I:

(a) Other Licenses. To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees;

(b) Other Systems. To develop and establish other systems using the Marks or other names or marks and to grant licenses thereto without providing any rights to Franchisee; and

(c) Production and Distribution. To engage, directly or indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (1) the production, distribution, license and sale of products and services, and (2) the use in connection with such production, distribution and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by Franchisor.

9.6 Location Exceptions. Franchisee acknowledges that at certain locations, Franchisee may not be able to use the Marks due to agreements with the facility owner. Franchisee shall abide by such requirements.

ARTICLE X. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

10.1 Manuals.

(a) Delivery. Franchisor has provided to Franchisee on loan a current copy of the Manuals, which shall include one copy of Franchisor's confidential Operations Manual, one copy of Franchisor's Standard Sanitation Operating Procedure and Methods Manual, Recipe Manual(s) applicable to the franchise and one Steam Table Operating Manual, if applicable to Franchisee's business (collectively the "Manuals") for each Food Service Counter operated by Franchisee, except, no Manuals shall be provided for a Self Service location.. The Manuals may be in hard copy or they may be made available to Franchisee in digital, electronic, or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manuals (or any changes thereto) are provided in a form other than paper copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manuals. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall conduct its business in accordance with the Manuals as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved for use in the operation of the franchised business. No addition or modification to the Manuals will alter Franchisee's fundamental status under this Agreement.

(b) Confidential. Franchisee and the Controlling Principals shall at all times treat the Manuals, any written directives of Franchisor, and any other manuals and materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article. Franchisee and the Controlling Principals shall divulge and make such materials available only to such of Franchisee's employees as must have access to it in order to operate the Franchise. Franchisee and the Controlling Principals

shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above.

(c) Property of Franchisor. The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manuals at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise and shall report the theft or loss of the Manuals, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall and similar technology to prevent unauthorized access. Franchisee shall return the Manuals to Franchisor immediately upon request or upon termination or expiration of this Agreement.

(d) Supplement to Agreement. The Manuals, any written directives, and any other manuals and materials issued by Franchisor and any modifications to such materials shall supplement this Agreement.

(e) Revisions. Franchisor may from time to time revise the contents of the Manuals and other manuals and materials created or approved for use in the operation of the franchised business. Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor at Franchisor's corporate office shall control. Franchisee shall remove and return to Franchisor all pages of the Manual that have been replaced or updated by Franchisor.

(f) Lease Fee. Franchisee shall pay Franchisor's then current manual lease fee for each Manual received from Franchisor. The manual lease fee paid by Franchisee shall be refunded to Franchisee when Franchisee returns the Manuals to Franchisor within 30 days of the termination or expiration of this Agreement or any applicable addendum. For purpose of clarification, there shall be no refund if Franchisee fails to return the Manual(s) or returns any manual more than 30 days after expiration or termination of this Agreement or any applicable addendum.

10.2 Confidential Information.

(a) Confidential. Neither Franchisee nor any Controlling Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, they shall not use for their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the franchised business that may be communicated to them or of which they may be apprised in connection with the operation of the Franchise under the terms of this Agreement. Franchisee and the Controlling Principals shall divulge such confidential information only to Franchisee's employees who must have access to it in order to operate the Franchise. Any and all information, knowledge, know-how, techniques

and any materials used in or related to the System that Franchisor provides to Franchisee in connection with this Agreement shall be deemed confidential for purposes of this Agreement. Neither Franchisee nor the Controlling Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant in this Section shall survive the expiration, termination, or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each of the Controlling Principals.

(b) Covenants. Franchisee shall require and obtain the execution of covenants similar to those set forth in Section 10.2(a) from its Director of Operations and all other personnel of Franchisee who have received or will have access to confidential information. Such covenants shall be substantially in the form set forth in Attachment C. All of Franchisee's Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants.

(c) New Concepts. If Franchisee or the Controlling Principals develop any new concept, process product, recipe, or improvement in the operation or promotion of the Franchise, Franchisee is required to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Franchisee and the Controlling Principals acknowledge that any such concept, process product, recipe, or improvement will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees or developers as it determines to be appropriate. Franchisee's use of new concept, process product, recipe, or improvement in the operation or promotion of the Franchise is contingent upon Franchisee obtaining Franchisor's prior written approval.

10.3 Noncompetition Covenants.

(a) In-Term Covenants. Franchisee and the Controlling Principals specifically acknowledge that, pursuant to this Agreement, Franchisee and the Controlling Principals will receive valuable training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of Franchisor and the System that are beyond the present skills and experience of Franchisee and the Controlling Principals and Franchisee's managers and employees. Franchisee and the Controlling Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Franchise, and that gaining access to such specialized training, trade secrets, and confidential information is, therefore, a primary reason why they are entering into this Agreement. In consideration for such specialized training, trade secrets, confidential information and rights, Franchisee and the Controlling Principals covenant that with respect to Franchisee, during the term of this Agreement (or with respect to each of the Controlling Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of "Controlling Principals" as described in Section 18.21), except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Controlling Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity:

(i) Divert, or attempt to divert, any business or customer of the franchised business 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 Marks and the System.

(ii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Franchise, including a business that offers and sells Asian style foods, sushi or fresh fish products, steamed foods or any other retail food business from food service counters.

(b) Post-Term Covenants. In consideration for the specialized training, trade secrets, confidential information and rights described in Section 10.3(a), Franchisee and Controlling Principals covenant that with respect to Franchisee, and for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of Franchisee's interest in, this Agreement (or, with respect to each of the Controlling Principals, commencing upon the earlier of: (1) the expiration, termination of, or transfer of all of Franchisee's interest in, this Agreement or (2) the time such individual or entity ceases to satisfy the definition of "Controlling Principals" as described in Section 18.21) and continuing for two years thereafter, except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Controlling Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person or entity:

(i) Divert, or attempt to divert, any business or customer of the franchised business hereunder 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 Marks and the System.

(ii) Employ, or seek to employ, any person who is at that time or was within the preceding ninety (90) days employed by Franchisor, any of its affiliates or by any other franchisee or developer of Franchisor, or otherwise directly or indirectly induce such person to leave that person's employment, except as may be permitted under any existing franchise agreement between Franchisor and Franchisee.

(iii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any business that is of a character and concept similar to the Franchise, including a business that offers and sells Asian style foods, sushi or fresh fish products, steamed foods or any other retail food business, which business is, or is intended to be, located within a five (5)-mile radius of the location of any Franchise in existence or under construction at any given time during such period. On written request from Franchisee, Franchisor will provide Franchisee a list of locations within a reasonable geographic area, to assist Franchisee in complying with this obligation.

(c) Public Company. Section 10.3(a)(ii) and (b)(iii) shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation.

(d) Reasonableness. The parties acknowledge and agree that each of the covenants contained in this Section are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of these covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and the Controlling Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

(e) Reduction of Scope. Franchisee and the Controlling Principals understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section, or any portion thereof, without their consent, effective immediately upon notice to Franchisee; and Franchisee and the Controlling Principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 0.

(f) No Defense. Franchisee and the Controlling Principals expressly agree that the existence of any claims they 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.

(g) Covenants of Managers and Franchisee's Principals. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from its Director of Operations and all other management level personnel of Franchisee who have received or will have access to training from Franchisor. Such covenants shall be substantially in the form set forth in Attachment C. All of Franchisee's Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the period of time or geographic scope of the noncompetition covenant set forth in Attachment C or eliminate such noncompetition covenant altogether for any party that is required to execute such agreement under this Section.

10.4 Injunctive Relief. Failure to comply with the requirements of this Article shall constitute a material event of default under this Agreement. Franchisee and the Controlling Principals acknowledge that a violation of the terms of this Article would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee and the Controlling Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Franchisee or the Controlling Principals in violation of the terms of this Article. Franchisee and the Controlling Principals agree to pay all court costs and reasonable attorney fees incurred by Franchisor in connection with the enforcement of this Article, including pay-

ment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of this Article.

ARTICLE XI. BOOKS AND RECORDS

11.1 Books and Records. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least five (5) years from the dates of their preparation, full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of EFT transactions, and backup or archived records of information maintained on any computer system in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

11.2 Reports. In addition to the remittance reports required by Articles IV and VIII, Franchisee shall comply with the following reporting obligations:

(a) Monthly Statements. Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, profit and loss statement for each of the thirteen (13) four-week accounting periods designated by Franchisor (the "Statement Period") (which may be unaudited) for Franchisee within fifteen (15) days after the end of each Statement Period during the term hereof. Each such statement shall be signed by Franchisee's treasurer or chief financial officer or comparable officer attesting that it is true, complete and correct;

(b) Annual Statements. Franchisee shall, at its expense, provide to Franchisor a complete annual financial statement (which may be unaudited) for Franchisee prepared by an independent certified public accountant satisfactory to Franchisor, within ninety (90) days after the end of each fiscal year of Franchisee during the term hereof, showing the results of operations of Franchisee during such fiscal year; Franchisor reserves the right to require the financial statements described above to be audited by an independent Certified Public Accountant; and

(c) Additional Reports. Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in writing.

11.3 Review and Inspection. Franchisor or its designees shall have the right at all reasonable times to review, audit, examine and copy any or all of the books and records of Franchisee as Franchisor may require at the Franchise. Franchisee shall make such books and records available to Franchisor or its designees immediately upon request. Franchisee agrees to cooperate with any certified public accountant engaged for the purposes of such audit and to execute any and all documents required by the audit and further to disclose to the auditor any such information requested by the auditor which Franchisee has in its possession or to which it has reasonable access. If any required royalty payments to Franchisor are delinquent, or if an inspection should reveal that such payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount overdue or understated upon

demand with interest from the date due until paid at the lesser of (i) eighteen percent (18%) per annum, or (ii) the maximum rate allowed by applicable law. If an inspection discloses an understatement in any report of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorney fees). These remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

11.4 Mistakes. Franchisee understands and agrees that the receipt or acceptance by Franchisor of any of the statements furnished or royalties paid to Franchisor (or the cashing of any royalty checks or processing of any electronic fund transfers) shall not preclude Franchisor from questioning the correctness thereof at any time and, if any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by the Franchisee and the appropriate payment shall be made by the Franchisee.

11.5 Release of 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 which Franchisee does business to disclose to Franchisor any requested financial information in their possession relating to Franchisee or the Franchise. Franchisee authorizes Franchisor to disclose data from Franchisee's reports, if Franchisor determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

11.6 Power-of-Attorney. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 6.8, Franchisee hereby appoints Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state and/or federal taxing authority. This power of attorney shall survive the expiration or termination of this Agreement.

ARTICLE XII. INSURANCE

12.1 Insurance Policy. Franchisee shall procure, upon execution of this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement at Franchisee's expense, an insurance policy or policies protecting Franchisee and Franchisor, and its affiliates, successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchise.

12.2 Coverage. Such policy or policies shall be written by a responsible carrier or carriers reasonably acceptable to Franchisor and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by Franchisor from time to time), in accordance with standards and specifications set forth in writing, the following:

(a) Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed

operations, products liability and fire damage coverage, in the amount of Two Million Dollars (\$2,000,000) combined single limit.

(b) “All Risks” coverage for the full cost of replacement of the Franchise premises and all other property in which Franchisor may have an interest with no coinsurance clause for the premises.

(c) Crime insurance for employee dishonesty in the amount of Ten Thousand Dollars (\$10,000) combined single limit.

(d) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than One Million Dollars (\$1,000,000) combined single limit.

(e) Worker’s compensation insurance in statutory amounts on all employees of Franchisee and employer’s liability insurance in amounts not less than One Million Dollars (\$1,000,000) per accident/disease.

(f) Such other insurance as may be required by the state or locality in which the Franchise is located and operated.

12.3 Deductibles. Franchisee may, with the prior written consent of Franchisor, elect to have reasonable deductibles in connection with the coverage required under this Section. Such policies shall also include a waiver of subrogation in favor of Franchisor, its affiliates and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them.

12.4 Insurance Disclaimer. Franchisor has no obligation to obtain or maintain any insurance for or on behalf of Franchisee. Nothing in this Agreement is an undertaking or representation that the required insurance will be sufficient for any purpose.

12.5 No Limitation. Franchisee’s obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor shall Franchisee’s performance of that obligation relieve it of liability under the indemnity provisions set forth in Article XV.

12.6 Additional Insured. All required insurance policies shall name Franchisor and its affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall include a waiver of subrogation in favor of the additional insureds. All such insurance policies shall provide that any interest of the additional insureds therein shall not be affected by any breach by Franchisee of any policy provisions. All public liability and property damage policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its servants, agents or employees.

12.7 Certificates of Insurance. Upon execution of this Agreement, and thereafter in accordance with Article II and thirty (30) days prior to the expiration of any such policy,

Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder. Further, all insurance policies required hereunder shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation of the policies.

12.8 Disclaimers. Franchisor does not represent or warrant, and disclaims any guaranty or other assurance, that Franchisee will derive income from or as a result of entering into and/or performing this Agreement; or that Franchisor will repurchase, or refund all or part of any payment or purchase of, any products, equipment supplies or other items. The parties acknowledge that this Agreement pertains to establishing and operating food service counter(s) where Franchisee will make prepared food products for sale to the public; and is not a vending machine, rack, display case or amusement machine business.

12.9 Failure to Maintain. 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 writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

ARTICLE XIII. DEBTS AND TAXES

13.1 Payment. Franchisee shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the franchised business under this Agreement. Without limiting the provisions of Article XV, Franchisee shall be solely liable for the payment of all Taxes and shall indemnify Franchisor for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether Taxes were correctly or legally asserted or not. Franchisee shall submit a copy of all tax filings sent to federal, state, and local tax authorities to Franchisor within ten (10) business days after such filing has been made with the appropriate taxing authority.

13.2 No Deduction. Each payment to be made to Franchisor hereunder shall be made free and clear and without deduction for any Taxes. The term "Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except Taxes imposed on or measured by Franchisor's net income.

13.3 Dispute. In the event of any *bona fide* dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar

writ or warrant or attachment by a creditor, to occur against the premises of the franchised business or any improvements thereon.

ARTICLE XIV. TRANSFER OF INTEREST

14.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Franchisee's consent. Specifically, and without limitation to the foregoing, Franchisee agrees that Franchisor may sell its assets, and may sell or license the Marks or the System to a third party; may offer its securities privately or publicly; may merge, acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks (or any variation thereof) or the System from Franchisor to any other party. Nothing contained in this Agreement shall require Franchisor to offer any services or products, whether or not bearing the Marks, to Franchisee, if Franchisor assigns its rights and responsibilities in this Agreement.

14.2 Transfer by Franchisee.

(a) Consent of Franchisor. Franchisee and the Controlling Principals understand and acknowledge that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of Franchisee and the Controlling Principals and with the expectation that the duties and obligations contained in this Agreement will be performed by Franchisee and those Controlling Principals signing this Agreement. Accordingly, neither Franchisee nor any Controlling Principal, nor any successor or assign of Franchisee or any Controlling Principal, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement, in the Franchise or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.

(b) Conditions. If Franchisee wishes to transfer all or part of its interest in the Franchise or this Agreement or if a Controlling Principal wishes to transfer any ownership interest in Franchisee, transferor and the proposed transferee shall apply to Franchisor for its consent. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, in the Franchise or in this Agreement. Franchisor may, however, in its sole discretion, require any or all of the following as conditions of its consent to any such transfer:

(i) Monetary Obligations. All of the accrued monetary obligations of Franchisee and its affiliates and all other outstanding obligations to Franchisor and its affiliates arising under this Agreement or any other agreement shall have been satisfied in a timely manner and Franchisee shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(ii) No Default. Franchisee and its affiliates shall not be in default of any provision of this Agreement, or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, and Franchisee shall have substantially and timely complied with all the terms and conditions of such agreements during the terms thereof;

(iii) Release. The transferor and its principals (if applicable) shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its affiliates, their respective partners and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations;

(iv) Satisfaction of Criteria. The transferee shall demonstrate to Franchisor's satisfaction that transferee meets the criteria considered by Franchisor when reviewing a prospective franchisee's application for a license, including, but not limited to, Franchisor's educational, managerial and business standards; transferee's moral character, business reputation and credit rating; transferee's aptitude and ability to conduct the franchised business (as may be evidenced by prior related business experience or otherwise); transferee's financial resources and capital for operation of the business; and the geographic proximity and number of other Franchises owned or operated by transferee;

(v) Written Assumption. The transferee shall enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of the transferor contained in this Agreement; and, if transferee is an entity, transferee's owners shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements;

(vi) New Agreement. If requested by Franchisor, the transferee shall execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and other ancillary agreements as Franchisor may require for the Franchise, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee, advertising contribution or expenditure requirement; provided, however, that the transferee shall not be required to pay any initial franchise fee; and, if transferee is an entity, transferee's owners shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements;

(vii) Improvements. The transferee, at its expense, shall renovate, modernize and otherwise upgrade the Franchise and, if applicable, any catering or delivery vehicles to conform to the then-current standards and specifications of the System, and shall complete the upgrading and other requirements within the time period reasonably specified by Franchisor;

(viii) Liability for Prior Acts. The transferor shall remain liable for all of the obligations to Franchisor in connection with the Franchise incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(ix) Training. At the transferee's expense, the transferee, the transferee's operating principal, Director of Operations (as applicable) and/or any other applicable Franchise personnel shall complete any training programs then in effect for franchisees of Franchises upon such terms and conditions as Franchisor may reasonably require;

(x) Transfer Fee. The transferee shall pay to Franchisor a transfer fee of the greater of Ten Thousand Dollars (\$10,000) or Thirty-Five percent of the then current initial franchise fee charged to new franchisees, or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the application to transfer, including, without limitation, legal and accounting fees;

(xi) Entity Representations. If the transferee is an entity, the transferee shall provide to Franchisor evidence satisfactory to Franchisor that the representations, warranties and covenants of Section 6.2 have been satisfied and are true and correct on the date of transfer; and

(xii) No Release from Covenants and Warranties. No assignment, transfer, conveyance, encumbrance or gift of any interest in this Franchise Agreement or the franchise granted hereby shall relieve Franchisee or Franchisee's Operating Principals, Operating Manager, or employees participating in any transfer of liability under the confidentiality and/or noncompetition and nonsolicitation provisions of this Franchise Agreement and of related agreements.

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

(d) Security Interest. Franchisee shall not grant a security interest in the Franchise or in any of Franchisee's assets without Franchisor's prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by Franchisor to agree that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option to be substituted as obligor to the secured party and to cure any default of Franchisee.

14.3 Transfer to Affiliate. If the proposed transfer is to an entity formed solely for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section 14.2(b), except that the requirements in Sections 14.2(b), 14.2(b)(iv), 14.2(b)(vi), 14.2(b)(vii), 14.2(b)(ix), and 14.2(b)(x) shall not apply. With respect to a transfer to an entity formed for the convenience of ownership, Franchisee shall be the owner of all of the voting stock or interest of such entity and if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in such entity as he had in Franchisee prior to the transfer.

14.4 Right of First Refusal.

(a) Notice of Offer. If Franchisee wishes to transfer all or part of its interest in the Franchise or this Agreement or if a Controlling Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by Franchisor describing such offer, 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, closing on such purchase must occur within the later of sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor, sixty (60) days from the date Franchisor receives or obtains all necessary documentation, permits and approvals, or such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 14.2, with respect to a proposed transfer.

(b) Non-Cash Consideration. If an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase the interest proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees. If Franchisor exercises its right of first refusal herein provided, it shall have the right to set off against any payment therefor (i) all fees for any such independent appraiser due from Franchisee hereunder, and (ii) all amounts due from Franchisee to Franchisor or any of its affiliates.

(c) Default. Failure to comply with the provisions of this Section prior to the transfer of any interest in Franchisee, the Franchise or this Agreement shall constitute a material event of default under this Agreement.

14.5 Death and Permanent Disability.

(a) Death. Upon the death of Franchisee (if Franchisee is a natural person) or any Controlling Principal who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party in accordance with the conditions described in this Article within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within twelve (12) months after the death of the Deceased.

(b) Permanent Disability. Upon the permanent disability of Franchisee (if Franchisee is a natural person) or any Controlling Principal who is a natural person, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article within six (6) months after notice to Franchisee. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity that would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section. The costs of any examination required by this Section shall be paid by Franchisor.

(c) Notice. Upon the death or claim of permanent disability of Franchisee or any Controlling Principal, Franchisee or a representative of Franchisee must notify Franchisor of such death or claim of permanent disability within five (5) days of its occurrence. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Section for any *inter vivos* transfer. If an interest is not transferred upon death or permanent disability as required in this Section, then such failure shall constitute a material event of default under this Agreement.

14.6 No Waiver. Franchisor’s consent to a transfer of any interest described herein shall not constitute a waiver of any claims that 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 transferee.

14.7 Transfers by Franchisee’s Principals. If any person holding an interest in Franchisee, this Agreement or the Franchise (other than Franchisee or a Controlling Principal, which parties shall be subject to the provisions set forth above) transfers such interest, then Franchisee shall promptly notify Franchisor of such proposed transfer in writing and shall provide such information relative thereto as Franchisor may reasonably request prior to such transfer. Such transferee may not be a competitor of Franchisor. Such transferee will be a Franchisee’s Principal and as such will have to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by Franchisor, which form shall be in substantially the form attached hereto as Attachment C (*see* Sections 10.2(b) and 10.3(d)). Franchisor also reserves the right to designate the transferee as one of the Controlling Principals.

ARTICLE XV. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

15.1 Relationship. The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose.

15.2 Notice to Public. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor conducting its Franchise operations pursuant to the rights granted by Franchisor. Franchisee agrees to take such action as shall be necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Franchise premises established for the purposes hereunder or on any catering or delivery vehicle and on all letterhead, business cards, forms, and as further described in the Manuals, Franchisor reserves the right to specify in writing the content and form of such notice.

15.3 No Authority. Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee or any of the Controlling Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Controlling Principals or any claim or judgment arising therefrom.

15.4 Employment Policies. Franchisor does not exercise any direction or control over the employment policies or employment decisions of Franchisee. All employees of Franchisee are solely employees of Franchisee, not Franchisor. Franchisee is not Franchisor's agent for any purpose in regard to Franchisee's employees or otherwise.

15.5 Indemnification. Franchisee shall and hereby does indemnify and shall defend at its own cost and save harmless Franchisor, its affiliates, their officers and employees, and their respective successors and assigns, from and against all losses, costs, liabilities, damages, claims and expenses, of every kind and description, however caused, and including reasonable attorney fees, directly or indirectly arising out of or resulting from the construction, operation, alteration, repair or use of the franchised business or the Franchise premises, including the sale of any food or beverage products, service or merchandise by the franchised business, or of any other business conducted on or in connection with the franchised business by the Franchisee, pertaining to or arising out of or in connection with Franchisee's or Franchisee's Principals', agents', or employees' infringement of any Proprietary Mark, patent or copyright or any misuse of Franchisor's confidential information, violation, breach or asserted violation or breach of any federal, state, or local law, regulation or rule, breach of any representation, covenant or provision of this Agreement or any other agreement between Franchisor and Franchisee or any of its affiliates, and/or acts, errors or omissions incurred in connection with or arising out of the franchised business, including any negligent or intentional acts. This indemnification specifically includes allegations of negligence by Franchisor, or its employees and agents, whether such negligence be sole, joint or concurrent, or active or passive, arising out of or resulting from the matters specified in the preceding sentence. Franchisee shall promptly give written notice to Franchisor of any action, suit, proceeding, claim, demand, inquiry, or investigation related to the foregoing. Franchisor shall in any event have the right, through counsel of its choice at Franchisee's expense, to control the defense or response to any such action if it could affect the interests of Franchisor and such undertaking by Franchisor shall not, in any manner or form, diminish Franchisee's obligations to Franchisor hereunder. Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under this indemnification and against Franchisee, and the failure of Franchisor to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by Franchisor from Franchisee. The obligations of Franchisee under this Section

shall survive the termination, expiration, or transfer of this Agreement, or any interest herein. Franchisee shall not be required to indemnify any indemnified party to the extent damages or relief otherwise covered under this Section 15.5 are the result of the Franchisee's compliance with or use of procedures or materials provided by Franchisor.

ARTICLE XVI. DEFAULT AND TERMINATION

16.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or 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; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchise premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of Franchisee's Franchise shall be sold after levy thereupon by any sheriff, marshal or constable.

16.2 Default with No or Limited Right to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, upon the occurrence of any of the following events.

(a) Unauthorized Location. If Franchisee operates the Franchise or sells any products or services authorized by Franchisor for sale at the Franchise at a location, which has not been approved by Franchisor.

(b) Failure to Open. If Franchisee fails to open the Franchise for business within the period specified.

(c) Failure to Pass. Franchisee fails to satisfactorily complete initial training in Franchisor's sole judgment or to pass any required criminal background check and/or drug, tuberculosis or other chemical and disease testing

(d) Cease to Operate. If Franchisee at any time ceases to operate or otherwise abandons the Franchise, or loses the right to possession of the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchise is located; provided, however, that this provision shall not apply in cases of *Force Majeure* (acts of God, strikes,

lockouts or other industrial disturbances, war, riot, epidemic, fire or other catastrophe or other forces beyond Franchisee's control), if through no fault of Franchisee, the premises are damaged or destroyed by an event as described above, provided that Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such reconstruction or relocation.

(e) Conviction. If Franchisee or any of the Controlling Principals is convicted of, or has entered a plea of *nolo contendere* to, 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 Marks, the goodwill associated therewith, or Franchisor's interests therein.

(f) Threat to Public Health. If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchise.

(g) Material Complaint. Any material complaint or subjective dissatisfaction expressed by the owner(s) or managers of the facility where any Food Service Counter operated by Franchisee is located, regardless of the reason for such complaint or subjective dissatisfaction; or the owner(s) or managers of the facility object for any reason to the continued operation of the Food Service Counter at the facility.

(h) Failure to Maintain Operating Principal or Director of Operations. If Franchisee fails to designate a qualified replacement or successor Operating Principal (or his designee, as applicable) or Director of Operations within the time required under Section 6.3(c).

(i) Interference. Franchisee interferes or attempts to interfere with Franchisor's contractual relations with any third party, including but not limited to other franchisees, or interferes or attempts to interfere with Franchisor's ability or right to grant franchises or licenses to others to use the Marks or the System.

(j) Transfer Without Consent. If Franchisee or any of the Controlling Principals purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Franchise to any third party without Franchisor's prior written consent or without offering Franchisor a right of first refusal with respect to such transfer, contrary to the terms of Article XIV.

(k) Monetary Default. If Franchisee or any of its affiliates fails, refuses, or neglects promptly to pay when due any monetary obligation owing to Franchisor, or any of its affiliates or vendors, under this Agreement or any other agreement, or to submit the financial or other information required by Franchisor under this Agreement and does not cure such default within five (5) days following notice from Franchisor (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five (5) days, in which case the five (5) day cure period shall apply).

(l) Noncompetition. If Franchisee or any of the Controlling Principals fails to comply with the in-term covenants in Section 10.3 or Franchisee fails to obtain execution of the covenants and related agreements required under Section 10.3(g) within thirty (30) days after being requested to do so by Franchisor.

(m) Confidential Information. If, contrary to the terms of Section 10.2(a), Franchisee or any of the Controlling Principals discloses or divulges any confidential information provided to Franchisee or the Controlling Principals by Franchisor, or fails to obtain execution of covenants and related agreements required under Section 10.2(b) within thirty (30) days after being requested to do so by Franchisor.

(n) Transfer Upon Death or Disability. If an approved transfer upon death or permanent disability of Franchisee or any Controlling Principal is not effected within the time period and in the manner prescribed by Section 14.5.

(o) False Books. If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor.

(p) Breach of Certain Covenants. If Franchisee or any of the Controlling Principals breaches in any material respect any of the covenants set forth in Section 6.2 or has falsely made any of the representations or warranties set forth in Section 6.2.

(q) Failure to Maintain Insurance. If Franchisee fails to procure and maintain such insurance policies as required by Article XII and Franchisee fails to cure such default within seven (7) days following notice from Franchisor.

(r) Misuse of Marks. If Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or with the System or Franchisor's rights therein; and does not cure such default within twenty-four (24) hours following notice from Franchisor.

(s) Default Under Lease. If Franchisee fails to comply with any of the requirements imposed by the lease for the Franchise premises or the related collateral assignment of lease in favor of Franchisor, and does not cure such default within the cure period, if any, specified in the lease or assignment.

(t) Cross-Default. If Franchisee or any of its affiliates are in default under any Franchise Agreement with Franchisor or any of its affiliates and does not cure such default within the time period provided in such Franchise Agreement.

(u) Multiple Defaults. If Franchisee and/or the Controlling Principals commit three (3) or more events of default under this Agreement in any 24-month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor.

16.3 Default and Right to Cure. Except as provided in Sections 16.1 and 16.2 of this Agreement, upon any default by Franchisee that is susceptible of being cured, Franchisor may terminate this Agreement by giving written notice of termination stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination. However, Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the 30-day period and by promptly providing proof thereof to Franchisor. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to

Franchisee effective immediately upon the expiration of the thirty-day period or such longer period as applicable law may require. Defaults that are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

(a) If Franchisee fails to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended or reasonably be supplemented by Franchisor, or fails to carry out the terms of this Agreement in good faith.

(b) If Franchisee fails to maintain or observe any of the standards, specifications or procedures prescribed by Franchisor in this Agreement or otherwise in writing.

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

ARTICLE XVII. POST-TERMINATION

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

17.1 Cease Operation. Franchisee shall immediately cease to operate the Franchise under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor. Franchisee shall take all steps reasonably requested by Franchisor with regard to Franchisee's obligations upon termination of the Agreement.

17.2 Cease Use of Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures, and techniques associated with the System; the mark "International Food Creations"; and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles, which display the Marks.

17.3 Cancel Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration that contains the mark "International Food Creations" or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

17.4 No Imitation. Franchisee agrees, if it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake, or deception, or that is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to utilize any designation of origin or description or representation that falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

17.5 Payment of Monetary Obligations. Within three (3) days following termination, Franchisee and its Controlling Principals shall pay all sums owing to Franchisor and its affiliates.

Such sums shall include all damages, costs and expenses, including reasonable attorney fees, incurred by Franchisor as a result of any default by Franchisee, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

17.6 Payment of Damages. Franchisee and the Controlling Principals shall pay to Franchisor all damages, costs and expenses, including reasonable attorney fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Article.

17.7 Return of Manuals and Recipes. Franchisee shall immediately deliver to Franchisor all Manuals, proprietary recipes, records, files, instructions, correspondence, all materials related to operating the Franchise, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Franchise in Franchisee's possession or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law.

17.8 Confidentiality and Noncompetition. Franchisee and the Controlling Principals shall comply with the restrictions on confidential information contained in Article X and shall also comply with the non-competition covenants contained in Article X. Any other person required to execute similar covenants pursuant to Article X shall also comply with such covenants.

17.9 Right to Purchase. On termination or expiration of this Agreement, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter(s). For this Section 17.9, "Assets" means equipment, supplies, signage and non-perishable inventory.

(a) Purchase Price. The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

(b) Payment. The balance of the purchase price, after the deductions in Section 17.9(a), shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

(c) Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at Franchisee's Food Service Counter(s) at the time of expiration or termination of this Agreement. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

17.10 Assignment of Options. Franchisor shall be entitled to assign any and all of its options in this Section to any other party, without the consent of Franchisee.

17.11 Assignment of Telephone Numbers. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchise and any related Yellow Pages trademark listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisor under Section 6.8, Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, e-mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

17.12 Entry to Premises. If Franchisee fails or refuses to comply with the requirements of this Section (including, without limitation, removal of all signs and materials containing the Marks or the name, logo or colors of Franchisor), Franchisor or its designees may enter the franchise premises without being guilty of trespass or any other crime or tort to make or cause to be made, the changes that are required, at Franchisee's expense, which Franchisee shall pay Franchisor upon demand.

ARTICLE XVIII. MISCELLANEOUS

18.1 Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by prepaid facsimile or email (provided that the sender confirms the facsimile or email by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission) 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:	INTERNATIONAL FOOD CREATIONS, LLC
	Attn: Michael Yoshino
	2390 Crenshaw Blvd., Suite 803
	Torrance, CA 90501
	877-468-3003

Notices to Franchisee and
the Controlling Principals: _____

Attention: _____
Facsimile: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile or email, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or certified mail, three (3) business days after the date and time of mailing.

18.2 Entire Agreement. This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

18.3 Amendments. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.4 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 the Controlling Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Franchisee or the Controlling Principals, or as to a subsequent breach or default by Franchisee or the Controlling Principals. Acceptance by Franchisor of any payments due to it hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or the Controlling Principals of any terms, provisions, covenants or conditions of this Agreement.

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

18.6 No Warranties. Franchisor makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

18.7 Force Majeure. If a *Force Majeure* event shall occur, then, in addition to payments required under Section 16.2(c), Franchisee shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of any *Force Majeure* event and the Indemnitees

shall continue to be indemnified and held harmless by Franchisee in accordance with Article XV. Except as provided in Section 16.2(c) and the immediately preceding sentence herein, none of the parties hereto shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure. Upon the occurrence of any event of the type referred to herein, the party affected thereby shall give prompt notice thereof to the other parties, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected thereby and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused.

18.8 MEDIATION. THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT (AND ATTACHMENTS) OR THE RELATIONSHIP CREATED BY THIS AGREEMENT TO NON-BINDING MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED THROUGH EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY, EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES, AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION OF ANY CLAIM, CONTROVERSY OR DISPUTE (NOT TO EXCEED FIFTEEN (15) DAYS), BY THE ARBITRATION SERVICE OF PORTLAND IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION, AT FRANCHISOR'S DESIGNATED LOCATION IN PORTLAND, OREGON. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING COMPENSATION AND EXPENSES OF THE MEDIATOR (AND EXCEPT FOR THE ATTORNEYS FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN THE MATTER SHALL BE SUBMITTED TO ARBITRATION IN ACCORDANCE WITH SECTION 18.9 TO RESOLVE SUCH CLAIM, CONTROVERSY OR DISPUTE UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES. NOTWITHSTANDING THE FOREGOING, FRANCHISOR MAY BRING AN ACTION (1) FOR MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (3) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY IN A COURT HAVING JURISDICTION AND IN ACCORDANCE WITH SECTION 18.10, WITHOUT FIRST SUBMITTING SUCH ACTION TO MEDIATION OR ARBITRATION.

18.9 ARBITRATION.

(a) PROCEDURE. EXCEPT AS PROVIDED IN THIS AGREEMENT, FRANCHISOR, FRANCHISEE AND THE CONTROLLING PRINCIPALS AGREE THAT ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING TO THE FRANCHISE, FRANCHISEE'S ESTABLISHMENT OR OPERATION OF ANY FRANCHISE UNDER THIS AGREEMENT (AND ANY AMENDMENTS THERETO) INCLUDING, BUT

NOT LIMITED TO, ANY CLAIM BY FRANCHISEE, OR ANY OF THE CONTROLLING PRINCIPALS, OR PERSONS CLAIMING ON BEHALF OF FRANCHISEE OR THE CONTROLLING PRINCIPALS, CONCERNING THE ENTRY INTO, THE PERFORMANCE UNDER OR THE TERMINATION OF THE AGREEMENT, OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR, OR ITS AFFILIATES, AND FRANCHISEE, ANY CLAIM AGAINST A PAST OR PRESENT OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF FRANCHISOR, INCLUDING THOSE OCCURRING SUBSEQUENT TO THE TERMINATION OF THIS AGREEMENT, THAT CANNOT BE AMICABLY SETTLED AMONG THE PARTIES OR THROUGH MEDIATION SHALL, EXCEPT AS SPECIFICALLY SET FORTH HEREIN AND IN SECTION 18.10, BE REFERRED TO ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED THROUGH AN ORGANIZATION OR BODY EXPERIENCED IN THE ARBITRATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES DESIGNATED BY FRANCHISOR. IF FRANCHISOR FAILS TO DESIGNATE AN ORGANIZATION OR BODY WITHIN A REASONABLE TIME AFTER THE DISPUTE HAS BEEN REFERRED FOR ARBITRATION (NOT TO EXCEED FIFTEEN (15) DAYS), ARBITRATION SHALL BE CONDUCTED BY THE ARBITRATION SERVICE OF PORTLAND IN ACCORDANCE WITH THE RULES OF THE ARBITRATION SERVICE OF PORTLAND, AS AMENDED, EXCEPT THAT THE ARBITRATOR SHALL APPLY THE FEDERAL RULES OF EVIDENCE DURING THE CONDUCT OF THE HEARING SESSIONS WITH RESPECT TO THE ADMISSIBILITY OF EVIDENCE. IF SUCH RULES ARE IN ANY WAY CONTRARY TO OR IN CONFLICT WITH THIS AGREEMENT, THE TERMS OF THE AGREEMENT SHALL CONTROL. ONLY CLAIMS, CONTROVERSIES OR DISPUTES INVOLVING FRANCHISEE AND THE CONTROLLING PRINCIPALS MAY BE BROUGHT HEREUNDER. NO CLAIM FOR OR ON BEHALF OF ANY OTHER FRANCHISEE OR SUPPLIER, OR CLASS, REPRESENTATIVE OR ASSOCIATION THEREOF, MAY BE BROUGHT BY FRANCHISEE OR THE CONTROLLING PRINCIPALS HEREUNDER.

(b) ARBITRATOR. THE PARTIES SHALL AGREE ON AN ARBITRATOR WITHIN FIFTEEN (15) DAYS OF THE FILING OF ARBITRATION. IF THE PARTIES CANNOT AGREE ON A SINGLE ARBITRATOR, FRANCHISOR AND FRANCHISEE (OR CONTROLLING PRINCIPAL, AS APPLICABLE) SHALL EACH SELECT ONE ARBITRATOR. IF THE PARTY UPON WHOM THE DEMAND FOR ARBITRATION IS SERVED FAILS TO SELECT AN ARBITRATOR WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THE DEMAND FOR ARBITRATION, THEN THE ARBITRATOR SO DESIGNATED BY THE PARTY REQUESTING ARBITRATION SHALL ACT AS THE SOLE ARBITRATOR TO RESOLVE THE CONTROVERSY AT HAND. THE TWO ARBITRATORS DESIGNATED BY THE PARTIES SHALL SELECT A THIRD ARBITRATOR. IF THE TWO ARBITRATORS DESIGNATED BY THE PARTIES FAIL TO SELECT A THIRD ARBITRATOR WITHIN FIFTEEN (15) DAYS, THE THIRD ARBITRATOR SHALL BE SELECTED BY THE ORGANIZATION AGREED UPON OR THE ARBITRATION SERVICE OF PORTLAND OR ANY SUCCESSOR THERETO, UPON APPLICATION BY EITHER PARTY. ALL OF THE ARBITRATORS SHALL BE EXPERIENCED IN THE ARBITRATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES. THE ARBITRATION SHALL TAKE PLACE AT FRANCHISOR'S CORPORATE OFFICES. THE AWARD OF THE ARBITRATORS SHALL BE FINAL AND JUDGMENT UPON THE AWARD RENDERED IN ARBITRATION MAY BE ENTERED IN ANY COURT HAVING

JURISDICTION THEREOF. THE COSTS AND EXPENSES OF ARBITRATION MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATORS SHALL BE REQUIRED TO SUBMIT WRITTEN FINDINGS OF FACT AND CONCLUSIONS OF LAW WITHIN THIRTY (30) BUSINESS DAYS FOLLOWING THE FINAL HEARING SESSION OF THE ARBITRATION. THE COSTS AND EXPENSES OF ARBITRATION, INCLUDING COMPENSATION AND EXPENSES OF THE ARBITRATORS, SHALL BE BORNE BY THE PARTIES AS THE ARBITRATORS DETERMINE.

(c) EXCEPTIONS. NOTWITHSTANDING THE ABOVE, THE FOLLOWING SHALL NOT BE SUBJECT TO ARBITRATION:

(i) DISPUTES AND CONTROVERSIES ARISING FROM THE SHERMAN ACT, THE CLAYTON ACT OR ANY OTHER FEDERAL OR STATE ANTITRUST LAW;

(ii) DISPUTES AND CONTROVERSIES BASED UPON OR ARISING UNDER THE LANHAM ACT, AS NOW OR HEREAFTER AMENDED, RELATING TO THE OWNERSHIP OR VALIDITY OF THE MARKS; AND

(iii) DISPUTES AND CONTROVERSIES RELATING TO ACTIONS TO OBTAIN POSSESSION OF THE PREMISES OF THE FRANCHISE UNDER LEASE OR SUBLEASE.

(d) SPECIFIC PERFORMANCE. IF FRANCHISOR SHALL DESIRE TO SEEK SPECIFIC PERFORMANCE OR OTHER EXTRAORDINARY RELIEF INCLUDING, BUT NOT LIMITED TO, INJUNCTIVE RELIEF UNDER THIS AGREEMENT AND ANY AMENDMENTS THERETO, OR TO COLLECT MONIES DUE, THEN ANY SUCH ACTION SHALL NOT BE SUBJECT TO ARBITRATION AND FRANCHISOR SHALL HAVE THE RIGHT TO BRING SUCH ACTION AS DESCRIBED IN SECTION 18.10.

(e) LIMITS ON ARBITRATOR. IN PROCEEDING WITH ARBITRATION AND IN MAKING DETERMINATIONS HEREUNDER, THE ARBITRATORS SHALL NOT EXTEND, MODIFY OR SUSPEND ANY TERMS OF THIS AGREEMENT OR THE REASONABLE STANDARDS OF BUSINESS PERFORMANCE AND OPERATION ESTABLISHED BY FRANCHISOR IN GOOD FAITH. NOTICE OF OR REQUEST TO OR DEMAND FOR ARBITRATION SHALL NOT STAY, POSTPONE OR RESCIND THE EFFECTIVENESS OF ANY TERMINATION OF THIS AGREEMENT. THE ARBITRATORS SHALL APPLY OREGON LAW AND THE TERMS OF THIS AGREEMENT IN REACHING THEIR DECISION.

18.10 GOVERNING LAW AND VENUE. WITH RESPECT TO ANY CLAIMS, CONTROVERSIES OR DISPUTES THAT ARE NOT FINALLY RESOLVED THROUGH MEDIATION OR ARBITRATION, OR AS OTHERWISE PROVIDED ABOVE, FRANCHISEE AND THE CONTROLLING PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF OREGON AND THE FEDERAL DISTRICT COURT FOR THE DISTRICT OF OREGON. FRANCHISEE AND THE CONTROLLING PRINCIPALS HEREBY WAIVE ALL QUESTIONS OF PER-

SONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE AND THE CONTROLLING PRINCIPALS HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY OREGON OR FEDERAL LAW. FRANCHISEE AND THE CONTROLLING PRINCIPALS FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE MULTNOMAH COUNTY, OREGON; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION (1) FOR MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (3) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, FRANCHISOR MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT THAT HAS JURISDICTION. WITH RESPECT TO ALL CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS, RELATED TO THIS AGREEMENT OR THE RELATIONSHIP CREATED THEREBY, THIS AGREEMENT AND ANY SUCH RELATED CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS SHALL BE GOVERNED, ENFORCED AND INTERPRETED UNDER OREGON LAW.

18.11 MUTUAL BENEFIT. FRANCHISEE, THE CONTROLLING PRINCIPALS AND FRANCHISOR ACKNOWLEDGE THAT THE PARTIES' AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH IN SECTION 18.10 PROVIDE EACH OF THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH OF FRANCHISEE, THE CONTROLLING PRINCIPALS AND FRANCHISOR FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT AND THAT EACH PARTY'S AGREEMENT REGARDING APPLICABLE STATE LAW AND CHOICE OF FORUM HAVE BEEN NEGOTIATED FOR IN GOOD FAITH AND ARE PART OF THE BENEFIT OF THE BARGAIN REFLECTED BY THIS AGREEMENT.

18.12 PERFORMANCE IN LOS ANGELES, CALIFORNIA. FRANCHISEE, THE CONTROLLING PRINCIPALS AND FRANCHISOR ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN LOS ANGELES, CALIFORNIA, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF FRANCHISEE ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN LOS ANGELES, CALIFORNIA.

18.13 DISPUTE RESOLUTION PROGRAM. WITHOUT LIMITING ANY OF THE FOREGOING, FRANCHISOR RESERVES THE RIGHT, AT ANY TIME, TO CREATE A DISPUTE RESOLUTION PROGRAM AND RELATED SPECIFICATIONS, STANDARDS, PROCEDURES AND RULES FOR THE IMPLEMENTATION THEREOF TO BE ADMINISTERED BY FRANCHISOR OR ITS DESIGNEES FOR THE BENEFIT OF ALL FRANCHISEES CONDUCTING BUSINESS UNDER THE SYSTEM. THE STANDARDS,

SPECIFICATIONS, PROCEDURES AND RULES FOR SUCH DISPUTE RESOLUTION PROGRAM SHALL BE MADE PART OF THE MANUALS AND IF MADE PART OF THE MANUALS, ON EITHER A VOLUNTARY OR MANDATORY BASIS, FRANCHISEE SHALL COMPLY WITH ALL SUCH STANDARDS, SPECIFICATIONS, PROCEDURES AND RULES IN SEEKING RESOLUTION OF ANY CLAIMS, CONTROVERSIES OR DISPUTES WITH OR INVOLVING FRANCHISOR OR OTHER FRANCHISEES, IF APPLICABLE UNDER THE PROGRAM. IF SUCH DISPUTE RESOLUTION PROGRAM IS MADE MANDATORY, THEN FRANCHISEE AND FRANCHISOR AGREE TO SUBMIT ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT (AND ATTACHMENTS) OR THE RELATIONSHIP CREATED BY THIS AGREEMENT FOR RESOLUTION IN ACCORDANCE WITH SUCH DISPUTE RESOLUTION PROGRAM PRIOR TO SEEKING RESOLUTION OF SUCH CLAIMS, CONTROVERSIES OR DISPUTES IN THE MANNER DESCRIBED IN SECTIONS 18.8 to 18.10 (PROVIDED THAT THE PROVISIONS OF SECTION 18.10 CONCERNING FRANCHISOR'S RIGHT TO SEEK RELIEF IN A COURT FOR CERTAIN ACTIONS INCLUDING FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF SHALL NOT BE SUPERSEDED OR AFFECTED BY THIS SECTION) OR IF SUCH CLAIM, CONTROVERSY OR DISPUTE RELATES TO ANOTHER FRANCHISEE, FRANCHISEE AGREES TO PARTICIPATE IN THE PROGRAM AND SUBMIT ANY SUCH CLAIMS, CONTROVERSIES OR DISPUTES IN ACCORDANCE WITH THE PROGRAM'S STANDARDS, SPECIFICATIONS, PROCEDURES AND RULES, PRIOR TO SEEKING RESOLUTION OF SUCH CLAIM BY ANY OTHER JUDICIAL OR LEGALLY AVAILABLE MEANS.

18.14 WAIVER OF CERTAIN DAMAGES. FRANCHISEE AND THE CONTROLLING PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, FRANCHISEE AND THE CONTROLLING PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

18.15 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

18.16 Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

18.17 Survival. Any obligation of Franchisee or the Controlling Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or the Controlling Principals therein, shall be deemed to survive such termination, expiration or transfer.

18.18 Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision 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, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

18.19 Construction. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Controlling Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by Franchisee in this Agreement shall be deemed, jointly and severally, undertaken by all of the Controlling Principals.

18.20 Remedies. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article XVI shall not discharge or release Franchisee or any of the Controlling Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

18.21 Franchisee's Principals and Controlling Principals. The term "Franchisee's Principals" shall include, collectively and individually, Franchisee's spouse, if Franchisee is an individual, all officers and directors of Franchisee (including the officers and directors of any entity that controls Franchisee) whom Franchisor designates as Franchisee's Principals and all

holders of an ownership interest in Franchisee and of any entity directly or indirectly controlling Franchisee, and any other person or entity controlling, controlled by or under common control with Franchisee. The initial Franchisee's Principals shall be listed on Attachment A. The term "Controlling Principals" shall include, collectively and individually, any Franchisee's Principal who has been designated by Franchisor as a Controlling Principal hereunder. For purposes of this Agreement, a publicly held corporation is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

18.22 Legal Entities. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of any other entity.

18.23 No Third-Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Article XIV), any rights or remedies under or as a result of this Agreement.

ARTICLE XIX. ACKNOWLEDGMENTS

19.1 Independent Investigation. Franchisee recognizes that the success of this business venture involves substantial business risks and will largely depend upon the ability of Franchisee. Franchisor expressly disclaims making any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

19.2 Review and Understanding. Franchisee acknowledges that Franchisee has received, read and understands this Agreement and the related Attachments and agreements and that Franchisor has afforded Franchisee sufficient time and opportunity to consult with advisors selected by Franchisee about the potential benefits and risks of entering into this Agreement.

19.3 Receipt of Documents. Franchisee acknowledges that it received a complete copy of this Agreement and all related Attachments and agreements at least five (5) business days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least ten (10) business days prior to the date on which this Agreement was executed.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

FRANCHISOR:

FRANCHISEE:

INTERNATIONAL FOOD CREATIONS, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ATTACHMENT A

FULL-TIME LOCATION FRANCHISE ADDENDUM

This Full-Time Location Franchise Addendum (this “Addendum”) is made this ____ day of _____, 20____ by and between International Food Creations, LLC (“Franchisor”) and _____ (“Franchisee”)

RECITALS

Franchisor and Franchisee entered into a Franchise Agreement dated _____ (the “Franchise Agreement”). By this Addendum, Franchisee and Franchisor want to designate a location to be operated by Franchisee pursuant to Section 1 of the Franchise Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

The following provisions shall added to and made part of the Franchise Agreement:

1. Grant. Franchisor grants Franchisee the right to establish and operate a full-time Food Service Counter (the “Food Service Counter”) using the System and the Marks at the following location:

(the “Location”).

2. Initial Fee. Contemporaneous with the execution of the Franchise Agreement and this Addendum, Franchisee shall pay to Franchisor an initial fee of Five Thousand Dollars (\$5,000.00). The fee is fully earned and is nonrefundable.

3. Term. The term of this Addendum starts immediately and shall expire or terminate at the same time as the Franchise Agreement. Franchisee shall start operating the Food Service Counter not later than _____, 20____, unless Franchisor approves in writing an extension.

4. Initial Inventory. Before Franchisee commences business operations, Franchisor may elect to provide the Food Service Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor’s charges for these items.

5. Payment to Franchisee. Subject to Section 4.3 of the Franchise Agreement, Franchisor shall return to Franchisee ____ % of the Gross Sales of the Food Service Counter, as reported by and received from the owner of the facility where the Food Service Counter is located. Franchisor shall pay the amounts due to Franchisee, within 30 days after receiving the sales report and payment for the applicable period from the facility owner.

6. Operating Hours and Staffing. The Food Service Counter shall be operated on a full-time basis each day that the location where the Food Service Counter is located is open for business.

The Food Service Counter shall have sufficient amount of food prepared and placed in the display case by 11:00 a.m. each day. The Food Service Counter shall be staffed during key trading hours. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure the Food Service Counter is adequately staffed and that the display case is adequately stocked during business hours.

7. Termination. Coextensive with Section 16 of the Franchise Agreement, Franchisor may terminate this Addendum as follows:

7.1 Franchisor may elect to terminate this Addendum for any grounds permitted in Section 16 of the Franchise Agreement. The parties mutually acknowledge that any termination of this Addendum shall not by itself be a termination of the Franchise Agreement or any other addendum between Franchisee and Franchisor. On termination of this Addendum, Franchisee shall comply with all the post termination provisions of Section 17 of the Franchise Agreement as applicable to the Food Service Counter.

7.2 Franchisor shall have the right to elect whether or not to terminate this Addendum either together with, or separate from the rest of the Franchise Agreement or any other addendum between Franchisee and Franchisor, according to the provisions of Sections 16.1 through 15.3 of the Franchise Agreement.

7.3 On termination or expiration of this Addendum, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter. "Assets" means equipment, supplies, signage and non-perishable inventory.

7.4 The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

7.5 The balance of the purchase price, after the deductions in Section 7.4, shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

7.6 Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at the Food Service Counter at the time of expiration or termination of this Addendum. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

8. Integration. Franchisee shall comply with all requirements of the Franchise Agreement. All Franchise Agreement definitions shall apply to this Addendum. This Addendum is incorporated into the Franchise Agreement and is subject to all terms and conditions of the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, the more specific provisions of this Addendum shall prevail.

9. Statement of Ownership Interests. The following is a list of all shareholders, partners, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Nature of Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

10. Franchisee's Principals. In addition to the persons listed in Paragraph 5, the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 18.21 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment C (*see* Sections 10.2(b) and 10.3(g)) of the Franchise Agreement):

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

FRANCHISOR:

FRANCHISEE:

INTERNATIONAL FOOD CREATIONS, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ATTACHMENT B

PART-TIME LOCATION FRANCHISE ADDENDUM

This Part-Time Location Franchise Addendum (this "Addendum") is made this ____ day of _____, 20____ by and between International Food Creations, LLC ("Franchisor") and _____ ("Franchisee")

RECITALS

Franchisor and Franchisee entered into a Franchise Agreement dated _____ (the "Franchise Agreement"). By this Addendum, Franchisee and Franchisor want to designate a location to be operated by Franchisee pursuant to Section 1 of the Franchise Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

The following provisions shall added to and made part of the Franchise Agreement:

1. Grant. Franchisor grants Franchisee the right to establish and operate a part-time Food Service Counter (the "Food Service Counter") using the System and the Marks at the following location:

(the "Location").

2. Term. The term of this Addendum starts immediately and shall expire or terminate at the same time as the Franchise Agreement. Franchisee shall start operating the Food Service Counter not later than _____, 20____, unless Franchisor approves in writing an extension.

3. Initial Inventory. Before Franchisee commences business operations, Franchisor may elect to provide the Food Service Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor's charges for these items.

4. Payment to Franchisee. Subject to Section 4.3 of the Franchise Agreement, Franchisor shall return to Franchisee ____ % of the Gross Sales of the Food Service Counter, as reported by and received from the owner of the facility where the Food Service Counter is located. Franchisor shall pay the amounts due to Franchisee, within 30 days after receiving the sales report and payment for the applicable period from the facility owner.

5. Operating Hours and Staffing. The Food Service Counter shall be operated on a part-time basis each day that the location where the Food Service Counter is located is open for business. The Food Service Counter shall have sufficient amount of food prepared and placed in the display case by 11:00 a.m. each day. As a part-time location, the Food Service Counter shall not be required to have personnel physically present more than four hours per day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall

ensure the Food Service Counter is adequately staffed and that the display case is adequately stocked during business hours.

6. Termination. Coextensive with Section 16 of the Franchise Agreement, Franchisor may terminate this Addendum as follows:

6.1 Franchisor may elect to terminate this Addendum for any grounds permitted in Section 16 of the Franchise Agreement. The parties mutually acknowledge that any termination of this Addendum shall not by itself be a termination of the Franchise Agreement or any other addendum between Franchisee and Franchisor. On termination of this Addendum, Franchisee shall comply with all the post termination provisions of Section 17 of the Franchise Agreement as applicable to the Food Service Counter.

6.2 Franchisor shall have the right to elect whether or not to terminate this Addendum either together with, or separate from the rest of the Franchise Agreement or any other addendum between Franchisee and Franchisor, according to the provisions of Sections 16.1 through 15.3 of the Franchise Agreement.

6.3 On termination or expiration of this Addendum, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter. "Assets" means equipment, supplies, signage and non-perishable inventory.

6.4 The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

6.5 The balance of the purchase price, after the deductions in Section 7.4, shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

6.6 Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at the Food Service Counter at the time of expiration or termination of this Addendum. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

7. Integration. Franchisee shall comply with all requirements of the Franchise Agreement. All Franchise Agreement definitions shall apply to this Addendum. This Addendum is

incorporated into the Franchise Agreement and is subject to all terms and conditions of the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, the more specific provisions of this Addendum shall prevail.

8. Statement of Ownership Interests. The following is a list of all shareholders, partners, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Nature of Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

9. Franchisee's Principals. In addition to the persons listed in Paragraph 5, the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 18.21 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment C (*see* Sections 10.2(b) and 10.3(g)) of the Franchise Agreement):

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written

FRANCHISOR:

FRANCHISEE:

INTERNATIONAL FOOD CREATIONS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SELF-SERVICE LOCATION FRANCHISE ADDENDUM

This Part-Time Location Franchise Addendum (this "Addendum") is made this ____ day of _____, 20____ by and between International Food Creations, LLC ("Franchisor") and _____ ("Franchisee")

RECITALS

Franchisor and Franchisee entered into a Franchise Agreement dated _____ (the "Franchise Agreement"). By this Addendum, Franchisee and Franchisor want to designate a location to be operated by Franchisee pursuant to Section 1 of the Franchise Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

The following provisions shall added to and made part of the Franchise Agreement:

1. **Grant.** Franchisor grants Franchisee the right to establish and operate a self-service Food Service Counter (the "Food Service Counter") using the System and the Marks at the following location:

(the "Location").

2. **Term.** The term of this Addendum starts immediately and shall expire or terminate at the same time as the Franchise Agreement. Franchisee shall start operating the Food Service Counter not later than _____, 20____, unless Franchisor approves in writing an extension.

3. **Initial Inventory.** Before Franchisee commences business operations, Franchisor may elect to provide the Food Service Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor's charges for these items.

4. **Payment to Franchisee.** Subject to Section 4.3 of the Franchise Agreement, Franchisor shall return to Franchisee ____ % of the Gross Sales of the Food Service Counter, as reported by and received from the owner of the facility where the Food Service Counter is located. Franchisor shall pay the amounts due to Franchisee, within 30 days after receiving the sales report and payment for the applicable period from the facility owner.

5. **Operation.** Franchisee shall have the right to operate at the self-service Location, but only as a self-service food service counter operating pursuant to the Franchise Agreement, as amended by this Addendum. Franchisee shall perform all food preparation for the self-service Food Service Counter only at the following facility: _____. Franchisee shall deliver the products to and place them for display at the self-service Food Service Counter. Franchisee or Franchisee's personnel shall inspect the self-service Food Service Counter at least once daily and cause a sufficient amount of sushi and other food products to be placed in the display case no later than 11:00 a.m. each day. Franchisor shall have the right to

revise these requirements on written notice to Franchisee. The self-service Food Service Counter shall be adequately stocked during business hours.

6. Termination. Coextensive with Section 16 of the Franchise Agreement, Franchisor may terminate this Addendum as follows:

6.1 Franchisor may elect to terminate this Addendum for any grounds permitted in Section 16 of the Franchise Agreement. The parties mutually acknowledge that any termination of this Addendum shall not by itself be a termination of the Franchise Agreement or any other addendum between Franchisee and Franchisor. On termination of this Addendum, Franchisee shall comply with all the post termination provisions of Section 17 of the Franchise Agreement as applicable to the Food Service Counter.

6.2 Franchisor shall have the right to elect whether or not to terminate this Addendum either together with, or separate from the rest of the Franchise Agreement or any other addendum between Franchisee and Franchisor, according to the provisions of Sections 16.1 through 15.3 of the Franchise Agreement.

6.3 On termination or expiration of this Addendum, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter. "Assets" means equipment, supplies, signage and non-perishable inventory.

6.4 The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

6.5 The balance of the purchase price, after the deductions in Section 7.4, shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

6.6 Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at the Food Service Counter at the time of expiration or termination of this Addendum. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

7. Integration. Franchisee shall comply with all requirements of the Franchise Agreement. All Franchise Agreement definitions shall apply to this Addendum. This Addendum is

incorporated into the Franchise Agreement and is subject to all terms and conditions of the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, the more specific provisions of this Addendum shall prevail.

8. Statement of Ownership Interests. The following is a list of all shareholders, partners, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Nature of Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

9. Franchisee's Principals. In addition to the persons listed in Paragraph 5, the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 18.21 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment C (*see* Sections 10.2(b) and 10.3(g)) of the Franchise Agreement):

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

FRANCHISOR:

FRANCHISEE:

INTERNATIONAL FOOD CREATIONS, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ATTACHMENT C

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ day of _____, 20____, among INTERNATIONAL FOOD CREATIONS, LLC, a Delaware limited liability company (“Franchisor”), _____ (“Franchisee”), and _____ (“Covenantor”).

RECITALS

WHEREAS, Franchisor has developed and owns a unique system (the “System”) for the development and operation of retail outlets that will feature the mark “International Food Creations” (“Franchise”); and

WHEREAS, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “International Food Creations” and such other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service and distinctive exterior and interior design, decor and color scheme and furnishings (“Marks”); uniform standards, specifications and procedures for inventory and management and financial control; operations; quality and uniformity of products and services offered; procedures for management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System (“Trade Secrets”); and

WHEREAS, the Marks and Trade Secrets provide economic advantages to Franchisor and the Trade Secrets are not generally known to, and are not readily ascertainable by proper means by, Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, Franchisor has granted Franchisee the limited right to operate a Franchise using the System, the Marks and the Trade Secrets for the period defined in the Franchise Agreement dated _____, 20____ (“Franchise Agreement”), by and between Franchisor and Franchisee; and

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for certain employees, agents, independent contractors, officers, directors and interest holders of Franchisee, or any entity having an interest in Franchisee ("Covenantor") to have access to and to use some or all of the Trade Secrets in the management and operation of Franchisee's business using the System; and

WHEREAS, Franchisee has agreed to obtain from those covenantors' written agreements protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, Covenantor wishes to remain, or wishes to become associated with or employed by Franchisee; and

WHEREAS, Covenantor wishes and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform his services for Franchisee; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

A. CONFIDENTIALITY AGREEMENT

1. Franchisor and/or Franchisee shall disclose to Covenantor some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, any manuals, drawings, specifications, techniques and compilations of data that Franchisor provides to Franchisee and/or Covenantor shall be deemed confidential Trade Secrets for the purposes of this Agreement.

2. Covenantor shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with an Franchisee and then only in connection with the development and/or operation by Franchisee of a Franchise for so long as Franchisee is licensed by Franchisor to use the System.

3. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.

4. Covenantor shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of a Franchise using the System.

5. Covenantor shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by

Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Covenantor.

Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

B. COVENANTS NOT TO COMPETE

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Covenantor of the Trade Secrets, Covenantor further agrees and covenants as follows:

a. Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or customer of the Franchisee's Franchise to any competitor of the Franchise.

b. Not to employ, or seek to employ, any person who is at the time or was within the preceding ninety (90) days employed by Franchisor, or any of its affiliates or any franchisee or developer of Franchisor, or otherwise directly or indirectly induce such person to leave that person's employment except as may occur in connection with Franchisee's employment of such person if permitted under the Franchise Agreement.

c. Except for the Franchise described in the Franchise Agreement, not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person or entity, without the prior written consent of Franchisor, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in any legal entity), advise, assist or make loans to, any business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Franchise, including a business that offers and sells sushi as a primary menu item.

In further consideration for the disclosure to Covenantor of the Trade Secrets and to protect the uniqueness of the System, Covenantor agrees and covenants that for one (1) year following the earlier of the expiration, termination or transfer of all of Franchisee's interest in the Franchise Agreement or the termination of his association with or employment by Franchisee, Covenantor will not without the prior written consent of Franchisor:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the Franchise to any competitor.

b. Employ, or seek to employ, any person who is at the time or was within

the preceding ninety (90) days employed by Franchisor, any of its affiliates or any franchisee or developer of Franchisor, or otherwise directly or indirectly induce such persons to leave that person's employment.

c. Directly or indirectly, for himself or through, on behalf of or in conjunction with any person or entity, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in any legal entity), advise, assist or make loans to, any business that is of a character and concept similar to the Franchise, including a business that offers and sells Asian style foods, sushi or fresh fish products, steamed foods or any other retail food business, which business is, or is intended to be, located within a five (5)-mile radius of the location of any Franchise in existence or under construction at any given time during such period.

C. MISCELLANEOUS

1. Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OREGON. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF OREGON AND THE FEDERAL DISTRICT COURTS FOR THE DISTRICT OF OREGON. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY OREGON OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE MULTNOMAH COUNTY, OREGON; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF

OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or email (provided that the sender confirms the facsimile or email by sending an original confirmation copy by certified mail or expedited delivery service within three (3) business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

International Food Creations, LLC
Attn: Michael Yoshino
2390 Crenshaw Blvd., Suite 803
Torrance, CA 90501
877-468-3003

If directed to Franchisee, the notice shall be addressed to:

Attention: _____
Facsimile: () _____
Email: _____

If directed to Covenantor, the notice shall be addressed to:

Attention: _____
Facsimile: () _____
Email: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or email shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and national holidays.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

INTERNATIONAL FOOD CREATIONS,
LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

COVENANTOR:

By: _____
Name: _____
Title: _____

ATTACHMENT D

FRANCHISE AGREEMENT CONTROLLING PRINCIPALS GUARANTY

Each of the undersigned acknowledges and agrees as follows:

1. Each has read the terms and conditions of the Franchise Agreement, including Section 6.2(j), and acknowledges that the execution of this guaranty and the undertakings of the Controlling Principals in the Franchise Agreement are in partial consideration for, and a condition to the granting of, this license, and that Franchisor would not have granted this license without the execution of this guaranty and such undertakings by each of the undersigned;

2. Each is included in the term "Controlling Principals" as described in Section 18.21 of the Franchise Agreement;

3. Each individually, jointly and severally, makes all of the covenants, representations, warranties and agreements of the Controlling Principals set forth in the Franchise Agreement and is obligated to perform thereunder;

4. Each individually, jointly and severally, unconditionally and irrevocably guarantees to Franchisor and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed. Upon default by Franchisee or upon notice from Franchisor, each will immediately make each payment and perform each obligation required of Franchisee under the Franchise Agreement. Without affecting the obligations of any of the Controlling Principals under this guaranty, Franchisor may, without notice to the Controlling Principals, waive, renew, extend, modify, amend or release any indebtedness or obligation of Franchisee or settle, adjust or compromise any claims that Franchisor may have against Franchisee. Each of the Controlling Principals waives all demands and notices of every kind with respect to the enforcement of this guaranty, including, without limitation, notice of presentment, demand for payment or performance by Franchisee, any default by Franchisee or any guarantor and any release of any guarantor or other security for this guaranty or the obligations of Franchisee. Franchisor may pursue its rights against any of the Controlling Principals without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy. Upon receipt by Franchisor of notice of the death of any of the Controlling Principals, the estate of the deceased will be bound by the foregoing guaranty, but only for defaults and obligations under the Franchise Agreement existing at the time of death, and in such event, the obligations of the remaining Controlling Principals shall continue in full force and effect; and

5. With respect to the individual designated as Operating Principal, Operating Principal acknowledges that the undertakings by Operating Principal under this guaranty are made and given in partial consideration of, and as a condition to, Franchisor's grant of rights to operate the Franchise as described herein; Operating Principal individually makes all of the covenants, representations and agreements of Franchisee and Operating Principal set forth in the Franchise Agreement and is obligated to perform hereunder.

Signature: _____
Printed Name: _____
Title: Operating Principal
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

EXHIBIT C

FRANCHISE AGREEMENT ADDENDA

FULL-TIME LOCATION FRANCHISE ADDENDUM

This Full-Time Location Franchise Addendum (this “Addendum”) is made this ___ day of _____, 20___ by and between International Food Creations, LLC (“Franchisor”) and _____ (“Franchisee”)

RECITALS

Franchisor and Franchisee entered into a Franchise Agreement dated _____ (the “Franchise Agreement”). By this Addendum, Franchisee and Franchisor want to designate a location to be operated by Franchisee pursuant to Section 1 of the Franchise Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

The following provisions shall added to and made part of the Franchise Agreement:

1. **Grant.** Franchisor grants Franchisee the right to establish and operate a full-time Food Service Counter (the “Food Service Counter”) using the System and the Marks at the following location:

(the “Location”).

2. **Initial Fee.** Contemporaneous with the execution of the Franchise Agreement and this Addendum, Franchisee shall pay to Franchisor an initial fee of Five Thousand Dollars (\$5,000.00). The fee is fully earned and is nonrefundable.

3. **Term.** The term of this Addendum starts immediately and shall expire or terminate at the same time as the Franchise Agreement. Franchisee shall start operating the Food Service Counter not later than _____, 20___, unless Franchisor approves in writing an extension.

4. **Initial Inventory.** Before Franchisee commences business operations, Franchisor may elect to provide the Food Service Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor’s charges for these items.

5. **Payment to Franchisee.** Subject to Section 4.3 of the Franchise Agreement, Franchisor shall return to Franchisee ___ % of the Gross Sales of the Food Service Counter, as reported by and received from the owner of the facility where the Food Service Counter is located. Franchisor shall pay the amounts due to Franchisee, within 30 days after receiving the sales report and payment for the applicable period from the facility owner.

6. **Operating Hours and Staffing.** The Food Service Counter shall be operated on a full-time basis each day that the location where the Food Service Counter is located is open for business.

The Food Service Counter shall have sufficient amount of food prepared and placed in the display case by 11:00 a.m. each day. The Food Service Counter shall be staffed during key trading hours. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure the Food Service Counter is adequately staffed and that the display case is adequately stocked during business hours.

7. Termination. Coextensive with Section 16 of the Franchise Agreement, Franchisor may terminate this Addendum as follows:

7.1 Franchisor may elect to terminate this Addendum for any grounds permitted in Section 16 of the Franchise Agreement. The parties mutually acknowledge that any termination of this Addendum shall not by itself be a termination of the Franchise Agreement or any other addendum between Franchisee and Franchisor. On termination of this Addendum, Franchisee shall comply with all the post termination provisions of Section 17 of the Franchise Agreement as applicable to the Food Service Counter.

7.2 Franchisor shall have the right to elect whether or not to terminate this Addendum either together with, or separate from the rest of the Franchise Agreement or any other addendum between Franchisee and Franchisor, according to the provisions of Sections 16.1 through 15.3 of the Franchise Agreement.

7.3 On termination or expiration of this Addendum, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter. "Assets" means equipment, supplies, signage and non-perishable inventory.

7.4 The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

7.5 The balance of the purchase price, after the deductions in Section 7.4, shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

7.6 Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at the Food Service Counter at the time of expiration or termination of this Addendum. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

8. Integration. Franchisee shall comply with all requirements of the Franchise Agreement. All Franchise Agreement definitions shall apply to this Addendum. This Addendum is incorporated into the Franchise Agreement and is subject to all terms and conditions of the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, the more specific provisions of this Addendum shall prevail.

9. Statement of Ownership Interests. The following is a list of all shareholders, partners, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Nature of Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

10. Franchisee's Principals. In addition to the persons listed in Paragraph 5, the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 18.21 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment C (*see* Sections 10.2(b) and 10.3(g)) of the Franchise Agreement):

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

FRANCHISOR:

FRANCHISEE:

INTERNATIONAL FOOD CREATIONS, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PART-TIME LOCATION FRANCHISE ADDENDUM

This Part-Time Location Franchise Addendum (this "Addendum") is made this ____ day of _____, 20____ by and between International Food Creations, LLC ("Franchisor") and _____ ("Franchisee")

RECITALS

Franchisor and Franchisee entered into a Franchise Agreement dated _____ (the "Franchise Agreement"). By this Addendum, Franchisee and Franchisor want to designate a location to be operated by Franchisee pursuant to Section 1 of the Franchise Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

The following provisions shall added to and made part of the Franchise Agreement:

1. **Grant.** Franchisor grants Franchisee the right to establish and operate a part-time Food Service Counter (the "Food Service Counter") using the System and the Marks at the following location:

(the "Location").

2. **Term.** The term of this Addendum starts immediately and shall expire or terminate at the same time as the Franchise Agreement. Franchisee shall start operating the Food Service Counter not later than _____, 20____, unless Franchisor approves in writing an extension.

3. **Initial Inventory.** Before Franchisee commences business operations, Franchisor may elect to provide the Food Service Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor's charges for these items.

4. **Payment to Franchisee.** Subject to Section 4.3 of the Franchise Agreement, Franchisor shall return to Franchisee ____ % of the Gross Sales of the Food Service Counter, as reported by and received from the owner of the facility where the Food Service Counter is located. Franchisor shall pay the amounts due to Franchisee, within 30 days after receiving the sales report and payment for the applicable period from the facility owner.

5. **Operating Hours and Staffing.** The Food Service Counter shall be operated on a part-time basis each day that the location where the Food Service Counter is located is open for business. The Food Service Counter shall have sufficient amount of food prepared and placed in the display case by 11:00 a.m. each day. As a part-time location, the Food Service Counter shall not be required to have personnel physically present more than four hours per day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure the Food Service Counter is adequately staffed and that the display case is adequately stocked during business hours.

6. Termination. Coextensive with Section 16 of the Franchise Agreement, Franchisor may terminate this Addendum as follows:

6.1 Franchisor may elect to terminate this Addendum for any grounds permitted in Section 16 of the Franchise Agreement. The parties mutually acknowledge that any termination of this Addendum shall not by itself be a termination of the Franchise Agreement or any other addendum between Franchisee and Franchisor. On termination of this Addendum, Franchisee shall comply with all the post termination provisions of Section 17 of the Franchise Agreement as applicable to the Food Service Counter.

6.2 Franchisor shall have the right to elect whether or not to terminate this Addendum either together with, or separate from the rest of the Franchise Agreement or any other addendum between Franchisee and Franchisor, according to the provisions of Sections 16.1 through 15.3 of the Franchise Agreement.

6.3 On termination or expiration of this Addendum, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter. "Assets" means equipment, supplies, signage and non-perishable inventory.

6.4 The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

6.5 The balance of the purchase price, after the deductions in Section 7.4, shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

6.6 Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at the Food Service Counter at the time of expiration or termination of this Addendum. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

7. Integration. Franchisee shall comply with all requirements of the Franchise Agreement. All Franchise Agreement definitions shall apply to this Addendum. This Addendum is incorporated into the Franchise Agreement and is subject to all terms and conditions of the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this

Addendum, the more specific provisions of this Addendum shall prevail.

8. Statement of Ownership Interests. The following is a list of all shareholders, partners, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Nature of Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

9. Franchisee's Principals. In addition to the persons listed in Paragraph 5, the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 18.21 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment C (*see* Sections 10.2(b) and 10.3(g)) of the Franchise Agreement):

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

FRANCHISOR:

FRANCHISEE:

INTERNATIONAL FOOD CREATIONS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SELF-SERVICE LOCATION FRANCHISE ADDENDUM

This Part-Time Location Franchise Addendum (this “Addendum”) is made this ____ day of _____, 20____ by and between International Food Creations, LLC (“Franchisor”) and _____ (“Franchisee”)

RECITALS

Franchisor and Franchisee entered into a Franchise Agreement dated _____ (the “Franchise Agreement”). By this Addendum, Franchisee and Franchisor want to designate a location to be operated by Franchisee pursuant to Section 1 of the Franchise Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

The following provisions shall added to and made part of the Franchise Agreement:

1. **Grant.** Franchisor grants Franchisee the right to establish and operate a self-service Food Service Counter (the “Food Service Counter”) using the System and the Marks at the following location:

(the “Location”).

2. **Term.** The term of this Addendum starts immediately and shall expire or terminate at the same time as the Franchise Agreement. Franchisee shall start operating the Food Service Counter not later than _____, 20____, unless Franchisor approves in writing an extension.

3. **Initial Inventory.** Before Franchisee commences business operations, Franchisor may elect to provide the Food Service Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor’s charges for these items.

4. **Payment to Franchisee.** Subject to Section 4.3 of the Franchise Agreement, Franchisor shall return to Franchisee ____ % of the Gross Sales of the Food Service Counter, as reported by and received from the owner of the facility where the Food Service Counter is located. Franchisor shall pay the amounts due to Franchisee, within 30 days after receiving the sales report and payment for the applicable period from the facility owner.

5. **Operation.** Franchisee shall have the right to operate at the self-service Location, but only as a self-service food service counter operating pursuant to the Franchise Agreement, as amended by this Addendum. Franchisee shall perform all food preparation for the self-service Food Service Counter only at the following facility: _____. Franchisee shall deliver the products to and place them for display at the self-service Food Service Counter. Franchisee or Franchisee’s personnel shall inspect the self-service Food Service Counter at least once daily and cause a sufficient amount of sushi and other food products to be

placed in the display case no later than 11:00 a.m. each day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. The self-service Food Service Counter shall be adequately stocked during business hours.

6. Termination. Coextensive with Section 16 of the Franchise Agreement, Franchisor may terminate this Addendum as follows:

6.1 Franchisor may elect to terminate this Addendum for any grounds permitted in Section 16 of the Franchise Agreement. The parties mutually acknowledge that any termination of this Addendum shall not by itself be a termination of the Franchise Agreement or any other addendum between Franchisee and Franchisor. On termination of this Addendum, Franchisee shall comply with all the post termination provisions of Section 17 of the Franchise Agreement as applicable to the Food Service Counter.

6.2 Franchisor shall have the right to elect whether or not to terminate this Addendum either together with, or separate from the rest of the Franchise Agreement or any other addendum between Franchisee and Franchisor, according to the provisions of Sections 16.1 through 15.3 of the Franchise Agreement.

6.3 On termination or expiration of this Addendum, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter. "Assets" means equipment, supplies, signage and non-perishable inventory.

6.4 The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

6.5 The balance of the purchase price, after the deductions in Section 7.4, shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

6.6 Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at the Food Service Counter at the time of expiration or termination of this Addendum. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

7. Integration. Franchisee shall comply with all requirements of the Franchise Agreement.

All Franchise Agreement definitions shall apply to this Addendum. This Addendum is incorporated into the Franchise Agreement and is subject to all terms and conditions of the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, the more specific provisions of this Addendum shall prevail.

8. Statement of Ownership Interests. The following is a list of all shareholders, partners, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Nature of Interest</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

9. Franchisee's Principals. In addition to the persons listed in Paragraph 5, the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 18.21 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment C (*see* Sections 10.2(b) and 10.3(g)) of the Franchise Agreement):

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

FRANCHISOR:

FRANCHISEE:

INTERNATIONAL FOOD CREATIONS, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT D

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

**ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO
INTERNATIONAL FOOD CREATIONS, LLC ("Payee")**

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks and electronic debits (collectively, "debits") drawn on such account that are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Notwithstanding the above, Depositor shall be entitled to all rights and remedies pursuant to the Electronic Fund Transfer Act, 15 U.S.C. § 1693 *et.seq.*, and its accompanying regulations.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach one voided check for the above account.)

Location: _____

For Depository information call: _____

Address: _____

Phone #: _____

Fax #: _____

Name of Franchisee/ _____

By: _____

Date: _____, 20__

Name: _____

Title: _____

EXHIBIT E

POWER OF ATTORNEY (TELEPHONE)

IRREVOCABLE POWER OF ATTORNEY (TELECOMMUNICATIONS)

KNOW ALL MEN BY THESE PRESENTS, that _____ ("Franchisee") does hereby irrevocably constitute and appoint International Food Creations, LLC, a Delaware limited liability company ("Franchisor"), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee's right, title and interest in and to any and all telephone numbers of Franchisee's franchise and all related Yellow Pages, White Pages and other business listings and all Internet listings, domain names, Internet accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listings or usages related to the Franchisee's franchise, including but not limited to, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service or Internet company providing telephone or Internet services to Franchisee, hereby granting unto Franchisor full power and authority to do and to perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _____, 20____, by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of Oregon and the laws of the State of Oregon shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the _____ day of _____, 20____.

FRANCHISEE:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____ of _____, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 20____.
(SEAL)

Notary Public in and for the State of
My Commission Expires:_____

EXHIBIT F

POWER OF ATTORNEY (TAX)

IRREVOCABLE POWER OF ATTORNEY (TAX RETURNS)

KNOW ALL MEN BY THESE PRESENTS, that _____ ("Franchisee") does hereby irrevocably constitute and appoint International Food Creations, LLC, a Delaware limited liability company ("Franchisor"), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any state and/or federal taxing authority, including but not limited to the execution and delivery of any and all formal requests and other documentation as may be required by the applicable state and/or federal taxing authority, including, but not limited to the Department of Revenue of the State of Oregon, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no governmental agency, person, firm or corporation dealing with Franchisor, if acting in good faith, shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of documents delivered or funds or property paid or delivered to Franchisor. Any governmental agency, person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm, corporation or agency acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _____ 20____, by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of Oregon and the laws of the State of Oregon shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the
_____ day of _____, 20____.

FRANCHISEE:

By: _____

Name: _____

Title: _____

STATE OF _____ §

_____ §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared
_____, _____ of _____
known to me to be the person whose name is subscribed to the foregoing instrument, who
acknowledged to me that he executed the same for the purposes and consideration therein
expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of
_____, 20____.
(SEAL)

Notary Public in and for the State of _____
My Commission Expires: _____

EXHIBIT G

ABANDONMENT, RELINQUISHMENT, AND TERMINATION OF ASSUMED OR FICTITIOUS BUSINESS NAME

**INTERNATIONAL FOOD CREATIONS, LLC FRANCHISE AGREEMENT
ADDENDUM ABANDONMENT, RELINQUISHMENT, AND TERMINATION OF
ASSUMED OR FICTITIOUS BUSINESS NAME**

Pursuant to the provisions of relevant state laws concerning the registration and use of assumed or fictitious business names, the undersigned applicant, being a franchisee of **INTERNATIONAL FOOD CREATIONS, LLC**, submits the following to evidence its intent to abandon, relinquish and terminate its right to use the business name **INTERNATIONAL FOOD CREATIONS**.

1. Name of Applicant Who is Using the
Assumed or Fictitious Business Name:

a (an) individual/partnership/corporation
organized and doing business under the laws of
the State of _____
2. Date when Original Assumed or Fictitious
Business Name was Filed by Applicant:

3. Address of Applicant's Registered Office in the
State of:

4. Please cancel Applicant's registration to use the
name **INTERNATIONAL FOOD CREATIONS**

DATED: _____

Applicant

By: _____

Title: _____

EXHIBIT H
LIST OF STATE ADMINISTRATORS

<u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344	<u>NORTH DAKOTA</u> Franchise Examiner Securities Commissioner State of North Dakota 600 East Boulevard, Fifth Floor Bismarck, ND 58505
<u>HAWAII</u> Business Registration Division Department of Commerce and Consumer Affairs 1010 Richards Street Honolulu, HI 96813	<u>OREGON</u> Director Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310
<u>ILLINOIS</u> Chief, Franchise Division Attorney General's Office 500 South Second Street Springfield, IL 62706	<u>RHODE ISLAND</u> Chief Securities Examiner Director of Business Regulation Division of Securities Suite 232 233 Richmond Street Providence, RI 02903-4232
<u>INDIANA</u> Secretary of State Franchise Section Securities Division 302 West Washington, Room E-111 Indianapolis, IN 46204	<u>SOUTH DAKOTA</u> Franchise Administrator Department of Commerce and Regulation Division of Securities C/o 118 West Capitol Ave. Pierre, SD 57501-2017
<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place, 20th floor Baltimore, MD 21202	<u>VIRGINIA</u> Chief Examiner State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219
<u>MICHIGAN</u> Department of the Attorney General's Office Consumer Protection Division Attn: Franchise 670 Law Building Lansing, MI 48913	<u>WASHINGTON</u> Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98501
<u>MINNESOTA</u> Franchise Examiner Department of Commerce 133 East Seventh Street St. Paul, MN 55101	<u>WISCONSIN</u> Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701
<u>NEW YORK</u> Special Deputy Attorney General New York Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, NY 10271	

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International Food Creations

Standard Operations Manual

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EXHIBIT J

LIST OF FRANCHISES AND COMPANY-OWNED LOCATIONS

EXHIBIT J

LIST OF FRANCHISES AND COMPANY-OWNED LOCATIONS

Company Owned Locations:

Franchise Owned Locations:

Van Mang
1 Mercedes Drive
Vance, AL 35493
(205) 507-2252

Su Lae Shwe Syu
13384 Lincoln Way
Auburn, CA 95603
(626) 324-6041

Yurii Bulateskyi (hot wok bar)
2222 Grass Valley Hwy.
Auburn, CA 95603
(916) 940-0916

Win Aye (sushi bar)
2222 Grass Valley Hwy.
Auburn, CA 95603
(916) 300-0884

Aung Zaw Lin
3510 Palmer Dr.
Cameron Park, CA 95682
(646) 247-3672

Aung Zaw Zaw
5159 Fair Oaks Blvd.
Carmichael, CA 95608
(916) 521-6780

Jin Yuan
4005 Manzanita Ave.
Carmichael, CA 95608
(916) 798-0626

Wai Chyo Maung
2485 Notre Dame Blvd.
Chico, CA 95928

Mercy Wong
7847 Lichen Dr.
Citrus Heights, CA 95621
(415) 602-4302

Huang Wen Bin
21250 Stevens Creek Blvd.
Cupertino CA 95014
(510) 282-5547

Wathone Oo
1049 La Rue Rd.
Davis, CA 95616
(877) 468-3003

Than Win
3935 A Park Dr.
El Dorado Hills, CA 95762
(916) 475-4505

Than Aye
4840 San Juan Ave.
Fair Oaks, CA 95628
(669) 236-7631

Jie Ping Tan Inc.
4840 San Juan Ave.
Fair Oaks, CA 95628
(916) 288-7337

Shi Juan Huang
8870 Madison Ave.
Fair Oaks, CA 95628
(916) 640-5418

Anson H. Wang
715 E. Bidwell St.
Folsom, CA 95630
(916) 831-0931

Anson H. Wang
2760 E. Bidwell St.
Folsom, CA 95630
(916) 831-0931

Hein Htet
25025 Blue Ravine Rd.
Folsom, CA 95630

Si Thu Tun
2155 Golden Centre Lane
Gold River, CA 95670

(415) 342-9934

Wat Yee Mon
6845 Douglas Blvd.
Granite Bay, CA 95746
(916) 856-0983

Ko Lay
692 Freeman Lane
Grass Valley, CA 95949
(928) 208-3935

Karen Bahena
45524 Oasis St.
Indio, CA 92201
(760) 625-8787

Si Thu Tun
781 South Highway 49
Jackson, CA 95642
(415) 706-3075

FoodArtisam LLC
39 Lincoln Blvd.
Lincoln, CA 95648
(801) 675-6532

Nyein Wai Phyo
6119 Horseshoe Bar Rd.
Loomis, CA 95650
(530) 883-7803

Huang Wen Bin
12345 El Monte Rd.
Los Altos Hills, CA 94022
(510) 282-5547

Thin Thin Kyi
1301 Avenida Cesar Chavez
Monterey Park, CA 91754
(626) 554-1346

Su Myat Aung Thu
1550 E. F St.
Oakdale, CA 95361

Karen Bahena
43500 Monterey Ave.
Palm Desert, CA 92260

Yar Zar Tun
166 Placerville Dr.
Placerville, CA 95667
(916) 412-8566

Myo Sanda Sint Sint Win
4030 Sunrise Blvd.
Rancho Cordova, CA 95742

Myo Sanda Sint Sint Win
7315 Murieta Dr.
Rancho Murieta, CA 95683
(650) 727-2370

Xiao Cao
4200 Farm Hill Blvd.
Redwood City, CA 94061
(775) 240-7079

Naw Eh Eh Gay
5100 Sierra College Blvd.
Rocklin, CA 95677

Kay Thi
2341 Sunset Blvd.
Rocklin, CA 95677
(408) 489-3995

Khin Aye Myint
1915 Douglas Blvd.
Roseville, CA 95661
(916) 298-9439

Yuan Zhao Dong
1039 Sunrise Ave.
Roseville, CA 95661
(916) 945-6165

FoodArtisam LLC
4008 Foothills Blvd.
Roseville, CA 95678
801-675-6532

Htet Htet San
1970 Blue Oaks Blvd.
Roseville, CA 95747
(415) 533-2670

Wendy Oo (hot wok bar)
1970 Blue Oaks Blvd.
Roseville, CA 95747

Thet Mar Htay
4051 Woodcreek Oaks Blvd.
Roseville, CA 95747

Su Thae Mon
2075 Fair Oaks Blvd.
Sacramento, CA 95825

Jain Hong Tang (hot wok bar)
2075 Fair Oaks Blvd.
Sacramento, CA 95825

Aung Phyo Paing
8391 Folsom Blvd.
Sacramento, CA 95826
(916) 738-1908

Luqiang Huang
8391 Folsom Blvd.
Sacramento, CA 95826
(916) 698-9686

Carmen Toy
6231 Fruitridge Road
Sacramento, CA 95820
(916) 838-7013

Miao Liyuan
4700 College Oak Dr.
Sacramento, CA 94581

Kyi Soe
3518 Marconi Ave.
Sacramento, CA 95821
(279) 278-3250

Sami Maung Soo
4320 Arden Way
Sacramento, CA 95864
(916) 272-3282

Tun Aung Khaing
7901 Walerga Rd.
Sacramento, CA 95842
(279) 758-1376

Zhu Dewu
651 Bannon St.
Sacramento, CA 95811
(916) 896-2788

Wathone Oo
3835 Freeport Blvd.
Sacramento, CA 95822
(916) 225-6126

Wathone Oo
8401 Center Pkwy.
Sacramento, CA 95823
(916) 225-6126

Zhenxiong Ma
1700 W. Hillsdale Blvd., Building #10
San Mateo, CA 94402
(510) 282-5547

Justin Hong
2890 Soquel Ave.
Santa Cruz, CA

Hnin New KoKo
1501 Mendocino Ave.
Santa Rosa, CA 95401

Thin Thin Kyi
16007 Crenshaw Blvd.
Torrance, CA 90506
(626) 554-1346

Baby Moe
10001 Soaring Way, Ste. 100
Truckee, CA 96161

Marian Chu Chu Khine
5800 Fulton Ave.
Valley Glen, CA 91401

Victor Kyaw Naing
6201 Winnetka Ave.
Woodland Hills, CA 91367

KhonuSwe Ella Langle
222 S. Chapel St.
Newark, DE 19716

Hung Ning
1601 Maple St.
Carrollton, GA 30118
(409) 363-0314

Ye Myat Aung
78-6831 Ali'i Drive
Kailua-Kona, HI 96740

Tay Zar Oo
65-1158 Mamalahoa Hwy
Kamuela, HI 96743

Rizalina R. Ramos
81-6602 Mamalahoa Hwy
Kealahou, HI 96750

Saw Naing
68-3916 Paniolo Ave
Waikoloa Village, HI 96738

Jehu Lal Ling
2755 N Michigan Ave.
Greensburg, IN 47240

Siang Cung Cin
1846 S. Main St.
Upland, IN 46989
(463) 269-6353

Hang Lam Mang
2 College Hill
Westminster, MD 21157

Lal Ruat Rem
2 College Hill
Westminster, MD 21157
(443) 857-2164

Ark Moe Zaw
470 E. Lockwood Ave.
Webster Grove, MO 63119
(317) 515-0731

Ci Bo Zeng
3701 S. Carson St.
Carson City, NV 89701
(775) 883-8301

Yan Naing
930 Tahoe Blvd., Box 3507
Incline Village, NV 89451

Weeraya Harris
1363 Highway 395
North Gardnerville, NV 89410
(775) 782-5130

Lilian Ribero-Aguilera
4788 Caughlin Pkwy.
Reno, NV 89519

Lilian Ribero-Aguilera
3310 S. McCarran Blvd.
Reno, NV 89502

David Chu
1441 Mayberry Dr.
Reno, NV 89509

Edgar V. Tapia
1630 Robb Drive
Reno, NV 89523

Naw Ail Phawt
18144 Wedge Pkwy.
Reno, NV 89511

Ruben Garcia Pacheco
1075 No. Hills Blvd. #260
Reno, NV 89506

Nay Oo
701 Keystone Ave.
Reno, NV 89503
(831) 332-4517

Naw Ail Phawt
18144 Wedge Pkwy.
Reno, NV 89511

Aceves P. Nubla Ariana
1075 N. Hills Blvd. #260
Reno, NV 89506

Irma L. Ochoa
2895 North McCarran Blvd.
Sparks, NV 89431

Ruben Garcia Pacheco
2389 Wingfield Hills Rd.
Sparks, NV 89436
(775) 688-9217

Naing Naing
100 St. Anselm Dr.
Manchester, NH 03102

(518) 888-0650 Nan Da
515 Loudon Rd.
Loudonville, NY 12211

Akai Mon
475 Seaview Ave.
Staten Island, NY 10305
(718) 226-9000

Snow Nay
2600 6th Street SW
Canton, OH 44710

Snow Nay
2600 6th Street SW
Canton, OH 44710
(330) 903-6144

Van Lal Bel
1000 State Route 347
Liberty, OH 43319

Htay Htay Nge
23 Coventry Shoppers Park
Coventry, RI 02818
(401) 298-5151

Di Nu Shadau
550 Pontiac Ave.
Cranston, RI 02910
(401) 516-1520

Kimberly Paochen
2077 Diamond Hill Rd.
Cumberland, RI 02864
(401) 678-0936

Nang Ohmar Soe
1000 Division Rd.
East Greenwich, RI 02818
(401) 203-1181

Hla Myint Kyue
105 Gate Road
North Kingstown, RI 02852
(401) 439-5303

Nyi Nyi
125 Tower Hill Rd.
North Kingstown, RI 02852
(401) 465-9507

Min Nyein Naing
1150 Douglas Pike
Smithfield, RI 02917
(518) 588-1162

Lian San
1150 Douglas Pike
Smithfield, RI 02917

Kimberly Paochen
4 Cedar Swamp Rd.
Smithfield, RI 02917
(401) 678-0936

Kimberly Paochen
371 Putnam Pike
Smithfield, RI 02917
(401) 678-0936

Pan Tsin
2574 West Sore Rd.
Warwick, RI 02910
(401) 744-1058

Pan Tsin
18 Airport Road
Warwick, RI 02889
(401) 744-1058

Cin Khan Tuang
5655 Frist Blvd.
Hermitage, TN 37076
(704) 490-8576

Cin Khan Tuang
2300 Patterson St. (2nd FL Food Court)
Nashville, TN 37203
(704) 490-8576

May Shar Hay Man
1015 Reserve St.
Stevens Point, WI 54481
(510) 387-9573

Former Franchisees:

Thin Thin Kyi
2310 East El Segundo Blvd.
El Segundo, CA 90506
(626) 554-1346

Saw Kapaw Say
1040 Emerald Bay Rd.
South Lake Tahoe, CA 96150
(775) 462-0685

Kimi Lal
2150 E. Evan Ave.
Denver, CO 80208
(720) 757-1981

Grace Himi
2150 E. Evan Ave.
Denver, CO 80208
(720) 936-9779

Lum Banwaw
1200 16th St.
Golden, CO 80401
(720) 480-7547

Thein Oo Arakan
2500 N. River Road
Manchester, NH 03106
(702) 470-6822

Ning Nuam
316 Boulevard
Anderson, SC 29621
(877) 468-3003

EXHIBIT K

LISTS OF AGENTS FOR SERVICE OF PROCESS

EXHIBIT K

AGENTS FOR PROCESS SERVICE

CALIFORNIA

Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street
Suite 750
Los Angeles, CA 90013
1-866-275-2677

DELAWARE

Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

HAWAII

Hawaii Commissioner of Securities
State of Hawaii Department of Commerce & Consumer Affairs
Business Registration Division - Securities Compliance Branch
335 Merchant St, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Attorney General of the State of Illinois
500 South Second Street
Springfield, IL 62706
(217) 782-1090

MARYLAND

Securities Commissioner
Maryland Division of Securities
Office of the Attorney General of Securities Division
200 Saint Paul Place, 20th Floor
Baltimore, MD 21202-2021
(410) 576-6360

MICHIGAN

Franchise Administrator
Consumer Protection Division, Franchise Unit
Michigan Department of Attorney General
670 Law Building
Lansing, MI 48913
miag@michigan.gov
(517) 373-7117

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

NEW YORK

New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

OREGON

Dennis Steinman, Esq.
Kell, Alterman & Runstein, L.L.P.
520 S.W. Yamhill, Suite 600
Portland, OR 97204

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street
9th Floor
Richmond, VA 23219
(804) 371-9733

WASHINGTON

Kell, Alterman & Runstein, L.L.P.
12405 SE 2nd Circle
Vancouver, WA 98684

Director of Dept. of Financial Institutions
Securities Division
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN

Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, WI 53705
(608) 261-9555

EXHIBIT L

STATE-SPECIFIC ADDENDA

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

1. The Cover Page is amended by the addition of the following risk factor:
You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.
2. The Cover Page is amended by the addition of the following risk factor:
Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk if your franchise fails.
3. Item 3 is amended to reflect that:
Neither we nor any person or broker identified in Item 2 of the Franchise Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
4. Item 5 is amended by the addition of the following statement:
The Department of Financial Protection & Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.
5. Item 6 is amended by the following statement:
The highest interest rate allowed by law in California is 10% annually.
6. Item 17 is amended by the addition of the following statement:
California Business and Professions Code Sections 20000 through 20043 (the Franchise Relations Act) provide rights to the franchisee concerning termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
7. Item 17 is amended by the addition of the following statement:
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.).
8. Item 17 is amended by the addition of the following statement:
The California Corporations Code, Section 31125, requires that we give you a disclosure document, approved by the Department of Financial Protection & Innovation, before we solicit a proposed material modification of an existing franchise.

9. Item 17 is amended by the addition of the following statement:
- The Franchise Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
10. Item 17 is amended by the addition of the following statement:
- The Franchise Agreement requires the application of the laws and forum of Oregon. This provision may be unenforceable under California Law.
11. Item 17 is amended by the addition of the following statement:
- The Franchise Agreement requires you to sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
12. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.
13. OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION www.dfpi.ca.gov.
14. The franchise agreement requires binding arbitration. The arbitration will occur in Portland, Oregon with the costs being borne by the parties as determined by the arbitrators. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.
14. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

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

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The Franchise Agreement between **International Food Creations, LLC** (“Franchisor”) and _____ (“Franchisee”) dated _____. (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection & Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 *et seq.*, and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

California Business and Professions Code Sections 20000 through 20043 (the Franchise Relations Act) provide rights to the franchisee 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.

- a. The 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.*).
- b. The Agreement requires application of the laws of Oregon. This provision may not be enforceable under California law.
- c. The Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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

3. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the California Business and Professions Code, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISOR:

International Food Creations, LLC,
a Delaware limited liability company

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF HAWAII**

The Franchise Agreement between **International Food Creations, LLC** (“Franchisor”) and _____ (“Franchisee”) dated _____. (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

1. The State of Hawaii has imposed a financial condition that the initial franchise fees will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchise is open for business. If more than one location is contemplated through some multi-unit development agreement, then the total amount to be collected should be prorated based on the number of locations to be opened and collected by the franchisor as each store is opened under the development agreement.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISOR:
International Food Creations, LLC,
a Delaware limited liability company

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

The following information applies to franchises and franchisees subject to the Illinois Disclosure Act of 1987. Item numbers correspond to those in the main body:

Item 17

The conditions under which your franchise will be terminated or not renewed may be affected by Illinois law, 815 ILCS §§ 705/19 and 705/20. Provisions regarding jurisdiction and venue and choice of law may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41.

Item 5

Pursuant to Section 200.508 of the Illinois Franchise Disclosure Act of 1987 and as imposed by the Illinois Attorney General's Office based on our financial condition, we shall defer the payment of all initial franchise fees and Area Development fees owed to us, or our affiliate, by you until such time as all initial obligations owed to you under the Franchise Agreement, or other agreements have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement.

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The Franchise Agreement between **International Food Creations, LLC** (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 515 ILCS 705/1 *et. seq.* To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to Franchisee concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. Any release or claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under any State of Illinois law.

d. If this Agreement requires that it be governed by a state’s law, other than the State of Illinois, to the extent that such law conflicts with any State of Illinois law, Illinois law governing claims will control.

2. Article 19(F) and 21(A) should be amended by the addition of the following as the last sentence of each section:

“However, this Section shall not act as a condition, stipulation or provision intended to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 at Section 705/41.”

3. Notwithstanding anything in the Agreement to the contrary, all initial fees and area development fees will be deferred by the Franchisor until such time as the Franchisor, or an affiliate, has completed all initial obligations owed the Franchisee or Area Developer and they have commenced doing business. This deferral is required by the Illinois Attorney General’s office based on our financial statements/condition.

4. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

Addendum to the Agreement on the date first set forth above.

FRANCHISOR:
International Food Creations, LLC,
a Delaware limited liability company

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

Item 17 of the Franchise Disclosure Document is amended to include the following paragraph:

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

Item 17 of the Franchise Disclosure Document is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq.*).

Item 17 of the Franchise Disclosure Document is modified to include the words:

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

Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The Franchise Agreement between **International Food Creations, LLC**, (“Franchisor”) and (“Franchisee”) _____ dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

MARYLAND LAW MODIFICATION

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, Maryland CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2010 Repl. Vol. and Supp. 2010) (the “Law”). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

b. 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.

c. Franchisee may bring a lawsuit in Maryland for claims arising under the Law.

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

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

<Signatures on Following Page>

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISOR:

International Food Creations, LLC
a Delaware limited liability company

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

Item 13 of the Franchise Disclosure Document is amended to state that we will protect your right to use the trademarks, service marks, trade names, logotypes of other commercial symbols (“Marks”) or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

The following is added to Item 17 of the Franchise Disclosure Document:

Under Minnesota law and except in certain specified cases, **International Food Creations, LLC** must give you 90 days’ notice of termination with 60 days to cure. **International Food Creations, LLC** also must give you at least 180 days’ notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Franchise Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Franchise Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

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

Minn. Rule 2860.4400J. prohibits us from requiring you to consent to liquidated damages and prohibits waiver of a jury trial. If the Franchise Agreement contains a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement will be superseded by the Minn. Rule’s requirements and will have no force or effect.

Minn. Rule 2860.4400J. prohibits us from requiring you to assent to a general release. To the extent that the Franchise Agreement requires you to sign a general release as a condition of renewal or transfer, the Franchise Agreement will be considered amended to the extent necessary to comply with Minnesota law.

Minn. Rule 2860.4400J. prohibits us from requiring you to pay a termination fee. To the extent that the Franchise Agreement requires you to pay a termination fee, the

provisions of the Franchise Agreement will be superseded by the Minn. Rule's requirements and will have no force or effect.

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The Franchise Agreement between **International Food Creations, LLC** (“Franchisor”) and _____ (“Franchisee”) dated _____, (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

MINNESOTA LAW MODIFICATION

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be mended to be consistent with Minnesota Franchise Act. Minn. Stat. Section 80C.01 *et. seq.*, and the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement and/or Franchise Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that franchisors indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee’s use of the franchisor’s proprietary marks infringes trademark rights of the third party.

b. Minn. Stat. Sec. 80C.14. Subds. 3, 4, and 5 requires, 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. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

c. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Franchise Act.

d. If the Agreement requires that it be governed by the law of a State other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

e. Any provision that requires the Franchisee to consent to a claims period that differs from the applicable statute of limitations period under Minn. Stat. 80C.1, Subd. 5, may not be enforceable under Minnesota law.

2. Minn. Stat. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in

Minnesota Statutes Ch. 80C, including your rights to any procedure, forum, or remedies provided for in that law.

3. The Agreement and/or Franchise Disclosure Document is hereby amended to delete all referenced to Liquidated Damages (as defined) in violation of Minnesota law; provided, that no such deletion shall excuse Franchisee from liability for actual or other damages and the formula for Liquidated Damages in the Agreement and/or Franchise Disclosure Document shall be admissible as evidence of actual damages.

4. To the extent required by Minnesota Law, the Agreement and/or Franchise Disclosure Document is amended to delete all references to a waiver of jury trial.

5. All sections of the Agreement and/or Franchise Disclosure Document referencing Franchisor's right to obtain injunctive relief are hereby amended to refer to Franchisor's right to seek to obtain such relief.

6. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Minnesota Law applicable to the provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISOR:
International Food Creations, LLC
a Delaware limited liability company

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise,

securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

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

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

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

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The Franchise Agreement between **International Food Creations, LLC** (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

NEW YORK LAW MODIFICATION

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 to 695 (1989). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Release. If Franchisee is required to execute a release of claims, as provided in Article 2(B) of the Franchise Agreement, or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Sections 680 to 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

b. Governing Law. Article 21(A) of the Franchise Agreement is amended by adding the following sentence at the end of such Article: “The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.”

c. Termination by Franchisee. Article 9 of the Franchise Agreement is hereby amended to add the following sentence at the end of the Article: “Notwithstanding anything contained in this Article 9 to the contrary, Franchisee may terminate the Franchise Agreement on any grounds available by law.”

d. Renewal, Extension, Approval of Transfer. Article 2 and Article 17 are amended by adding the following: “However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the general Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of the General Business Law sections 687.4 and 687.5 be satisfied.”

e. Assignment. Article 17 is amended by adding the following sentence at the end of the Article: “However, no assignment will be made except to an assignee who in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor’s obligations under the Franchise Agreement.”

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of New York General Business Law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISOR:
International Food Creations, LLC
a Delaware limited liability company

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for **International Food Creations, LLC** is supplemented by the following:

“Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

“Any securities offered or sold by the Investor Franchisee as part of the International Food Creations, LLC Franchise must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.”

**ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON**

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

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

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

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

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

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

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

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Rev. The initial franchise fee is deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchise is open for business.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20____.

FRANCHISOR:

International Food Creations, LLC
a Delaware limited liability company

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

**ADDENDUM TO
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

The Franchise Agreement between **International Food Creations, LLC** (“Franchisor”) and _____ (“Franchisee”) dated _____, (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

WISCONSIN LAW MODIFICATIONS

1. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is hereby amended to add the following provision:

For all franchises sold in the State of Wisconsin, the Company will provide Franchisee at least 90 days’ prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances and will provide that Franchisee have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. These notice requirements shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between the Company and Franchisee inconsistent with the Law.

3. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Washington law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

<Signatures on Following Page>

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISOR:

International Food Creations, LLC
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT M

ACQUISITION AGREEMENTS

ASSET SALE AND PURCHASE AGREEMENT

(Some provisions may be different and will be tailored to the specific location)

This ASSET SALE AND PURCHASE AGREEMENT is entered into this ____ day of _____, 20__, by and between _____ (“Buyer”), and International Food Creations, LLC, a Delaware limited liability company, its Designee or Affiliate (“Seller”).

RECITALS

Seller owns assets of an INTERNATIONAL FOOD CREATIONS food service counter located at _____ (the “Location”). These include the assets listed on Exhibit A to this Agreement. Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase and acquire from Seller, the assets listed on Exhibit A to this Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

1. Purchase and Sale

1.1 Purchase and Sale. Seller agrees to sell, transfer, assign and convey to Buyer, and Buyer agrees to purchase and acquire from Seller, on the Closing Date (as hereinafter defined), all the assets listed in Exhibit A attached to this Agreement and incorporated here by this reference (the “Assets”).

1.2 Purchase Price. The total purchase price for the Assets will be of the sum of \$_____, together with the assumption by Buyer of the following liabilities and obligations.

1.3 Payment. The purchase price stated in Section 1.2 shall be payable in cash or cashier’s check on the Closing Date.

1.4 Allocation of Purchase Price. The allocation of the purchase price among the Assets for purposes of federal and state income and franchise tax shall be as follows:

\$_____ to Equipment; \$_____ to Food Products; \$_____ to Value of Established Market; and \$_____ Other.

1.5 Further Assurances. From time to time at a party’s request, whether at or after the Closing Date, the other party shall execute and deliver such instruments and documents and take such other action as the requesting party reasonably requests to more completely convey and transfer the Assets intended to be transferred hereunder.

1.6 Limitation. Buyer shall have no obligation to assume any obligation of Seller, whether under any contract, lease or other instrument, or arising by law or otherwise, other than as expressly stated in this Agreement.

2. Closing

2.1 Closing Date. The closing will take place at the offices of ____, on _____, 20__ at ____m., or at such other time and place as may be agreed by Seller and Buyer, provided, however at Seller’s sole discretion, that this Agreement shall terminate and be of no force and effect if the closing Date shall not have occurred prior to _____, 20__; and provided, further, that such termination shall not affect the rights or remedies of either party under this Agreement with respect to a breach of, or default under, this

Agreement by the other party. On consummation, the closing shall be deemed to take place as of the close of business on the closing date. The time and date of the closing are herein referred to as the "Closing Date."

2.2 Deliveries. At the closing, Seller will deliver to Buyer, against receipt of the purchase price referred to in Section 1.2, a bill of sale and other instruments of transfer and conveyance as reasonably requested by Buyer. At the closing, Buyer will deliver to Seller such instruments of assumption as reasonably requested by Seller.

3. Seller's Representations and Warranties.

Seller represents and warrants to Buyer as follows:

3.1 Organization and Good Standing. Seller is duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, operate and lease its properties and to carry on its business as now being conducted.

3.2 Ownership. Seller owns all right, title and interest in and to the Assets, free and clear of liens and encumbrances other than as provided herein, and has the full right and power to transfer and assign the Assets to Buyer pursuant to this Agreement.

3.3 Authorization. Seller has full power and authority to sign, deliver and perform this Agreement and sell the Assets to Buyer. The signing, delivery and performance by Seller of this Agreement and the transactions contemplated by this Agreement have been duly authorized by all necessary and proper corporate action. This Agreement is a legal, valid and binding obligation of Seller, and each instrument contemplated by this Agreement when executed and delivered by Seller in accordance with the provisions hereof, will be a legal, valid and binding obligation of Seller, in each case enforceable against Seller in accordance with its terms.

4. Buyer's Representations and Warranties.

Buyer represents and warrants to Seller as follows:

4.1 Organization and Good Standing. If Buyer is identified in this Agreement as a corporation or limited liability company or other form of entity, Buyer is duly organized, validly existing and in good standing under the laws of the State of _____, has all requisite power and authority to own, operate and lease its properties and to carry on its business as now being conducted.

4.2 Authorization. Buyer has full power and authority to sign, deliver and perform this Agreement and buy the Assets from Seller. The signing, delivery and performance by Buyer of this Agreement and the transactions contemplated by this Agreement have been, duly authorized by all necessary and proper corporate action. This Agreement is a legal, valid and binding obligation of Buyer and each instrument contemplated by this Agreement when signed and delivered by Buyer in accordance with the provisions hereof, will be a legal, valid and binding obligation of Buyer, in each case enforceable against Buyer in accordance with its terms.

4.3 No Breach or Violation. Neither the signing nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will conflict with or result in a violation or breach of, or constitute a default under, any mortgage,

lease or agreement, pursuant to which Buyer is a party or violate any judgment, order, permit, or decree binding on Buyer.

4.4 Documents and Records. Any documents and records being delivered to Seller are true, complete and correct.

5. Covenants.

5.1 Sales Tax. Buyer shall be responsible for the payment to the _____ of any sales tax which may become due by virtue of the sale of the Assets contemplated by this Agreement.

5.2 Obligations to Personnel. Seller shall be solely responsible for payment of and shall pay all compensation and benefits due or to become due to personnel of the International Food Creations Food Service Counter operated at the Location for services performed through the Closing Date.

6. Conditions to Buyer's Obligations. Buyer's obligations to consummate the transactions contemplated by this Agreement are subject to the performance or satisfaction of the following condition on the Closing Date:

6.1 Franchise Agreement. Buyer and Seller shall have executed a Franchise Agreement for the Location.

7. Conditions to Seller's Obligations. Seller's obligation to consummate the transactions contemplated by this Agreement are subject to the performance or satisfaction of the following conditions on or before the Closing Date:

7.1 Representations and Warranties. Buyer's representations and warranties in this Agreement or in any certificate, document or instrument delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date.

7.2 Covenants. Buyer shall have performed and complied with all the covenants, agreements and conditions required by this Agreement to be performed or complied with by Buyer, on or before the Closing Date.

7.3 Officers' Certificate. Seller shall have been furnished with a certificate executed on behalf of Buyer by its President or a Vice President, and its Secretary or Assistant Secretary, and by each other person constituting the Buyer, dated the Closing Date, representing and certifying in such detail as Seller may reasonably request, as to the satisfaction of the conditions set forth in Sections 7.1 and 7.2.

7.4 No Actions or Proceedings. There will not be pending or threatened any action or proceeding before any court of governmental body or agency which would seek to restrain, prohibit or invalidate any transaction contemplated by this Agreement.

8. Survival and Indemnification.

8.1 Survival. The representations and warranties of Seller and Buyer in this Agreement and any provision of this Agreement intended, by its terms, to be observed and performed after the closing, shall survive the execution of this Agreement and the Closing Date.

8.2 Buyer's Indemnification. Buyer shall indemnify and hold Seller harmless from and against any damages, losses, liabilities, claims or expenses (including court costs and reasonable attorneys' fees) (the "Damages") arising from the use of the Assets or operation of the International Food Creations Food Service Counter located at _____ after the Closing Date.

9. Termination.

9.1 Events of Termination. This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Closing Date: (a) by Buyer, if any of the conditions in Section 6 shall have become incapable of satisfaction or shall not have been satisfied or performed in the manner and within the time required on or before the Closing Date; and shall not have been waived by Buyer; or (b) by Seller, if any of the conditions in Section 7 shall have become incapable of satisfaction or shall not have been satisfied or performed in the manner and within the time required on or before the Closing Date; and shall not have been waived by Seller.

9.2 Effects of Termination. In the event of termination pursuant to this Section 9, or by virtue of the closing not having occurred by _____, 20____, other than as a result of a breach by Seller or Buyer of its covenants contained herein, or the non-fulfillment by Seller or Buyer of a condition in Section 6 or 7 to be fulfilled by Seller or Buyer, in each case solely within its control, this Agreement shall thereafter become void and of no further force and effect.

10. Miscellaneous.

10.1 Headings; Meanings. Section numbers and headings in this Agreement are for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. The provisions of this Agreement shall be interpreted in accordance with their fair meanings, and shall not be strictly construed for or against either party.

10.2 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted.

10.3 Arbitration: Except as precluded by applicable law, any controversy or claim that arises out of or relates to this Agreement, or any breach of this Agreement, including without limitation any claim that any of this Agreement (including this Paragraph 10.3) is invalid, illegal, voidable or void, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association and judgment on the award may be entered in any court with jurisdiction thereof. Unless applicable law requires otherwise, arbitration shall occur in Portland, Oregon. This arbitration provision shall be self-executing, and shall remain in effect after and regardless of expiration or termination of this Agreement. If a party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party regardless of such failure to appear. The prevailing party in any arbitration or other proceeding shall be entitled to recover its reasonable attorneys' fees and costs.

10.4 Governing Law. The validity, construction and performance of this Agreement shall be governed by the laws, without regard to the laws as to choice or conflict of laws, of the State of Oregon.

10.5 Entire Agreement. This Agreement, including its Exhibits is the entire agreement between the parties on its subject matter, and supersede all prior agreements, understandings, negotiations, representations and discussions, whether verbal or written pertaining to the subject. There are no promises, terms, conditions or obligations of the parties pertaining to that subject matter other than as contained in this Agreement. Nothing in this Agreement is intended to disclaim the representations made to Buyer in the Franchise Disclosure Document.

10.6 Binding Effect. This Agreement shall bind and benefit the parties and their successors and permitted assigns.

10.7 Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to confer on any person or entity other than the parties any right or remedy under or by reason of this Agreement.

10.8 Notices. Any notice or communication required or permitted by this Agreement shall be deemed sufficiently given if in writing and when delivered personally or 48 hours after deposit with the U.S. Postal Service as registered or certified mail, postage prepaid, and addressed as follows:

If to Buyer:

Attention:

If to Seller:

or such other address as a party to whom notice is to be given has furnished to the other party in the manner provided above.

10.9 Amendments and Waiver. This Agreement may be amended, modified or supplemented only by a writing executed by each of the parties.

Signed as of the date first written above.

BUYER

Signature _____

SELLER

INTERNATIONAL FOOD CREATIONS, LLC.

By _____

Its _____

EXHIBIT A

ASSETS

FOOD SERVICE COUNTER TRANSFER AGREEMENT

This FOOD SERVICE COUNTER TRANSFER AGREEMENT is entered into this _____ day of _____, 20____, by and between _____ (“Buyer”), and International Food Creations, LLC, a Delaware limited liability company, its Designee or Affiliate (“Seller”).

RECITALS

Seller operates an International Food Creations food service counter (the “Food Service Counter”) at _____ (the “Location”). Buyer wants to purchase from Seller, and operate, the business of, the Food Service Counter. Seller is willing to sell and transfer the business of the Food Service Counter to Buyer according to the terms of this Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

1. **Transfer.** Seller transfers to Buyer the business of the Food Service Counter, other than its tangible assets, effective _____, 20____ (“Effective Date”).
2. **Price.** Buyer shall pay Seller \$ _____, and assume and be responsible for the following liabilities and obligations _____.
3. **Payment.** Buyer shall pay the purchase price stated in Section 2 in cash or cashier’s check on signing this Agreement.
4. **Obligations to Personnel.** Seller shall be responsible to pay all compensation and benefits due to personnel of the Food Service Counter for services before the Effective Date.
5. **Indemnification.** Buyer shall indemnify, defend and hold Seller harmless from and against all damages, losses, liabilities, claims or expenses, also including court costs and attorneys’ fees, arising from use and operation of the Food Service Counter after the Effective Date.
6. **Buyer Acknowledgements.** Buyer acknowledges being aware that:
 - A. the transfer accomplished by this Agreement does not include any tangible assets, equipment or inventory of the Food Service Counter. The sale, transfer and assignment of any assets, equipment and/or inventory to operate the Food Service Counter shall be accomplished by a separate Bill of Sale, on terms agreed by the parties;
 - B. Buyer will be required to sign and comply with other agreements and instruments to be permitted to operate the Food Service Counter, including but not limited to a Franchise Agreement and other ancillary agreements;
 - C. the transfer accomplished by this Agreement is conditioned on the property owner or landlord’s consent to the transfer; permission to operate the Food Service Counter at the Location is derived from an agreement between Seller (or an entity affiliated with Seller, such as International Food Creations, LLC.) and the owner or lessor of the Location; that agreement may be modified or terminable by the owner and/or manager of the Location at any time and on short notice; the owner or facility manager may object to Buyer operating there; and modification, termination or objection by the owner or facility manager may result in the need for relocation and resulting disruption and interruption to Buyer or adjustment to the franchise operations (such as if the facility owner requests that operations be converted from a full time location to a self-service, or part time location, or vice versa).

D. Seller makes no warranty or representation about the length of time Buyer may be permitted to operate the Food Service Counter at the Location or any other warranty or representation of any kind.

7. Interpretation. Section numbers and headings in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement. The provisions of this Agreement shall be interpreted according to their fair meanings, and shall not be strictly construed for or against either party.

8. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions; they shall remain in effect and this Agreement shall be construed as if any invalid or unenforceable provision were omitted.

9. Governing Law. The validity, construction and performance of this Agreement shall be governed by Oregon law, without regard to rules on choice or conflict of laws.

10. Arbitration: Any controversy or claim that arises out of or relates to this Agreement, or any breach of this Agreement, including without limitation any claim that any of this Agreement (including this Section 10) is invalid, illegal, voidable or void, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association and judgment on the award may be entered in any court having jurisdiction. Arbitration shall occur in Portland, Oregon. This arbitration provision shall be self-executing, and shall remain in effect after and regardless of expiration or termination of this Agreement. If a party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party regardless of such failure to appear. The prevailing party in any arbitration or other proceeding shall be entitled to recover its reasonable attorney's fees and costs.

11. Parties in Interest. This Agreement shall bind and benefit the parties and their successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any person or entity other than the parties any right or remedy under or by reason of this Agreement.

12. Notices. Any notice or communication required or permitted by this Agreement shall be deemed sufficiently given if in writing and when delivered personally or 48 hours after deposit with the U.S. Postal Service as registered or certified mail, postage prepaid, and addressed as follows:

To Buyer:

To Seller:

International Food Creations, LLC

or other address that a party to whom notice is to be given has notified the other party as provided above.

13. Entire Agreement. This Agreement is the entire agreement between the parties on its subject matter, and supersedes all prior agreements, understandings, negotiations, representations and discussions, whether verbal or written pertaining to the subject. There are no promises, terms, conditions or obligations of the parties pertaining to that subject matter other than as contained in this Agreement. Nothing in this Agreement is intended to disclaim the representations made to Buyer in the Franchise Disclosure Document. This Agreement may be amended, modified or supplemented only by a writing executed by each of the parties.

Signed as of the date first written above.

BUYER

INTERNATIONAL FOOD CREATIONS, LLC.

Signature _____

By _____

Title _____

Its _____

PROMISSORY NOTE

\$ _____

Portland, Oregon

_____, 20____

FOR VALUE RECEIVED, the undersigned promises to pay in lawful money of the United States to the order of International Food Creations, LLC, a Delaware limited liability company, the principal sum of \$ _____, together with interest as provided below.

The unpaid balance of the principal amount stated above shall bear interest at the rate of 9% per annum simple interest from the date of this note until fully paid; principal and interest shall be paid monthly on or before the first day of each month. The first installment of \$ _____ shall be paid on _____ and a like installment shall be paid on the first day of each successive month thereafter until _____, at which time the entire unpaid balance of principal and accrued interest shall be paid in full. This note may be prepaid, in whole or in part, without penalty.

If any payment due pursuant to this note is not made when due, then at the option of the holder of this note the entire indebtedness represented by this note, upon 10 days' written notice to the undersigned, shall immediately become due and payable and thereafter shall bear interest at the rate of 10% per annum above the announced prime rate of United States Bank of Oregon or 18% per annum, whichever is higher, provided such interest rate shall not exceed the maximum rate permitted by law. Failure or delay of the holder to exercise this option shall not constitute a waiver of the right to exercise the option in the event of subsequent default or in the event of continuance of any existing default after demand for the performance of the terms of this note.

The undersigned shall pay upon demand any and all expenses, including reasonable attorney fees, incurred or paid by the holder of this note without suit or action in attempting to collect funds due under this note. In the event an action is instituted for the collection of this note, the prevailing party shall be entitled to recover, at trial or on appeal, such sums as the court may adjudge reasonable as attorney fees, in addition to costs and necessary disbursements.

The undersigned and their successors and assigns hereby waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection, and consent that the time of payment on any part of this note may be extended by the holder without otherwise modifying, altering, releasing, affecting, or limiting their liability.

MAKER

MAKER:

_____, Individually

By: _____, President

EXHIBIT N

STATE EFFECTIVE DATES

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	Pending
Hawaii	Pending
Illinois	Not Registered
Indiana	April 18, 2025
Maryland	January 23, 2026
Michigan	Not Registered
Minnesota	Not Registered
New York	January 5, 2026
North Dakota	Not Registered
Rhode Island	May 6, 2025
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	April 18, 2025

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 O
RECEIPTS

ITEM 23
RECEIPT
(Your Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If International Food Creations, LLC offers you a franchise, it must provide this disclosure document to you 14-calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

If International Food Creations, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and any relevant state agency.

The following are the parties of each franchise seller offering the franchise:

International Food Creations, LLC
Attn: Michael Yoshino
2390 Crenshaw Blvd., Suite 803
Torrance, CA 90501
877-468-3003

This disclosure document was issued on: April 1, 2026

I received a disclosure document dated April 1, 2026, which included the following Exhibits:

Financial Statements	<u>Exhibit A</u>
Franchise Agreement	<u>Exhibit B</u>
Franchise Agreement Addenda	<u>Exhibit C</u>
Electronic Funds Transfer Authorization	<u>Exhibit D</u>
Power of Attorney (Telephone)	<u>Exhibit E</u>
Power of Attorney (Tax)	<u>Exhibit F</u>
Assumed Business Name Relinquishment	<u>Exhibit G</u>
List of State Administrators	<u>Exhibit H</u>
Operations Manual Table of Contents	<u>Exhibit I</u>
List of Franchises and Company-Owned Locations	<u>Exhibit J</u>
List of Agents for Service of process	<u>Exhibit K</u>
State-Specific Addenda	<u>Exhibit L</u>
Acquisition Agreements	<u>Exhibit M</u>
State Effective Dates	<u>Exhibit N</u>
Receipts	<u>Exhibit O</u>

Name: _____

Date: _____

Signature: _____

ITEM 23
RECEIPT
(Our Copy)

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Receipts	<u>Exhibit O</u>

Name: _____

Date: _____

Signature: _____