

FRANCHISE DISCLOSURE DOCUMENT



JINYA FRANCHISE, INC.

A California corporation

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JINYA Franchise, Inc., a California corporation, offers franchises for the operation of restaurants under the name JINYA Ramen Bar (“**JINYA Ramen Bars**”) and bushi by JINYA (“**bushi by JINYA**”). The restaurants offer freshly prepared ramen (Japanese style noodle) dishes with a diverse selection of broths, noodles, proteins, sauces and garnishes as well as sushi, rice bowls, Japanese appetizers and other food and beverage products for on-premises and off-premises consumption and catering events.

Under the Standard JINYA Ramen Bar Program, you will sign a Franchise Agreement to operate a 2,500 to 5,000 square foot fast casual JINYA Ramen Bar (a “**Standard JINYA Ramen Bar**”). The total investment necessary to begin operation of one Standard JINYA Ramen Bar ranges from approximately \$1,385,500 to \$3,044,000. This includes \$73,000 to \$93,000 that must be paid to us or our affiliate.

Under the bushi by JINYA Program, you will sign a Franchise Agreement to operate a 400 to 800 square foot fast casual bushi by JINYA (a “**bushi by JINYA**”). The total investment necessary to begin operation of one bushi by JINYA ranges from approximately \$470,500 to \$1,033,500. This includes \$70,000 to \$75,000 that must be paid to us or our affiliate.

If you sign an Area Development Agreement, we will grant you a defined area within which you must develop and operate two or more JINYA Ramen Bars. For two Standard JINYA Ramen Bars, the total investment necessary for the Area Development Agreement ranges from approximately \$2,791,000 to \$6,113,000. This includes \$40,000 that must be paid to us or our affiliate. We do not have a maximum number of JINYA Ramen Bars that can be developed under the Area Development Agreement. For two bushi by JINYA locations, the total investment necessary for the Area Development Agreement ranges from approximately \$946,000 to \$2,077,000. This includes \$40,000 that must be paid to us or our affiliate. We do not have a maximum number of bushi by JINYA locations that can be developed under the Area Development Agreement.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Ami Priester, Director

of New Restaurant Development, JINYA Franchise, Inc., 21045 Erwin Street, Suite 1A, Woodland Hills, California 91367; Telephone: 323-930-2477.

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 accountant.

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

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

ISSUANCE DATE: MAY 17, 2024.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G 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 JINYA 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 JINYA franchisee?	Item 20 or Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Supplier Control.** You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

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

This Disclosure Document describes JINYA Ramen Bar franchises. To simplify the language in this Disclosure Document, “**Franchisor**,” “**we**” and “**us**” means JINYA Franchise, Inc., the franchisor. “**You**,” “**your**” or “**Franchisee**” means the business entity, person or persons who sign the Franchise Agreement.

Franchisor

JINYA Franchise, Inc. is a California corporation that was incorporated on February 6, 2012. We do business under our corporate name and the names JINYA and bushi by JINYA. We do not do business under any other names. Our principal business address is 21045 Erwin Street, Suite 1A, Woodland Hills, California 91367. The names and addresses of our agents for service of process appear in **Exhibit H** to this Disclosure Document.

We began offering franchises for JINYA Ramen Bars in April 2012 and for bushi by JINYA in May 2018. We do not operate any JINYA Ramen Bars. We do not conduct any other business activities. As of December 31, 2023, there were 55 franchised JINYA Ramen Bars (including 54 standard JINYA Ramen Bars and 1 franchised bushi by JINYA) in the USA. We have never offered franchises in any other line of business.

Franchisor’s Parents, Predecessors and Affiliates

We have no parents or predecessors that we are required to disclose in this Disclosure Document.

Our affiliate, SAIJO Franchise, Inc. is a California corporation that was incorporated on April 25, 2023. SAIJO Franchise, Inc. intends to begin offering franchises for SAIJO Hand Roll Bar franchises in 2024 in Canada and in 2024 in the USA. There are no franchised SAIJO Hand Roll Bars in the USA. There are no company operated SAIJO Hand Roll Bars in the USA.

Our affiliate, La Brea Dining California, Inc. (“**LBDC-USA**”), a California corporation whose principal business address is 8050 West 3rd Street, Los Angeles, California 90048. LBDC-USA opened the first JINYA Ramen Bar located in the United States on September 20, 2013.

In addition to LBDC-USA, we have three other affiliates which operate one “company-owned” JINYA Ramen Bar each: Ventura 77 Dining, Inc. (“**VDI**”), a California corporation whose principal place of business is 11239 Ventura Boulevard, Studio City, California 91604; Jinya Hawaii, Inc. (“**JHI**”), a California corporation whose principal place of business is 1118 Ala Moana Blvd Ste 100 Honolulu, HI 96814; and Jinya California, Inc. (“**JCI**”), a California corporation whose principal place of business is 6600 Topanga Canyon Rd, 1280 Fl 1 Topanga, Canoga Park, CA 91303. LBDC-USA, VDI, JHI and JCI are collectively referred to in this Disclosure Document as the “**Operating Companies**”. In this Disclosure Document, we refer to JINYA Ramen Bars operated by the Operating Companies as “company-owned” JINYA Ramen Bars. The Operating Companies also operate 2 Robata by JINYA restaurants and 1 LBD Japanese Bar and Lounge and have one additional Robata by JINYA restaurant under construction. The Operating Companies also operate one bushi by JINYA restaurant.

Our other affiliate, Tomo Foods, Inc. (“**Tomo Foods**”), a California corporation that was incorporated in August 2012, is an “**Approved Supplier**” (as defined in Item 8) of certain items and specialty ramen bowls sold to our franchisees. Tomo Foods derives revenue from the sale of

products to franchisees as further described in Item 8. The principal business address of Tomo Foods is the same as ours.

Neither the Operating Companies nor Tomo Foods have ever offered franchises in this business or in any other line of business nor do they operate any other businesses.

JINYA Ramen Bar System

We and the Operating Companies have developed the JINYA Ramen Bar system (“**JINYA Ramen Bar System**”) for the establishment and operation of casual dining restaurants and fast casual restaurants that offer freshly prepared ramen (Japanese style noodle) dishes with a diverse selection of broths, noodles, proteins, sauces and garnishes as well as rice bowls, Japanese appetizers and other food and beverage products for on-premises and off-premises consumption and catering events under the trade name and service mark “**JINYA Ramen Bar**” and other related trademarks, service marks, logos and commercial symbols (collectively, the “**JINYA Ramen Bar Marks**”).

Under our franchise program, you will sign a Franchise Agreement (**Exhibit A**) to operate a JINYA Ramen Bar at a location you choose and that we accept (a “**Franchised Location**”). Both a Standard JINYA Ramen Bar and a bushi by JINYA are fast casual restaurants with full table service that offer a diverse selection of broths, noodles, proteins, sauces and garnishes, sushi, rice bowls, Japanese appetizers and other food and beverage products. As used in this Disclosure Document, the term “**JINYA Ramen Bar**” refers collectively to a Standard JINYA Ramen Bar and a bushi by JINYA, unless the context of its use indicates otherwise.

Area Development Program

If you sign an Area Development Agreement (**Exhibit B**), we will grant you a defined area (the “**Development Area**”) within which you (an “**Area Developer**”) must develop and operate a minimum of 2 JINYA Ramen Bars within a specified period of time. The units to be developed can be either 2 standard JINYA Ramen Bars or 2 bushi by JINYA Ramen Bars; however, restaurant types cannot be combined under a Development Agreement and you only have limited territorial protection in the Development Area for the type of Ramen Bar you agree to open. For example, if you committed to develop standard JINYA Ramen Bars, we can open and operate or grant third parties the right to open and operate bushi by JINYA in the Development Area; if you committed to develop bushi by JINYA Ramen Bars, we can open and operate or grant third parties the right to open and operate standard JINYA Ramen Bars in the Development Area. The Development Area may be one city, one or more counties, or some other defined geographic area. The Area Development Agreement will describe your development area and your development schedule. You must sign a separate Franchise Agreement for each JINYA Ramen Bar that you open under the Area Development Agreement. The Franchise Agreement for your first JINYA Ramen Bar will be in the form attached as **Exhibit A** to this Disclosure Document and must be signed when you sign your Area Development Agreement. The Franchise Agreements you will sign for your additional JINYA Ramen Bars will be our then-current form of Franchise Agreement which may contain terms and conditions that are materially different from the current Franchise Agreement.

Competition

You will compete in the full service, fast-casual and quick serve food business with various established independent local ramen restaurants and regional or national chain outlets specializing in the sale of ramen and related food products, both take-out service and full service,

as well as with other ramen restaurants and take-out facilities selling all kinds of food or other specialty foods, including well-established national chain outlets and local businesses. Many restaurants specialize in ramen and competition in the ramen restaurant business in general and the fast-casual and quick service food industry in particular is relatively non-seasonal and intense. The supply of suitable locations for restaurants is limited and is subject to increasing demand from other restaurant concepts and non-restaurant retailers.

Special Industry Regulation

Federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your JINYA Ramen Bar, including those that (i) establish general standards, specifications and requirements for the construction, design and maintenance of restaurant premises; (ii) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking and preparation of food and beverages; restrictions on smoking; and availability of and requirements for public accommodations, including restrooms; (iii) set standards pertaining to employee health and safety; (iv) set standards and requirements for fire safety and general emergency preparedness; (v) govern the use of vending machines; and (vi) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your JINYA Ramen Bar and should consider both their effect and cost of compliance.

In addition, you must comply with all local, state, and federal laws that apply to your JINYA Ramen Bar including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act of 1990 requires readily accessible accommodation for disabled people and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, etc. You must obtain all required real estate permits, licenses and operational licenses. You must also comply with all menu and menu board labeling laws and rules requiring restaurant operators to disclose certain calorie or other nutritional information about the foods they sell, including, for example, the FDA's Nutrition Labeling of Standard Menu Items in restaurants and Similar Food Establishments Rule. California law requires each food facility that meets specified criteria (which cover franchised outlets with at least 19 other franchised outlets with the same name among certain other food facilities) to provide nutritional information that includes, per standard menu item, the total number of calories, grams of saturated fat, grams of trans fat, and milligrams of sodium and to have menu boards to include the total number of calories. In California, local county health departments inspect restaurants and other retail food facilities to ensure compliance with safe food handling practices and adequacy of kitchen facilities. Other states and cities may have laws similar to these California laws.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA. Certain health care laws additionally contain provisions that require disclosure of nutrition and calorie information in chains of more than 20 restaurants.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit or store any cardholder data.

You should consult with your attorney concerning these and other local laws and ordinances that may affect your JINYA Ramen Bar.

ITEM 2 BUSINESS EXPERIENCE

Founder, Chief Executive Officer, and President: Tomonori Takahashi

Mr. Takahashi is our founder and was named our Chief Executive Officer and President in February 2012. He has served as our Chief Financial Officer from February 2012 to February 2024. He is also the founder and has served as Chief Executive Officer and President of LBDC-JPN since November 2000, of LBDC-USA since September 2008, of JINYA USA, Inc. since January 2011 (this company is currently inactive), of JINYA California, Inc. in Burbank California since April 2011, of Tomo Foods since 2012, of VDI since June 2013, of Blue Flamingo, Inc. in Las Vegas, Nevada since May 2013, and of 3334 Burbank Inc. in Burbank, California since 2016. Mr. Takahashi has held other positions with our related entities.

Vice President and Corporate Executive Chef: Kazuya Takebe

Mr. Takebe has been our Vice President and Corporate Executive Chef since August 2012.

ITEM 3 LITIGATION

SF Yakiniku Corp., et al. v. Jinya Franchise, Inc., JAMS Arbitration, Orange County, CA (JAMS No. 1200056358) (August 29, 2019). On August 13, 2019, SF Yakinku, Corp., SF Domain Ramen, Inc., and Domain Ramen, Inc., Jinya franchisees, filed an arbitration action against Jinya; JAMS formally commenced the matter on August 29, 2019. In their demand, the franchisees asserted that Jinya breached a multi-outlet agreement entered into by SF Domain Ramen, Inc. in 2015 by allegedly violating the territorial exclusivity provision in the multi-outlet agreement. The franchisees also asserted that Jinya fraudulently induced them to enter into the multi-outlet agreement, breached the implied covenant of good faith and fair dealing, and breached one of their franchise agreements by refusing to consent to the transfer of that agreement to a third party. In response to that filing, Jinya moved to dismiss the arbitration for improperly joining multiple parties as plaintiffs in the proceeding, in violation of the agreement to arbitrate in the multi-outlet agreement and franchise agreements. Subsequently, the franchisees amended their demand for arbitration to assert claims that Jinya misrepresented certain matters in the franchise disclosure document in violation of the Texas Deceptive Trade Practice Act and the California Franchise Investment Law. The franchisees demanded damages in the amount of \$5,000,000, plus attorneys' fees and costs. This case settled in September 2020 for a payment by our insurance carrier of \$410,000 and was subsequently closed on October 5, 2020.

Socal Ramen LLC v. Tomonori Takahashi, et al.; Superior Court of California, County of Los Angeles (Case No. 20BBCV00160) (February 20, 2020). On February 20, 2020, Socal Ramen, LLC ("Socal") filed a lawsuit against Tomonori Takahashi and Blue Flamingo, Inc. alleging claims of breach of contract, breach of warranty and declaratory judgment and seeking indemnification,

damages of not less than \$700,000, attorneys' fees and interest. Social asserted that it is the assignee of an Agreement between Jarret Fugh and defendants to purchase a Jinya Ramen Bar, and that defendants breached certain warranties and obligations to indemnify Social arising out of purported violations of accessibility laws, including the Americans with Disabilities Act. On May 6, 2020, Tomonori Takahashi filed an Answer denying all claims asserted in the Complaint. This case was settled in October 2020 by a payment from our insurance carrier in the amount of \$73,000. The case was subsequently dismissed on October 26, 2020.

La Brea Dining California, Inc. v. The PAM Group, LLC, Superior Court of California, County of Los Angeles (Case No. 13U00129). On January 3, 2013, LBDC-USA brought an unlawful detainer claim against our former franchisee, The PAM Group, LLC ("**PAM**"), seeking to recover possession of the premises of PAM'S JINYA Ramen Bar because PAM refused to sign an assignment of leasehold interest as previously agreed in an Asset Purchase Agreement (the "**Purchase Agreement**") that PAM had entered into with LBDC-USA for the purchase of the assets and leasehold rights to the JINYA Ramen Bar. On January 8, 2013, PAM responded by filing suit against LBDC-USA and us in the Superior Court of Los Angeles County, California (The PAM Group, LLC v. La Brea Dining California, Inc.; Jinya Franchise, Inc.; and DOES 1 through 50, inclusive, Case No. BC498731), alleging fraud-intentional misrepresentation, fraud in the inducement, fraud-concealment, breach of contract, breach of the covenant of good faith and fair dealing, unjust enrichment and requesting punitive, exemplary and general damages, rescission of the Franchise Agreement and the Purchase Agreement, quantum meruit and declaratory relief. On January 28, 2013, PAM filed a First Amended Complaint adding additional allegations of violation of California Corporations Code Sections 31119 and 31201 and seeking additional damages and attorneys' fees. On February 20, 2013, we and LBDC-USA filed suit against PAM and Michelle Wang ("**Wang**") in the United States District Court for the Central District of California (Jinya Franchise, Inc.; and La Brea Dining California, Inc. v. The PAM Group, LLC and Michelle Wang, Case No. CV13-01232-JAK-Ex), alleging breach of contract, service mark infringement, false designation/unfair competition and seeking injunctive relief and declaratory relief. On February 26, 2013, we and LBDC-USA filed an application with the District Court for a temporary restraining order and an order to show cause for a preliminary injunction to enjoin PAM and Wang from continued unauthorized use of our service marks and intellectual property, continued violation of post-termination obligations in the Franchise Agreement and continued possession and operation of the JINYA Ramen Bar. On February 27, 2013, the court denied the request for the temporary restraining order and set a hearing for the preliminary injunction. On March 1, 2013, we, LBDC-USA and Mr. Takahashi filed a motion with the Superior Court to compel arbitration before JAMS, Inc. as required by the Franchise Agreement and to dismiss the action for lack of jurisdiction. Between March 29, 2013 and April 3, 2013, the unlawful detainer case was tried at the Superior Court, and on April 8, 2013, the unlawful detainer request was denied, and PAM was permitted to retain possession of the premises. On April 8, 2013, a hearing was held at the District Court regarding the preliminary injunction. The court stated that it would be inclined to issue a preliminary injunction that would be limited in scope, but would bar PAM and Wang from using the Jinya trademarks. On April 19, 2013, PAM and Wang filed an answer and counterclaims with the District Court. On May 1, 2013, the Superior Court granted the motion to compel arbitration and the court stayed the case (rather than dismissing it) pending the completion of the arbitration. Also on May 1, 2013, PAM and Wang filed amended counterclaims and a third party complaint against Mr. Takahashi, alleging misrepresentations to induce PAM to enter into the Purchase Agreement and the Franchise Agreement and a breach of the covenant of good faith and fair dealing. On August 1, 2013, the District Court issued its judgment granting our and LBD-USA's motion to enjoin PAM and Wang from using the JINYA marks (but not the motions to enjoin continued violation of post-termination obligations in the Franchise Agreement and continued possession and operation of a JINYA Ramen Bar), granting the motions to compel arbitration,

deferring any decision on attorneys' fees to the outcome of the arbitration, and closing the action. On May 19, 2015, we, LBDC-USA and Mr. Takahashi (collectively, the "**Jinya Parties**"), and PAM and Wang (collectively, the "**PAM Parties**") entered into a Settlement Agreement and Mutual Release of All Claims, under which the Jinya Parties agreed to pay the PAM Parties \$345,000, and all parties agreed to dismiss the Superior Court Action and the District Court Action and mutually release each other from all claims arising under the Franchise Agreement, the Superior Court action and the District Court action described above. In addition, on May 19, 2015, LBDC-USA agreed to assume and pay the \$345,000 obligation of the Jinya Parties due to the PAM Parties and to indemnify us and Mr. Takahashi from any claims, demands, losses, damages or expenses costs owed or owing to the PAM Parties arising from the Purchase Agreement and the Franchise Agreement. The Superior Court action and the District Court action were both dismissed on June 8, 2015.

Masayuki Ueda v. Tomonori Takahashi, et al., Superior Court of California, County of Los Angeles, Case No. EC066421. On February 28, 2017, Masayuki Ueda filed a complaint against our founder Tomonori Takahashi; Tomo Foods; JCI; LBDC-USA; BFI; VDI; and 3334 Burbank Incorporated, a California corporation (collectively, the "**Blue Flamingo Parties**") seeking damages and restitution relating to circumstances underlying Mr. Ueda's purchase of stock in BFI and Mr. Takahashi's management of a JINYA Ramen Bar owned by BFI located in Las Vegas, Nevada. Specifically, Mr. Ueda's complaint alleged breach of oral contract; breach of implied contract; breach of fiduciary duty; breach of covenant of good faith and fair dealing; conversion; and unlawful and unfair competition under California state law on the part of the Blue Flamingo Parties. On October 24, 2017, Mr. Ueda and the Blue Flamingo Parties entered into a Settlement Agreement and Mutual Release (the "**Settlement Agreement**"). Under the Settlement Agreement, Mr. Ueda submitted a Request for Dismissal with prejudice and the case was dismissed effective as of October 27, 2017. The Blue Flamingo Parties paid zero dollars (\$0) under the Settlement Agreement to settle Mr. Ueda's claims and VDI separately agreed to purchase Mr. Ueda's interest in BFI for six hundred thousand dollars (\$600,000).

Other than the 4 matters disclosed above, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee (the "**Initial Franchise Fee**") of \$40,000 when you sign your Franchise Agreement.

Grand Opening Support Fee

You must pay us a fee for grand opening support (the "**Grand Opening Support Fee**") in the amount of \$15,000 when you sign your Franchise Agreement. For all subsequent JINYA Ramen Bars or bushi by JINYA you open, this fee will be \$10,000.

Area Development Program

You must pay us a development fee (the “**Development Fee**”) of \$20,000 for each development obligation under the Area Development Agreement (**Exhibit B**). You will be required to agree to develop a minimum of two JINYA Ramen Bars. You must also pay us the Initial Franchise Fee for your first development obligation when you sign the Area Development Agreement. When you sign a Franchise Agreement for each subsequent development obligation, you must pay us the Initial Franchise Fee. We will credit your Development Fee against the Initial Franchise Fee for each subsequent development obligation (not to exceed a credit of \$20,000 for any single development obligation).

Opening Inventory

You must pay our affiliate company, Tomo Foods, for opening inventory. The amount due will be between \$18,000 to \$38,000 for JINYA Ramen Bars and \$15,000 to \$20,000 for bushi by JINYA restaurants.

The fees noted above are fully earned when paid and non-refundable. The fees are uniformly imposed for all new franchisees, however, during our last fiscal year, legacy developers and new franchisees or developers paid initial franchisee fees of \$30,000 or more. We generally do not provide financing for the Initial Franchise Fee or Development Fee.

ITEM 6 OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fees ^{1,3}	5% of “ Gross Sales ”	On the 10th and 25th day of each month on the Gross Sales. On the 10th day of each calendar month, you will pay the Royalty Fee on the Gross Sales from the 16th day to the last day of the immediately preceding calendar month. On the 25th day of each calendar month, you will pay the Royalty Fee on the Gross Sales from the 1st day to the 15th day of the same calendar month.	“ Gross Sales ” includes all revenue from your operation of your JINYA Ramen Bar, including delivery and catering charges that are not included in the price of Authorized Products. Gross Sales do not include bona fide refunds paid to customers, sales or use taxes actually paid to governmental authorities or the retail price of any coupons, gift certificates and vouchers when they are sold, but not yet redeemed.

Name of Fee	Amount	Due Date	Remarks
Marketing Fund Fees ¹	1% of Gross Sales	On the 10th and 25th day of each month on the Gross Sales. On the 10th day of each calendar month, you will pay the Marketing Fund Fee on the Gross Sales from the 16th day to the last day of the immediately preceding calendar month. On the 25th day of each calendar month, you will pay the Marketing Fund Fee on the Gross Sales from the 1st day to the 15th day of the same calendar month.	We have the right to increase the amount of the Marketing Fund Fee up to 0.5% per year, not to exceed 3% of Gross Sales, at any time during the term of your Franchise Agreement upon 90 days' prior written notice to you.
Local Marketing Expenditure	2% of Gross Sales	As incurred.	This amount is not paid to us. You must spend 2% of Gross Sales on local promotion and marketing. We have the right to adjust the amount of the Local Marketing Expenditure at any time during the term of your Franchise Agreement upon 90 days' prior written notice to you, not to exceed 3% of Gross Sales.
Cooperative Marketing Program Fees	Amount determined by Cooperative Marketing Program when established, up to your Local Marketing Expenditure (not to exceed 3% of Gross Sales).	As we designate.	Applicable only if a Cooperative Marketing Program is established in your area. The Cooperative Marketing Program contributions are credited against your Local Marketing Expenditure. We will have one vote for each JINYA Ramen Bar operated by us or our affiliates in the geographic area covered by a regional co-operative.

Name of Fee	Amount	Due Date	Remarks
Late Charge ²	1.5% per month (18% per year) plus \$200, but not exceeding the maximum legal rate, which is currently 10% in California, from the date payment was due until paid in full.	Continues to accrue until paid.	Payable if any check, draft, electronic or other payment is unpaid because of insufficient funds or if any sums due to us are not paid promptly when due.
Training Fee	\$750 per day, plus our out-of-pocket expenses, including transportation, food and lodging.	On demand.	This fee may be due for Initial Training Program Refresher, MIT, and any other post-opening training.
Manual Replacement Fee	\$500	On demand.	Payable if we provide you with a physical copy of the Manuals and you misplace the Manuals or fail to return them to us upon demand.
Inspection Fee	\$500 per re-inspection, plus our out-of-pocket expenses, including transportation, food and lodging.	On demand.	Payable if we must revisit your JINYA Ramen Bar for an inspection after you have already been notified of any deficiency or unsatisfactory condition.
Insurance	Amount of unpaid premiums and our out of pocket costs.	On demand.	Payable if you fail to maintain required insurance coverage and if we elect to obtain coverage for you.
Transfer Fee (Franchise Agreement)	\$15,000	Before transfer.	Payable if you transfer/assign your Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Transfer Fee (Area Development Agreement)	\$15,000	Before transfer.	Payable if you transfer/assign your Area Development Agreement.
Renewal Fee (Franchise Agreement)	\$25,000	When you deliver a renewal notice to us for your Franchise Agreement.	This renewal fee will be in lieu of an Initial Franchise Fee.
Non-Cash Payment System	All costs associated with non-cash payment systems.	As incurred.	You must accept debit cards, credit cards, stored value gift cards or other non-cash payment systems we specify.
Liquidated Damages	An amount equal to 3 times the total Royalty Fee paid (or if unpaid, payable) by you during the 24 months before the termination date.	Within 30 days following the date of termination.	Payable if you abandon your Franchised Business or if you default and we terminate your Franchise Agreement.
Default Reimbursement	Our costs and expenses from your default.	Within 5 days after you cure your default or on demand if not cured.	Payable if you default under your Franchise Agreement.
Reimbursement for Payments Made to Approved Suppliers	Varies	As incurred.	If we receive notice from an Approved Supplier that you are over 60 days past due on any payment owed to the Approved Supplier, and you have not previously provided notice to the Approved Supplier disputing the overdue amount, we will have the right, but not the obligation, to make payment to the Approved Supplier on your behalf and to reimburse our self for the amount we paid by electronic funds transfer from your bank account.
Audit ²	All costs and expenses associated with	On demand.	Only due if we audit because you did not submit sales statements, you didn't keep

Name of Fee	Amount	Due Date	Remarks
	the audit, reasonable accounting and legal costs (estimated to be \$1,000-\$5,000); and interest on the underpayment		books and records, or if you underreport your sales by 2% or more.
Interim Management Fee	To be determined	As incurred.	Payable if you are in default under your Franchise Agreement and we elect to assume interim management of your JINYA Ramen Bar during the pendency of any cure period or in lieu of immediately terminating your Franchise Agreement.
Gross-Up Fees	Varies	On demand.	(Note 3)
Sanitation and Food Safety Audits	Cost of the inspection	On demand.	We may, in our sole discretion, contract with a third party to conduct sanitation and food safety audits during the term of your Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
New Product and Supplier Testing Fees	Actual cost of inspection testing; \$1,000 must be paid as a deposit before facility inspection.	As incurred.	If you propose to purchase any goods or materials from a supplier that we have not previously approved, we have the right to require an inspection of the supplier's facilities and testing of samples we designate. You must pay us a fee equal to the actual cost of the inspection and testing. You must also reimburse us for all travel related expenses.
Annual Franchise Conference Fee	Varies	Upon demand at least 30 days before the date of the Annual Franchise Conference.	You must pay us a Franchise Conference Fee to reimburse us for a portion of our direct costs to provide the Annual Franchise Conference, whether or not you attend the conference.
Post-Termination Gross Revenue Fee	5% of all revenue derived from the operation of the Competitive Business.	15 th day of each month on the Post Termination Gross Revenue of the Competitive Business during the preceding calendar month.	Payable if you operate a Competitive Business after the expiration, termination or assignment of your Franchise Agreement in violation of the covenants in your Franchise Agreement.
Relocation Fee	\$5,000	When you submit your request to relocate your JINYA Ramen Bar.	You must obtain our consent to the relocation of your JINYA Ramen Bar.
Public Offering Fee	\$10,000 or such greater amount as is necessary to reimburse us for our reasonable costs and expenses with reviewing the proposed offering.	Before offering.	Payable for each proposed public offering of securities, partnership or other ownership interests in Franchisee and is in addition to any Transfer Fee under any Franchise Agreement.

NOTES:

1. Except as noted later in this note, all fees are uniformly imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate and are

non-refundable. You will authorize us to debit from your designated bank account any funds due to us for Royalty Fees, Marketing Fund Fees or other sums that you owe to us or our affiliates. In connection with a mediation, certain franchisees may pay different royalty and marketing fees. Additionally, some of our legacy multi-outlet franchisees pay a Royalty Fee of 4%, and one non-traditional franchisee pays a Royalty Fee of 5%.

2. Interest starts to accrue only if your payment is not made on time and, if so, when your payment was initially due. If a maximum interest rate applies under your state's law, then interest will not exceed that maximum rate.
3. If state or local law in the state in which your Franchised Location is located prohibits or restricts in any way your ability to pay and our ability to collect Royalty Fees or other amounts due to us based on revenue derived from the sale of alcoholic beverages at the Franchised Unit, we will reset the amount of the Royalty Fees or other sums payable to us and redefine Gross Sales to exclude the payment of Royalty Fees on revenue derived from the sale of alcoholic beverages to an amount that will have the same basic economic result for both you and us.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT STANDARD JINYA RAMEN BAR SQUARE FEET – 2,500 TO 5,000

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
BUILD-OUT COSTS					
Utility Deposits, Fees & Licenses ¹	\$20,000	\$60,000	Cash	As Incurred	City, County, State
Pre-Construction Cost (Plans) ²	\$22,000	\$26,000	As Arranged	As Incurred	Approved Suppliers
Leasehold/Construction ³	\$875,000	\$2,250,000	As Arranged	As Incurred	Approved Suppliers
FURNITURE, FIXTURES, EQUIPMENT & SIGNAGE					
Exterior Signage	\$20,000	\$30,000	As Arranged	As Incurred	Approved Suppliers
POS System and Software; Back Office Computer, Printer and	\$20,000	\$35,000	As Arranged	As Incurred	Approved Suppliers

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Related Hardware and Software; Sound System; televisions ⁴					
Equipment/Smallwares, Interior Signage, Operating Materials, Graphics & Art ⁵	\$185,000	\$255,000	As Arranged	As Incurred	Approved Suppliers
Furniture and Fixtures ⁵	\$50,000	\$85,000	As Arranged	Before Opening	Approved Suppliers
OTHER					
Opening Inventory ⁶	\$18,000	\$38,000	As Arranged	Before Opening	Tomo Foods, Approved Suppliers
Grand Opening Marketing Plan ⁷	\$15,000	\$15,000	As Arranged	30 Days Before and 60 Days After Opening	Approved Suppliers
Franchised Location (Lease Deposit/3 Months' Rent) ⁸	\$35,000	\$75,000	Cash	At Lease Signing	Landlord
Insurance – Liability & Workers compensation (initial deposit)	\$3,500	\$7,000	Cash	As Incurred	Insurance Carriers
Accounting Fees, Legal Fees/Organizational Expenses ⁹	\$12,000	\$18,000	Cash	As Incurred	Legal & State
Training Expenses (Travel and Living Expenses) ¹⁰	\$20,000	\$40,000	As Arranged	As Incurred	Airlines, Hotels, Third Parties
Liquor License ¹¹	Varies		As Arranged	As Incurred	City, County, State

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Grand Opening Support Fee ¹²	\$15,000	\$15,000	Cash	At Signing	Us
Initial Franchise Fee ¹³	\$40,000	\$40,000	Cash	At Signing	Us
ADDITIONAL FUNDS (3 months) ^{14, 15}	\$35,000	\$55,000	Cash	As Incurred	Approved Suppliers, Landlord, Employees, Other
GRAND TOTAL ¹⁵	\$1,385,500	\$3,044,000			

BUSHI BY JINYA
SQUARE FEET – 400 TO 800

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
BUILD-OUT COSTS					
Utility Deposits, Fees & Licenses ¹	\$17,000	\$20,000	Cash	As Incurred	City, County, State
Pre-Construction Cost (Plans) ²	\$22,000	\$26,000	As Arranged	As Incurred	Approved Suppliers
Leasehold/Construction ³	\$120,000	\$500,000	As Arranged	As Incurred	Approved Suppliers
FURNITURE, FIXTURES, EQUIPMENT & SIGNAGE					
Exterior Signage	\$8,000	\$12,000	As Arranged	As Incurred	Approved Suppliers
POS System and Software; Back Office Computer, Printer and Related Hardware and Software; Sound System; televisions ⁴	\$15,000	\$30,000	As Arranged	As Incurred	Approved Suppliers

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Equipment/Smallwares, Interior Signage, Graphics & Art ⁵	\$105,000	\$195,000	As Arranged	As Incurred	Approved Suppliers
Furniture and Fixtures ⁵	\$30,000	\$50,000	As Arranged	Before Opening	Approved Suppliers
OTHER					
Opening Inventory ⁶	\$15,000	\$20,000	As Arranged	Before Opening	Tomo Foods, Approved Suppliers
Grand Opening Marketing Plan ⁷	\$15,000	\$15,000	As Arranged	30 Days Before and 15 Days After Opening	Approved Suppliers
Franchised Location (Lease Deposit/3 Months' Rent) ⁸	\$25,000	\$45,000	Cash	At Lease Signing	Landlord
Insurance – Liability & Workers compensation (initial deposit)	\$3,500	\$5,500	Cash	As Incurred	Insurance Carriers
Accounting Fees, Legal Fees/Organizational Expenses ⁹	\$5,000	\$10,000	Cash	As Incurred	Legal & State
Training Expenses (Travel and Living Expenses) ¹⁰	\$10,000	\$15,000	As Arranged	As Incurred	Airlines, Hotels, Ramen Bars
Liquor License ¹¹	Varies		As Arranged	As Incurred	City, County, State
Initial Training Program	\$15,000	\$15,000	Cash	At Signing	Us
Initial Franchise Fee ¹²	\$40,000	\$40,000	Cash	At Signing	Us
ADDITIONAL FUNDS (3 months) ^{13,14}	\$25,000	\$35,000	Cash	As Incurred	Approved Suppliers, Landlord, Employees, Other

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
GRAND TOTAL ¹⁴	\$470,500	\$1,033,500			

**YOUR ESTIMATED INITIAL INVESTMENT
AREA DEVELOPMENT AGREEMENT
(TWO STANDARD JINYA RAMEN BARS)**

The following chart sets forth the minimum fees you must pay to us if you enter into an Area Development Agreement. For each JINYA Ramen Bar you develop under the Area Development Agreement, you will also incur the expenses in the applicable tables above in this Item 7. We may not always afford you the opportunity to develop the number of JINYA Ramen Bars that you request. You and we will determine the Development Area and the number of JINYA Ramen Bars that you will develop and operate on a case-by-case basis before you sign your Area Development Agreement.

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Development Fees ¹⁶	\$40,000	\$40,000	Cash	At Signing	Us
Additional Legal Fees ⁹	\$5,000	\$10,000	Cash	As Incurred	Legal & State
Initial Investment for 2 Standard JINYA Ramen Bars (Based Upon High / Low Ranges from Table Above Minus Franchise Fee)	\$2,691,000	\$6,008,000	See Above	See Above	See Above
Remaining Franchise Fees	\$40,000	\$40,000	Lump sum	At signing of Franchise Agreement	Us
GRAND TOTAL ¹⁶	\$2,791,000	\$6,113,000			

**YOUR ESTIMATED INITIAL INVESTMENT
AREA DEVELOPMENT AGREEMENT
(TWO BUSHI BY JINYAS)**

The following chart sets forth the minimum fees you must pay to us if you enter into an Area Development Agreement. For each bushi by JINYA location you develop under the Area Development Agreement, you will also incur the expenses in the applicable table above in this Item 7. We may not always afford you the opportunity to develop the number of bushi by JINYAs that you request. You and we will determine the Development Area and the number of bushi by JINYAs that you will develop and operate on a case-by-case basis before you sign your Area Development Agreement.

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Development Fees ¹⁵	\$40,000	\$40,000	Cash	At Signing	Us
Additional Legal Fees ⁹	\$5,000	\$10,000	Cash	As Incurred	Legal & State
Initial Investment for 2 bushi by JINYAs (Based Upon High / Low Ranges from Table Above Minus Franchise Fee)	\$861,000	\$1,987,000	See Above	See Above	See Above
Remaining Franchise Fee	\$40,000	\$40,000	Lump sum	At signing of Franchise Agreement	Us
GRAND TOTAL ¹⁵	\$946,000	\$2,077,000			

We currently do not offer financing for any purpose, but reserve the right to do so in the future. We do not guarantee your note, lease or other obligations.

NOTES:

1. These estimates include equipment lease deposits, sales tax deposits or bonds, business licenses fees, sewer hookup charges, and utility deposits. These estimates exclude any special connection and/or tap fees and taxes based on projected sales. Your fees and expenses may vary.

2. These estimates include costs for space plan layout, design, kitchen, and related drawings, not including designer's site visit cost. You must use a licensed architect whom we approve to construct your restaurant and you must obtain all required permits. The costs for the architect and permits are not included in the cost range because the fees and expenses will vary.

3. These estimates are for the costs incurred for project and construction management and construction and remodeling a location to conform to our current standards, including a general contractor's fee; contractor's insurance; materials and supplies; tools; and labor and subcontractor fees. The cost estimate includes the lighting control system. You must perform or have performed any construction, remodeling, or additions necessary to cause the premises to conform to applicable federal, state, county, city, local laws, ordinances, codes, rules and regulations and meet our requirements for the layout design, construction, fixturation, equipment and installation, and the trade dress appearance. Construction and remodeling costs vary widely depending upon the location, design, the condition and configuration of existing services and facilities such as air conditioning, electrical and plumbing, lease terms, and the local real estate market. We will provide specifications regarding the space including certain electrical and gas requirements. If you will use union workers, this estimate may not cover your costs. If you do not receive the leased premises with the conditions noted or if there are existing site conditions that we cannot predict, your leasehold construction costs may substantially exceed these estimates. These estimates do not include demolition expenses.

4. These estimates include the costs for subscriptions pertaining to accounting, point of sale system ("**POS System**"), music programming, security system, online ordering, and other software services required to operate a restaurant. The included one-time installation fee will range from \$5,400 to \$11,000. In addition to one-time installation fees, you will incur monthly costs for software (online ordering, gift cards, above store reporting, mobile app, loyalty, network security, EMV payment, etc.), help desk support and hardware maintenance. We anticipate that you will spend from \$7,500 to \$14,000 annually on that support and maintenance. We do not provide a cost range to purchase the POS System. Your costs may vary depending on restaurant size and requirements. You must use the type of POS system we designate. We can change our designated POS Systems at any time. In addition to the POS System, you must purchase, use and maintain a computer system including all related hardware and software as we specify in the Manuals or otherwise. We do not specify or recommend any specific brand or type of computer system.

5. Equipment you will need to purchase includes noodle boilers, dumpling cookers, fryers, grills, one refrigerator, one freezer, and beverage dispensers. For JINYA Ramen Bars, the cost of kitchen equipment ranges from \$120,000 to \$175,000, smallwares range from \$30,000 to \$55,000, and operational materials range from \$35,000 to \$55,000. For bushi by JINYA, the cost of kitchen equipment ranges from \$35,000 to \$150,000, smallwares range from \$12,000 to \$15,000, and operational materials range from \$35,000 to \$55,000. The cost of furniture and fixtures ranges from \$50,000 to \$115,000. The JINYA Ramen Bars may utilize shared or public seating in a food court setting. All signs containing the Marks must be created to our specifications and must be designed and fabricated by Approved Suppliers.

6. This amount will be paid directly to our Approved Supplier for certain products, which are currently supplied by our affiliate company, Tomo Foods. Other Approved Suppliers may provide some of the inventory.

7. At least 60 days before the opening of your JINYA Ramen Bar, you must submit a grand opening required spending plan ("**Grand Opening Plan**") to us, which outlines your proposal for grand opening marketing and promotion of your restaurant. You must obtain our written consent to the Grand Opening Plan before you implement it. You must modify the Grand Opening Plan as we request, and, thereafter, you may not make any substantial changes to the Grand Opening Plan without our advance written consent. You must, during the period beginning 30 days before

the scheduled opening and continuing for 60 days after that opening, you must spend the amount for grand opening marketing and promotion.

8. These estimates assume that the site of your Franchised Location will be a leased, unimproved, unfinished retail store-type site or a food court/kiosk site and are based on the assumption that the Franchised Location will be rented and that you will pre-pay the landlord 3 months' rent. A typical Standard JINYA Ramen Bar or a bushi by JINYA will be located in a densely populated suburban or urban area on a major thoroughfare or adjacent to or part of a suburban or urban shopping center or strip mall in leased spaces. The approximate size of a Standard JINYA Ramen Bar is 2,500 to 5,000 square feet and of a bushi by JINYA is 400 to 800 square feet. Monthly lease payments for Standard JINYA Ramen Bars usually range from \$12,000 to \$25,000 per month and for bushi by JINYA usually range from \$12,000 to \$32,000. The low estimate assumes the payment of a lease security deposit equal to 1 month's rent and the high estimate assumes the payment of a lease security deposit equal to 2 month's rent. These estimates assume the payment of rent for 3 months.

9. This estimate includes legal review and negotiation of the lease for the Franchised Location and accounting assistance in setting up your books. Additional Legal Fees in the Area Development chart above reflect additional legal costs you may incur as a result of signing an Area Development Agreement.

10. This estimate includes the cost of having up to four individuals attend training including your Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel to attend our Initial Training Program in Los Angeles, California at a Company-Owned Ramen Bar, at your restaurant, or other location we designate. You must arrange and pay for the transportation, meals and lodging for you and your supervisory or managerial personnel who attend our Initial Training Program. You will be responsible for any salaries, meals, lodging, other living expenses and transportation costs incurred by your supervisory or managerial personnel while attending the Initial Training Program. This estimate does not include the pre-opening training salaries for your General Managers and employees at your restaurant.

11. The cost of obtaining liquor licenses is not included in the chart above. This cost varies greatly depending on the state and the licensing authority involved.

12. For all subsequent restaurants you open, this fee will be \$10,000.

13. The Initial Franchise Fee and Development Fee are described in Item 5 of this Disclosure Document. If you sign an Area Development Agreement, you will be required to agree to develop a minimum of two restaurant. We do not have a maximum number of restaurant that can be developed under the Area Development Agreement.

14. You must, at all times, maintain adequate reserves and working capital sufficient for you to fulfill all of your obligations under your Franchise Agreement and to cover the risks and contingencies of your restaurant for at least 3 months. The estimates provided above include estimated employee wages, 3 months of inventory (including Ramen Bar equipment, beverage ingredients and food products), facility expenses, opening cash, and other required expenses incurred through the first 3 months of operations. These estimates do not include finance charges, interest and related costs that you may incur if any portion of your initial investment or other recurring monthly operating expenses are financed. These estimates are the minimum recommended amounts needed to cover operating expenses for 3 months. Additional working

capital may be required if sales are low or fixed costs are high. You will need capital to support on-going expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenue. Our estimate is based on information provided to us by franchisees on locations within the square foot parameters

Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or a weak credit history, suppliers may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

15. For Standard JINYA Ramen Bars, the average cost per square foot for interior construction is \$350-\$600. If site you select exceeds the recommended square footage parameters, the total investment necessary could be significantly higher. Other unforeseen circumstances contributing to a higher total investment can include hood, vent, and duct work, sloping, patio, historical building, etc. We relied on the Operating Companies' experience in developing and opening Company-Owned Ramen Bars to determine these estimates, and the experience of our franchisees if and to the extent that they shared this information with us. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise.

16. Your estimated initial investment under the Development Agreement will vary depending on the number of JINYA Ramen Bars you develop. The estimated initial investment chart reflects the minimum number of two (2) development commitments. No part of this initial investment is refundable, although we will apply the applicable portion of the Area Development Fee towards the Franchise Fee owed under each Franchise Agreement that the Development Agreement covers.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you have no obligation to purchase or lease from us or from suppliers approved by us or according to specifications we issue:

Approved Suppliers. You may only use suppliers that we have accepted and approved ("**Approved Suppliers**") because they have demonstrated to us their ability to supply products and services for JINYA Ramen Bars meeting our specifications as to brand names, models, contents, manner of preparation, ingredients, quality, freshness, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. We will provide you with the names of our Approved Suppliers and specifications, standards and restrictions on your purchase of products and services after you sign your Franchise Agreement. We may update our list of Approved Suppliers from time to time. All "**Branded Products**", "**Proprietary Products**" and "**Non-Proprietary Products**" we designate for use and sale at your JINYA Ramen Bar must be purchased from Approved Suppliers. "**Branded Products**" are products that bear any of the JINYA Ramen Bar Marks, including products that are prepared, sold and/or manufactured in strict accordance with, our methods, standards and specifications, including pre-packaged food and beverage products, clothing, souvenirs and novelty items. We and our affiliates are and may be, but are not obligated to become, Approved Suppliers of certain Branded Products, Proprietary Products and Non-Proprietary Products and may in the future, act as the sole Approved Suppliers of certain Branded Products, Proprietary Products and Non-Proprietary Products.

Tomo Foods supplies certain Proprietary Products including gift cards, menus, and smallwares to our franchisees and is the only Approved Supplier of these Proprietary Products at this time. Tomo Foods will derive a profit from the sales of these Proprietary Products to our franchisees. In our fiscal year ending December 31, 2023, revenues of Tomo Foods from the sale of these Proprietary Products to franchisees were \$926,272. Of that amount, \$804,655 was paid to the manufacturers or suppliers who provided the Proprietary Products to Tomo Foods. With this exception, neither we, nor our affiliates, are the only Approved Suppliers of any products at this time. The source of this information is the financial books and records of Tomo Foods. In our fiscal year ending December 31, 2023, we did not derive any revenue from franchisee's purchases or leases of required products/services.

Approximately 90% of your start-up expenses and 90% of your ongoing expenses will be for purchases from Approved Suppliers or purchases according to our specifications. Tomonori Takahashi owns Tomo Foods. Except as noted, none of our officers own an interest in any supplier for our franchisees.

Authorized Products. You must serve and sell all and only the ramen dishes and other food and beverage products and all Branded Products, Proprietary Products and Non-Proprietary Products we authorize ("**Authorized Products**") at your JINYA Ramen Bar. We may provide you with our proprietary ingredients, beverages, branded products, food products, packaging and products that are produced or manufactured according to our trade secrets, proprietary recipes, specifications and/or formulas (collectively, the "**Proprietary Products**"). You must buy Proprietary Products only from us, our affiliates or our Approved Suppliers. We will not be obligated to reveal our trade secrets or the recipes, specifications and/or formulas of Proprietary Products to you or any third party. You must purchase, use, and maintain in stock a sufficient amount of Authorized Products and Proprietary Products to operate your JINYA Ramen Bar.

Non-Proprietary Products. We may designate certain non-proprietary food products, condiments, beverages, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, menus, packaging, forms, customer comment cards, POS Systems, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Proprietary Products, that you may or must use or sell at your JINYA Ramen Bar ("**Non-Proprietary Products**"). You may use, offer or sell only those Non-Proprietary Products that we expressly authorize. You must purchase Non-Proprietary Products from Approved Suppliers. Each supplier we approve must comply with our usual and customary requirements regarding insurance, indemnification, and non-disclosure, and satisfy us that it will supply products meeting our specifications (which may include particular brand names, model, contents, quality, freshness and compliance with governmental standards), reliably deliver consistent quality products or services, and meet any other requirements we determine is in the best interest of the JINYA Ramen Bar System. We may limit items to a particular brand or brands set by us

Fixtures, Furnishings and Equipment. You must purchase and install, at your expense, all fixtures, furnishings, equipment, décor, and signs as we direct. You may not install on or about your JINYA Ramen Bar any furnishings, interior or exterior décor items, supplies, fixtures, equipment or utensils unless they have been approved by us in writing. You must purchase these items from Approved Suppliers.

POS System and Computer Equipment. You must participate in the subscription program for the POS System at your expense. You must purchase, lease or license all computer hardware

and software we designate for your JINYA Ramen Bar at your expense. You must maintain and update all computer hardware and software as we require.

Recommended Suppliers. If you wish to purchase any items from a supplier other than us or an Approved Supplier, you must obtain our approval. You must identify the proposed supplier, its name and address, and the item(s) you desire to purchase from that supplier. We may require you to deliver a sample of their product. Our specifications and standards for supplier approval are generally available upon written request. If product specifications for the item are not in the operations manuals (the “**Manuals**”), we will furnish the general, but not manufacturing, specifications for Non-Proprietary Products to you at your request. We may condition our approval on the supplier agreeing in writing not to disclose any confidential information regarding us or our operations, to comply faithfully with our specifications for the items it sells, to sell any materials bearing our marks only to our franchisees, and on the supplier demonstrating to our reasonable satisfaction that it is able to supply commodities meeting our specifications on a continuing basis, and that the supplier is, and will continue to be, of good standing in the business community with regard to its financial soundness and the reliability of its product and service. We also have the right to require, as a condition of approval, that our representatives are permitted to inspect the supplier’s facilities and that you deliver to us and/or to an independent, certified laboratory designated by us, all information, specifications and samples that we reasonably designate for testing. You must pay us a fee not to exceed the actual cost of the inspection testing. In addition to product testing, a facility audit may be required, and you must pay us, in advance, a deposit of up to \$1,000, before we begin any inspection. You will be responsible for any additional costs and expenses associated with the inspection of the facility, including reimbursing us for any travel related expenses. We will use our good faith efforts to notify you of our decision within 60 days after we receive your request for approval and all requested back-up information. You may not use a supplier unless we notify you of our approval in writing. We may revoke a supplier’s approval for failure to comply with our requirements and specifications. We will disapprove or withdraw our approval of any supplier by written notice to you.

Rebates. We or affiliates may, from time to time, receive rebates from Approved Suppliers based on the aggregate volume of items ordered. You are not entitled to receive any portion of these rebates and we or affiliates have full discretion over how to spend the rebates.

Our designated beverage supplier pays volume rebates to us based upon franchisee purchases including per gallon for syrups and per case for other drink products, which are spent on agreed upon expenditures including marketing support. The rebates include from \$0 to \$2.20 per gallon for syrups, per case from \$1.50 to \$9 for various bottled and canned drinks, and a per unit opening amount. In our fiscal year ending December 31, 2023, we received \$47,563 in rebates, which was paid 50% to Tomo Foods and 50% to Marketing Fund. We may in the future receive other rebates.

In addition, we may negotiate certain arrangements (including price terms) for the purchase of certain items, such as logoed paper products and cups with suppliers. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers. There are currently no purchasing or distribution cooperatives for the System.

Insurance

You must obtain and maintain the at least following insurance:

- commercial general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury (with full assault and battery coverage), with a combined bodily injury and property damage limit of at least \$2,000,000 in the aggregate and \$1,000,000 per occurrence;
- statutory workers' compensation insurance and employer's liability insurance for a minimum limit equal to the greater of \$100,000 or the amounts required as underlying by your umbrella carrier, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchised Business is located;
- commercial umbrella liability insurance with total liability limit of at least \$5,000,000 (with foodborne illness coverage included);
- dramshop coverage with limits of liability not less than \$1,000,000 combined single limit for both bodily injury and property damage (this may be included within the umbrella coverage);
- property insurance providing coverage for direct physical loss or damage to real and personal property (as well as electronic equipment such as point of sales, menu board, and other equipment) for all-risk perils, including the perils of flood and earthquake that values property (real and personal) on a new replacement cost basis without deduction for depreciation and the amount of insurance shall not be less than 90% of the full replacement value of the Franchised Business, its furniture, fixtures, equipment, and stock (real and personal property);
- comprehensive automobile liability insurance, including owned, non-owned and hired car coverage providing third party liability insurance, covering all licensed vehicles owned or operated by or on your behalf, with limits of liability not less than \$1,000,000 combined single limit for both bodily injury and property damage;
- data theft and cybersecurity coverage with limits of liability not less than \$1,000,000 combined single limit;
- employment practices liability insurance with limits of liability not less than \$1,000,000 combined single limit;
- director and officer coverage for your executives and board of directors (or equivalent if you are an entity that is not a corporation);
- any other insurance coverage that is required by federal, state, or municipal law; and
- any contractors and subcontractors that you engage must carry the same amount or greater coverage and name us and you as additional insured parties.

Each insurance policy must be primary and noncontributory, who must have a rating of at least "A-" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and must be licensed to do business in the state in which the Franchised Business is located. All liability and property damage policies must name us as additional insureds and must provide that each policy cannot be cancelled unless we are given thirty days' prior written notice. We may

periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect.

Credit Cards. You are required to honor all credit, charge, courtesy and cash cards approved by us in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with selling Authorized Products, you are required to maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards (“**PCI DSS**”), currently found at www.pcisecuritystandards.org for the protection of cardholder data. You are responsible for the security of cardholder data in the possession or control of any of subcontractors you engage to process credit cards. All subcontractors must be identified to and approved by us in writing prior to sharing cardholder data with the subcontractor. You must, if requested to do so by us, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all identified subcontractors.

Gift Cards, Loyalty, CRM, Social Media Software, Online and Mobile Ordering Programs. You may not create or issue any gift certificates or gift cards and may only sell gift certificates or gift cards that have been issued by us that are accepted at all JINYA Ramen Bars. You must participate in all gift certificate and/or gift card administration programs as we may designate from time to time. You must honor all coupons, gift certificates, gift cards and other programs or promotions we direct. You must fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by us. You must not issue coupons or discounts of any type for use at your JINYA Ramen Bar except as approved by us in writing. In addition, you must purchase, enroll in or subscribe to, as applicable, all CRM, social media analytics and online and mobile ordering software or programs that we designate. We may change the designated suppliers of these or similar services in our discretion. You must change, purchase or subscribe to the additional programs or software, as applicable, after we give you notice to do so.

Music and Music Selection.

You must use an approved provider of music for your JINYA Ramen Bar and must play only the music and music selections that we approve. You must install the equipment necessary to receive and play approved music, at your cost, inclusive of any licensing fees.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

OBLIGATION	ARTICLES AND SECTION(S) IN AGREEMENTS	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Article 5 of the Franchise Agreement; Sections 5.1-5.2 of the Area Development Agreement	Items 8, 11 and 16

OBLIGATION	ARTICLES AND SECTION(S) IN AGREEMENTS	DISCLOSURE DOCUMENT ITEM
b. Pre-opening purchases/leases	Article 5 and Section 7.8 of the Franchise Agreement; Sections 5.1 – 5.3 of the Area Development Agreement	Item 5 and 16
c. Site development and other pre-opening requirements	Sections 5.3 and 5.4 of the Franchise Agreement; Sections 2, 6.1 - 6.2 and Exhibit C of the Area Development Agreement	Items 7, 11 and 16
d. Initial and ongoing training	Sections 6.1 - 6.4, 7.2 - 7.5 of the Franchise Agreement	Items 6 and 11
e. Opening	Section 5.4 of the Franchise Agreement	Item 11
f. Fees	Sections 3.3, 7.4, 7.5 and 7.25 and Articles 4 and 10 of the Franchise Agreement; Sections 2.6, 3.4 and 9.4.7, Article 4 and Exhibit A of the Area Development Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	Article 11 and Section 15.11 of the Franchise Agreement; Articles 6 and 16 of the Area Development Agreement	Item 11
h. Trademarks and proprietary information	Section 7.6 and Article 9 of the Franchise Agreement; Articles 7 and 8 of the Area Development Agreement	Items 11, 13, and 14
i. Restrictions on products/services offered	Article 8 of the Franchise Agreement; Section 6.2 of the Area Development Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section 7.19 of the Franchise Agreement	Not Applicable
k. Territorial development and sales quotas	Sections 2.1, 2.4, 2.5, 2.6 and 6.1 of the Area Development Agreement	Item 12
l. Ongoing product/service purchases	Articles 6 ,7 and 8 and Section 10.5 of the Franchise Agreement	Item 16
m. Maintenance, appearance and remodeling requirements	Sections 5.5, 7.20 and 7.23 of the Franchise Agreement	Items 7 and 16

OBLIGATION	ARTICLES AND SECTION(S) IN AGREEMENTS	DISCLOSURE DOCUMENT ITEM
n. Insurance	Article 13 of the Franchise Agreement	Item 16
o. Marketing	Article 10 of the Franchise Agreement	Items 6, 11 and 13
p. Indemnification	Sections 9.4, 16.7 and 18.4 of the Franchise Agreement; Section 14.4 of the Area Development Agreement	Items 6, 12 and 17
q. Owner's participation/management/staffing	Section 7.11 of the Franchise Agreement	Item 15
r. Records and reports	Article 12 of the Franchise Agreement	Item 6
s. Inspections and audits	Sections 7.7 and 12.3 of the Franchise Agreement	Item 6
t. Transfer	Article 14 of the Franchise Agreement; Articles 9 and 10 of the Area Development Agreement	Items 6 and 17
u. Renewal	Sections 3.2-3.4 of the Franchise Agreement; Sections 3.2-3.4 of the Area Development Agreement	Items 6 and 17
v. Post-termination obligations	Article 17 of the Franchise Agreement; Article 12 of the Area Development Agreement	Items 6 and 17
w. Non-competition covenants	Section 15.2 -15.4, 15.7, 15.8 and 15.11 of the Franchise Agreement; Article 13 of the Area Development Agreement	Item 17
x. Dispute resolution	Article 19 of the Franchise Agreement; Article 15 of the Area Development Agreement	Item 17
y. Taxes & Permits	Sections 4.7 and 5.3 of the Franchise Agreement	Items 1 and 7
z. Computer hardware and software	Section 7.8 of the Franchise Agreement	Item 16
aa. Liquidated Damages	Section 15.7 of the Franchise Agreement	Item 6

ITEM 10 FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease, or obligation.

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

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

Before Opening

We have the following obligations to you before you open your JINYA Ramen Bar for business:

1. **Site Selection**. When you enter into the Franchise Agreement, if you do not have an Accepted Location for the Franchised Business, you must sign a site selection addendum attached to the Franchise Agreement as Exhibit G (the "**Site Selection Addendum**"). Under the terms of the Site Selection Addendum, you will have 180 days within which to lease, sublease or acquire a site for the Franchised Business, subject to our approval according to our site selection guidelines. You may not construe any assistance we provide, or our acceptance of any site, as a guarantee or other assurance that the proposed site will be successful. Upon locating a proposed site, you must submit in writing certain information we request. (**Franchise Agreement, Section 5.1**). (**Franchise Agreement, Section 5.1**). You must open your JINYA Ramen Bar within one year after you sign your Franchise Agreement. (**Franchise Agreement, Section 5.4**).
2. **Site Design**. We will provide you with a copy of our specifications for the décor and layout of a JINYA Ramen Bar and the required fixtures, equipment, furnishings, décor, trade dress and signs. You are responsible for the costs of preparing architectural, engineering and construction drawings and site and space layout and exterior signage plans. We have an approved designer that you must use. You must use a licensed architect whom we approve to design and construct your JINYA Ramen Bar. Your construction project manager must correspond directly with us during the renovation or construction. You are responsible for the cost of construction and remodeling of your JINYA Ramen Bar. (**Franchise Agreement, Section 5.3**).
3. **Operations Manuals**. You must operate your JINYA Ramen Bar in strict compliance with the standard procedures, policies, rules and regulations contained in our Manuals. After you sign your Franchise Agreement, we will loan you one or more manuals to use during the term of your Franchise Agreement which may include audio, video, compact disks, computer software, other electronic media and/or written materials. At our option, we may post some or all of the Manuals on a restricted website, intranet, or extranet to which you will have on-line access. The Manuals contain our standard operational procedures, policies, rules and regulations with which you must comply. We may, from time to time, update or change the Manuals in our sole discretion. (**Franchise Agreement, Section 6.5**). The Manual for JINYA Ramen Bars contain 119 pages and for bushi by JINYA contain 64 pages. The table of contents for the Manuals are attached as Exhibit C. You must operate your JINYA Ramen Bar in compliance with the terms of your Franchise Agreement and the Manuals. You alone will exercise day-to-day control over all operations, activities and elements of your JINYA Ramen Bar including over your employees. Under no circumstance will we do so or be deemed to do so. The various requirements, restrictions, prohibitions, specifications and procedures of the JINYA Ramen Bar System with which you must comply under the Franchise Agreement and the Manuals do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-

day operations of your JINYA Ramen Bar, but only constitute standards to which you must adhere when exercising your control over the day-to-day operations of your JINYA Ramen Bar consistent with our policies. (**Franchise Agreement, Section 7.1**).

4. **Initial Training Program**. We will provide our Initial Training Program at our corporate office, at a Company-Owned JINYA Ramen Bar or at any other location we designate, for your General Manager, Kitchen Manager, and Assistant Kitchen Manager (or other supervisory or managerial personnel) as we require ("Managers"). Managers may be required to attend a refresher training program prior to opening. (**Franchise Agreement, Section 6.1**). If your Principal Owner is not also one of your Managers, they must attend a separate owner's training.

5. **Grand Opening Support**. We will provide on-site training and assistance to your supervisory or managerial staff for up to 10 days before your JINYA Ramen Bar opens for business. (**Franchise Agreement, Section 6.2**).

6. **Approved Suppliers**. We will provide a list of our Approved Suppliers after you sign your Franchise Agreement. All Branded Products, Proprietary Products and Non-Proprietary Products that we designate for use and sale at your JINYA Ramen Bar must be purchased from Approved Suppliers. (**Franchise Agreement, Section 8.1**).

Post-Opening Obligations

We have the following obligations to you during the operation of your JINYA Ramen Bar:

1. **Consultation**. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding: (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at the JINYA Ramen Bar for which we have not established Approved Suppliers. (**Franchise Agreement, Section 6.6**).

3. **Additional Initial, Remedial and Other Training Programs**. We may provide additional training programs and charge the training fee. ("**Additional Training Programs**"). (**Franchise Agreement, Sections 6.3 and 6.4**).

4. **Products**. We will designate Branded Products, Proprietary Products and Non-Proprietary Products that you may or must stock and promote. (**Franchise Agreement, Sections 8.1**).

6. **Inspections**. We may examine your JINYA Ramen Bar to confer with your supervisory or managerial employees, inspect and check operations, food, beverages, furnishings, interior and exterior décor, supplies, fixtures and equipment, and determine whether your JINYA Ramen Bar is being operated in accordance with your Franchise Agreement, JINYA Ramen Bar System and the Manuals. (**Franchise Agreement, Sections 6.7**).

7. **Pricing Guidelines**. We may provide pricing guidelines for Authorized Products, subject to applicable law, which may include minimum and maximum price policies, minimum advertised price policies and unilateral price policies, mandatory discounts, guest loyalty or frequent

customer programs, gift certificate and/or gift card administration programs. If we do so, you must comply with all pricing guidelines that we specify. (**Franchise Agreement, Section 7.10**).

8. **Operations Manuals**. We will continue to provide you with access to our Manuals during the term of your Franchise Agreement which may include audio, video, compact disks, computer software, other electronic media and/or written materials. We may, from time to time, update or change the Manuals in our sole discretion. (**Franchise Agreement, Section 6.5**).

9. **JINYA Ramen Bar Marks and JINYA Ramen Bar System**. We will permit you to use the JINYA Ramen Bar Marks and the JINYA Ramen Bar System during the term of your Franchise Agreement. (**Franchise Agreement, Section 2.1**).

10. **Confidential Information**. We will provide you with access to our confidential information during the term of your Franchise Agreement. (**Franchise Agreement, Section 11.1**).

11. **Toll Free Telephone Number**. We may now or in the future establish a toll free telephone number for the purpose of accepting and confirming customer orders nationwide, customer service, and customer follow-up and satisfaction surveys. If we establish a toll free number, you must comply with our procedures for implementing the nationwide service as we specify in the Manuals or otherwise in writing. (**Franchise Agreement, Section 6.9**).

Length of Time to Open Your JINYA Ramen Bar

You must deliver a fully executed copy of the Lease to us within 180 days after you sign your Franchise Agreement, and you must open your JINYA Ramen Bar for business within one year after signing your Franchise Agreement, unless we agree otherwise. If you fail to timely open, we have the right to terminate your Franchise Agreement. (**Franchise Agreement, Sections 5.1 and 5.4**). A JINYA Ramen Bar usually opens for business within 12 months after a Franchise Agreement is signed. Factors that may affect the length of time between signing of a Franchise Agreement and opening for business include the time necessary to: identify a location that we will accept; obtain any financing you need; obtain required permits and governmental agency approvals; fulfill local ordinance requirements; complete construction, remodeling, alteration, and improvement of the Franchised Location, including the installation of fixtures, equipment, and signs; and complete the hiring and training of personnel. Delay in construction may be caused by, among other things, inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

You may open a JINYA Ramen Bar under the Area Development Agreement only by signing a Franchise Agreement after you obtain a Franchised Location. As noted above, we estimate the length of time between signing a Franchise Agreement and the opening of your JINYA Ramen Bar will be a minimum 12 months, though the length of time you take may vary.

Site Selection/Lease/Purchase of Real Estate

You are solely responsible for selection of the proposed site of your JINYA Ramen Bar, which will be subject to our review and acceptance. After you sign your Franchise Agreement, you must identify one or more sites that meet our then current standards and specifications and submit the site to us for approval. We will notify you in writing whether the site is accepted or rejected within about 30 days after we receive all of the information we require to evaluate the site. Following our approval of a site, you must promptly negotiate a lease for the site and submit a copy of the proposed Lease to us along with the Lease Addendum attached to the Franchise Agreement as

Exhibit F (**Franchise Agreement, Section 5.2**). You must submit all demographic and other information regarding the proposed site and neighboring areas that we may require. We may, without obligation, assist you in locating a proposed site, only after you sign your Franchise Agreement and pay the Initial Franchise Fee. If you do not already have a location when you sign your Franchise Agreement, you must purchase or lease a site for your JINYA Ramen Bar within 180 days after you sign your Franchise Agreement. Our acceptance of your lease is based solely on our own interests and does not represent any guarantee or endorsement by us of the Franchised Location or confirmation that the lease complies with applicable law or that the terms of the lease are favorable to you. If we accept the proposed site, we will notify you of our preliminary acceptance of the site within about 30 days (or 15 days after you provide any supplemental information we request). If you and we fail to agree on a site within the required time limit, we can terminate your Franchise Agreement. (**Franchise Agreement, Section 16.2.16**).

Your lease must not (i) obligate us in any manner, or (ii) contain any provision inconsistent with your Franchise Agreement. You and your Landlord must enter into our current form of Lease Addendum. (**Franchise Agreement, Sections 5.1 and 5.2**).

When you sign each Franchise Agreement under an Area Development Agreement, you must locate sites for your JINYA Ramen Bars. We must approve the site and our then-current standards for JINYA Ramen Bar sites will apply. After you have located a site, you must submit it to us for our review and request us to consider and approve the site. Following receipt of our acceptance of a site, you must negotiate a lease or purchase agreement for the site and submit a copy to us. (**Area Development Agreement, Section 5.2**). We will then give you execution copies of our then-current Franchise Agreement for the proposed location. You must return the signed Franchise Agreement to us within 30 days after you receive the execution copies of the Franchise Agreement. (**Area Development Agreement, Section 5.2**). You may not enter into any Lease for a site unless and until we have approved the site in writing. (**Area Development Agreement, Section 5.2**).

You may not open your JINYA Ramen Bar at the Franchised Location for business until you have received our written authorization, which may be subject to our satisfactory inspection of your JINYA Ramen Bar at the Franchised Location. (**Franchise Agreement, Section 5.4**).

You may not relocate your JINYA Ramen Bar to any other location without our prior written consent. If we consent to a relocation of your JINYA Ramen Bar, you will have 12 months from the date of our approval of the new Franchised Location to secure the new Franchised Location and to open and operate your JINYA Ramen Bar at the new Franchised Location. If you fail to secure a new Franchised Location within 12 months of the date we approve the new Franchised Location, we may extend the time for you to do so; however, we will then have the right to estimate and bill you for Royalty Fees for the time period following the 12 month period based upon the Royalty Fees we received for your original JINYA Ramen Bar during the identical periods of the last preceding calendar year plus an additional 10% of such amount or, if your JINYA Ramen Bar was not in operation during the identical period of the last preceding year, based upon the average Royalty Fees you paid during the number of months your original JINYA Ramen Bar was in operation plus an additional ten percent (10%) of that amount. (**Franchise Agreement, Section 5.5**).

POS System; Computer Hardware and Software

You must obtain, use and maintain a POS System, a network router, all related software, a back

office computer and printer, including all related hardware and software, cameras and a DVR, televisions and a sound system, each as specified in the Manuals or otherwise by us in writing. Your POS System must be capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data and for ordering and maintaining the POS System. We will have unlimited independent access to your POS System. The POS System must be electronically linked to us, and you must allow us to poll the POS System on a daily or other basis at the times and in the manner established by us, with or without notice, and to retrieve transaction information including sales, sales mix, usage, and other operations data that we deem appropriate. We may require that you update, upgrade or replace the POS System, including hardware and/or software, upon 90 days' written notice, and if we do so, there are no contractual obligations limitations on the frequency and cost of the obligation; however, you will not be required to replace the POS System any more frequently than once every 3 years. Neither we nor an affiliate are obligated to provide on-going repairs, upgrades or updates to your POS System. The POS System must include the required technology to permit you to accept online orders of Authorized Products and services at your JINYA Ramen Bar and to accept and process JINYA Ramen Bar gift cards sold in other JINYA Ramen Bars. In addition, you must maintain and update all computer hardware and software as required by us. You must participate in the subscriptions for accounting, POS System, music programming, security system, online ordering and other software services required to operate a JINYA Ramen Bar. The upfront cost will range from \$5,400 to \$11,000 depending on the restaurant size and requirements. That amount includes a one-time installation fee (for program activation, on-site installation, on-site go live support). You will also incur monthly costs for software (online ordering, gift cards, above store reporting, mobile app, loyalty, network security, EMV payment, etc.), help desk support and hardware maintenance. We estimate that you will spend from \$7,500 to \$14,000 annually for maintenance and support costs. You must upgrade the POS System if we instruct you to do so. (**Franchise Agreement, Section 7.8**).

In addition to the POS System, you must purchase, use and maintain a computer system including all related hardware and software as we specify in the Manual or otherwise. We do not specify or recommend any specific brand or type of computer system. You must obtain and maintain adequate anti-virus software in the computers you use to communicate with us directly or through our master website or Intranet. We estimate that the cost for your computer system will range from \$1,000 to \$3,000 and the annual cost of optional or required maintenance, updating, operating or support contracts for your computer system will range from \$250 to \$500. (**Franchise Agreement, Section 7.8**).

Internet

We have registered the Internet domain names www.jinyaramenbar.com, <https://jinyaramenbar.com/> and <https://www.bushibyjinya.com/> and have established sites using these domain names. You acknowledge that the domain name is our sole property. You may not use in any manner, any computer medium or electronic medium (for example, any Internet home page, e-mail address, website, domain name, URL, bulletin board, newsgroup or other Internet related medium or activity) that contains the JINYA Ramen Bar Marks, or any other words, symbols or terms confusingly similar to the JINYA Ramen Bar Marks without our express prior written consent. We may include on our Internet Website interior pages that identify all JINYA Ramen Bars, including your JINYA Ramen Bar. (**Franchise Agreement Sections 10.7 and 10.8 Area Development Agreement, Section 7.3**).

We have the sole right to market on the Internet and use the JINYA Ramen Bar Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email

addresses, metatags, linking, marketing, cobranding and other arrangements, and in all other forms of electronic media. You may not separately register any domain name or any portion of a domain name containing the JINYA Ramen Bar Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the JINYA Ramen Bar Marks unless you first obtain written approval from us. Your general conduct on the Internet or other forms of electronic media, including your use of the JINYA Ramen Bar Marks or any marketing, is subject to the terms and conditions of your Franchise Agreement and any other rules, requirements or policies that we may identify. **(Franchise Agreement Sections 2.3 and 10.7).**

Social Media

In order to maintain a consistent image and message and to protect the JINYA Ramen Bar Marks and the JINYA Ramen Bar System, you must not participate or market through the use of social technology, social media such as Facebook, Instagram, My-Space, Pinterest and Twitter, social networking platforms or other forms of electronic media not yet developed ("**Social Media Platforms**") using the JINYA Ramen Bar Marks, or in connection with the your JINYA Ramen Bar, without our prior written consent. If you separately register any Social Media Platform account (a "**Social Media Account**") containing the JINYA Ramen Bar Marks or related to your JINYA Ramen Bar whether with our prior consent or not: (i) you must promptly notify us and provide us with all necessary information related to the Social Media Account we require or demand, without compensation to you; and (ii) the Social Media account will become our property, without compensation to you. We will be the sole owner of all related intellectual property rights in all Social Media Accounts and all content posted on Social Media Accounts. You must list us as an administrator on any Social Media Account (where possible) and allow us to control and administer all of your Social Media Accounts, which includes modifying your Social Media Accounts. **(Franchise Agreement, Section 10.9).**

WiFi Service

You must provide free WiFi service at your JINYA Ramen Bar for use by your customers in compliance with our requirements for bandwidth included in the Manuals or other directives from us. We will control the WiFi gateway and all emails collected will be our property, with no restrictions on our use or distribution of email addresses. **(Franchise Agreement, Section 10.7).**

Intranet

We may, at our option, establish an Intranet through which our franchisees may communicate with each other, and through which we may communicate with you and may disseminate the Manuals, updates and other confidential information to you. If we establish an Intranet, you must establish and maintain an electronic connection with the Intranet that allows us to send messages to and receive messages from you. We will have sole discretion and control over all aspects of the Intranet, including the content and functionality of the Intranet. You will have the privilege, but not the right, to use the Intranet, subject to your compliance with our policies. We have the right to disable the Intranet or limit your access to the Intranet at any time, in our sole discretion. **(Franchise Agreement Section 7.21).**

Marketing Fund Fees

You must pay our marketing fund (the "**Marketing Fund**") Marketing Fund Fees equal to 1% of the Gross Sales of your JINYA Ramen Bar. We have the right to increase the amount of the

Marketing Fund Fees up to 0.5% per year, not to exceed 3% of Gross Sales, at any time during the term of your Franchise Agreement on 90 days' prior written notice to you. Company-owned and affiliate owned JINYA Ramen Bars, including any JINYA Ramen Bars owned by the Operating Companies, may, but are not required to, contribute to the Marketing Fund. If they do, they may not be required to contribute in the same percentage as you and may stop contributing at any time without notice to you. (**Franchise Agreement, Section 10.1**).

The Marketing Fund will be administered by us and will be used to meet the costs of conducting marketing and promotional activities. The Marketing Fund may be used to pay the costs of preparing and producing video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, website development/operation for portal, Internet, Intranet and URL services and for 800 or similar numbers. Twenty percent (20%) of contributions to the Marketing Fund will be used to compensate us for overhead and other expenses incurred in connection with our administration of the fund. (**Franchise Agreement, Section 10.1**). The Marketing Fund is intended to maximize general public recognition and acceptance of the JINYA Ramen Bar Marks for the benefit of the JINYA Ramen Bar System. The administrator will not be obligated, in administering the Marketing Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that you benefit directly or pro rata from the marketing or promotion conducted under the Marketing Fund. (**Franchise Agreement, Section 10.1.2**). Your Marketing Fund Fees will be held in an account separate from our other funds. Any unused monies in the Marketing Fund at the end of any year will be used in the next fiscal year. Our printed materials and Website may also contain references stating that "Franchises Are Available" and/or that "Each JINYA Ramen Bar Franchise Is Independently Owned and Operated" to promote the sale of franchises for JINYA Ramen Bars. With this exception, no portion of the Marketing Fund will be used to solicit or to sell JINYA Ramen Bar franchises to prospective franchisees. (**Franchise Agreement, Section 10.1.3**). No more than once a year, we will prepare an annual accounting of the Marketing Fund and, upon request, distribute the accounting to JINYA Franchisees. The annual accounting will state the total amount of money collected and spent by the Marketing Fund during the previous year and will list, by general category, the manner in which we spent the money. The report will not be separately audited. (Franchise Agreement, Section 10.1.1. In the fiscal year ended December 31, 2023, we collected \$1,565,195 in Marketing Fund Fees from our franchisees and spent \$2,036,067 on the advertising and promotion of the JINYA Ramen Bar brand and businesses, as follows: 65% on the production of advertisements, public relations, contests, and other brand and promotional materials, 10% on website, technology, and other digital and creative developments, 5% for brand compliance and oversight, 15% for administrative expenses, and 5% on other miscellaneous expenses (which include payroll and professional services).

Local Marketing Expenditures

In addition to the Marketing Fund Fee you are required to pay to us, you must spend 2% of the Gross Sales of your JINYA Ramen Bar on local promotion and marketing (the "**Local Marketing Expenditures**"). All marketing must meet our specifications in our Manuals. You must submit to us before use, samples of all local marketing materials, and descriptions of all local marketing programs, not prepared or previously approved by us, for our approval. You may not use any marketing material or program or use the JINYA Ramen Bar logo or JINYA Ramen Bar Marks in any public manner without our prior written approval. We reserve the right to adjust the required

amount of the Local Marketing Expenditure at any time during the Term upon 90 days' prior written notice to an amount not to exceed 3% of Gross Sales. (**Franchise Agreement, Section 10.2**).

Cooperative Marketing Programs

We have the right at any time to establish local or regional marketing co-operatives ("**Cooperative Marketing Programs**") that pool funds of franchised and affiliate-owned JINYA Ramen Bars on an ongoing basis to collectively promote the JINYA Ramen Bar System and the businesses of the Cooperative Marketing Program members. Under our current policy, JINYA Ramen Bars operated by us and our affiliates will contribute to their applicable Cooperative Marketing Program in the same manner as our franchisees. You must participate in each applicable joint marketing program and comply with the rules of the program. We have not created any Cooperative Marketing Programs. The following applies to Cooperatives:

We may designate any geographic area or set of common characteristics for purposes of establishing a Cooperative Marketing Program. If a Cooperative Marketing Program is applicable to your JINYA Ramen Bar at the time that it opens for business, you must join the Cooperative Marketing Program. If a Cooperative Marketing Program applicable to your JINYA Ramen Bar is established during the term of your Franchise Agreement, you must become a member and begin contributing no later than 30 days after we approve the Cooperative Marketing Program to begin operation. You will not have to contribute to more than one Cooperative Marketing Program for the same JINYA Ramen Bar at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative Marketing Program that is applicable to a JINYA Ramen Bar owned by us or our affiliates, and will make contributions on the same basis as comparable franchisees.

Each Cooperative Marketing Program will adopt a cooperative agreement governing the organization and operation of the Cooperative Marketing Program, subject to our approval. If the members of the Cooperative Marketing Program do not sign an agreement within a reasonable time, you must sign our recommended form of cooperative agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative Marketing Program; as well as the right to require cooperatives to dissolve or merge. If we require a Cooperative Marketing Program to be dissolved, we will require the Cooperative Marketing Program to either expend all monies in the Cooperative Marketing Program or rebate contributions on a pro-rata basis based on contributions. No changes in the bylaws or other governing documents of a Cooperative Marketing Program may be made without our prior written consent.

Each Cooperative Marketing Program will be organized for the exclusive purpose of developing, administering, and executing advertising programs for the benefit of the members of the Cooperative Marketing Program. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval.

You and each other member of the Cooperative Marketing Program must contribute monthly to the Cooperative all or a portion of your local marketing expenditure, as determined by the membership. Your obligation for local marketing will be reduced by the amount of your contributions to the Cooperative. While your actual monthly contribution to the Cooperative will vary depending on your Cooperative's membership agreement, your total monthly contribution to the Cooperative will not exceed 3% of Gross Sales.

We may grant any franchisee an exemption for any length of time from the requirement of membership in a Cooperative Marketing Program, and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request stating reasons that we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If we grant an exemption to a franchisee, the franchisee will be required to spend on local marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative Marketing Program.

Cooperative Marketing Programs will be required to prepare an annual unaudited statement of contributions and expenditures for the Cooperative Marketing Program, which will be made available to franchisees upon written request. (**Franchise Agreement, Section 10.3**).

Grand Opening Marketing and Promotion

At least 30 days before the opening of your JINYA Ramen Bar, you must submit a Grand Opening Promotional Plan to us which outlines your proposal for grand opening marketing and promotion of your JINYA Ramen Bar. You must obtain our written consent to the Grand Opening Plan before you implement it. You must modify the Grand Opening Plan as we request, and, thereafter, you may not make any substantial changes to the Grand Opening Plan without our advance written consent. You must, during the period beginning 30 days before the scheduled opening of your JINYA Ramen Bar and continuing for 60 days after your JINYA Ramen Bar opens for business, spend the required amount to conduct grand opening marketing and promotion. Within 60 days after your opening date, you must provide us with copies of all invoices, statements, canceled checks or other forms of payment that you have issued which evidence your expenditure and payment for the Grand Opening Plan. (**Franchise Agreement, Section 10.4 and Exhibit A**).

Promotional Campaigns

We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your JINYA Ramen Bar is located. (**Franchise Agreement, Section 10.5**).

Pre-Opening Initial Training Program

We will provide an Initial Training Program in the JINYA Ramen Bar System and methods of operation at our training facilities in our corporate office or Company-Owned Ramen Bars located in Los Angeles, California or any other location we designate. You can have four individuals attend training including the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel as we designate. The Initial Training Program will consist of approximately 400 hours of training for each individual prior to the opening date of your JINYA Ramen Bar and must be completed before your JINYA Ramen Bar opens for business. All managers in training must pass a weekly certification test with a score as required by us before proceeding to the next module of training. You must attend and complete the Initial Training Program to our satisfaction. You must pay all travel, living, compensation, and other expenses you incur to attend the Initial Training Program. (**Franchise Agreement, Sections 6.1 and Section 7.2**). Our Initial Training Program is described below:

INITIAL TRAINING PROGRAM

JINYA RAMEN BAR (8 weeks)

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Marketing and Advertising	2	0	Los Angeles, California, any other location we designate
Grand Opening and Promotions	2	0	Los Angeles, California, any other location we designate
Safety	2	12	Los Angeles, California, any other location we designate
Management/Admin	2	60	Los Angeles, California, any other location we designate
Legal Duties and Obligations	4	4	Los Angeles, California, any other location we designate
Financial Reporting	4	6	Los Angeles, California, any other location we designate
Food Service Preparation / BOH	6	100	Los Angeles, California, any other location we designate
Line Service Training	8	144	Los Angeles, California, any other location we designate
Customer Relations/JINYA Ramen Bar Service Standard	4	40	Los Angeles, California, any other location we designate
TOTAL*	34	366	

BUSHI BY JINYA (4 weeks)

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Marketing and Advertising	2	0	Los Angeles, California, any other location we designate
Grand Opening and Promotions	0	0	Los Angeles, California, any other location we designate
Safety	2	8	Los Angeles, California, any other location we designate
Management / Admin	2	50	Los Angeles, California, any other location we designate
Legal Duties and Obligations	2	4	Los Angeles, California, any other location we designate
Financial Reporting	3	4	Los Angeles, California, any other location we designate

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Food Service Preparation / BOH	6	80	Los Angeles, California, any other location we designate
Line Service Training	8	80	Los Angeles, California, any other location we designate
Customer Relations / JINYA Ramen Bar Service Standard	4	40	Los Angeles, California, any other location we designate
TOTAL*	29	266	

*Total hours are an approximation. Hours will vary based on trainee progress and ability to demonstrate full understanding and expertise in the Classroom Training and On The Job Training Modules.

The primary instructional material for the Initial Training Program will be the Manuals. There will be no additional charge for training material. The Initial Training Program will be supervised by the following Trainers: Paul S. Phakpiseth, who joined us in February 2020, and who has over 10 years of experience in the subject matters he teaches; and Oscar Elvir, who joined us in March of 2018 and has been working in restaurants for nearly 20 years. The principal instructor is sometimes assisted by our operations team and JINYA Ramen Bar certified trainers. Training will be conducted as often as necessary to ensure that our franchisees complete training before their JINYA Ramen Bar opens for business.

Your Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel, must faithfully attend all phases of the Initial Training Program and complete it to our satisfaction, as certified by us in writing. Your or their failure to successfully complete any aspect of the Initial Training Program, as we determine in our sole discretion, constitutes grounds for termination of your Franchise Agreement. (**Franchise Agreement, Section 7.2 and 16.2.1**). We may allow you to retake the Initial Training Program in our sole discretion. You must pay expenses of travel, lodging, meals and wages incurred by you and your employees while attending any of our training programs.

Grand Opening Support

We provide Grand Opening Support for up to 10 days before your JINYA Ramen Bar opens for business. We will select the representatives providing the on-site support and we may vary the length of time that on-site support is provided. (**Franchise Agreement, Section 6.2**). You must notify us at least 30 days in advance of the scheduled date (the “**Turnover Date**”) that (i) all construction and remodeling of the Franchised Location will be completed; (ii) Franchisee will have all permits necessary to open the JINYA Ramen Bar; and (iii) the JINYA Ramen Bar will be ready for turn-over to you by the general contractor, to allow us to schedule the dates for Grand Opening Support. We will provide you with a turnover checklist approximately 21 days before the scheduled Turnover Date and will schedule a conference call with you approximately 7 days before the scheduled Turnover Date to confirm the Turnover Date so that we can book travel arrangements for our representatives who will provide the Grand Opening Support. Approximately 3 days before the scheduled Turnover Date, we will schedule a final conference call with you to confirm the Turnover Date and the date on which our representatives will arrive at your JINYA Ramen Bar. If, after the final conference call, the Turnover Date is delayed or accelerated by more

than 2 days from the date specified during the conference call, you must reimburse us for any and all costs and expenses we incur to change the travel arrangements for our representatives who were scheduled to provide Grand Opening Support. (**Franchise Agreement, Section 7.3**).

Additional Initial Training Programs

We can require you to send additional managers to the Initial Training Programs for new or replacement supervisory or managerial personnel of Franchisee or for any previously training manager who Franchisor determines needs to be retrained. You must pay us our then-current training fee. You must also pay all transportation costs, food, lodging and similar expenses incurred in connection with your employees' attendance at such training. (**Franchise Agreement, Section 6.3**).

Additional Training

In our discretion, we may require you or your Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel to attend additional training. You must pay us our then-current training fee. In addition, you must pay all transportation costs, food, lodging and similar expenses incurred in connection with your attendance at the Post-Opening Additional Training Programs. (**Franchise Agreement, Section 6.4**).

Annual Franchise Conference

We may hold an Annual Franchise Conference for all JINYA Ramen Bar franchisees each year. Your Principal Owner and General Managers must attend the Annual Franchise Conference. You must pay us a \$500 Franchise Conference Fee to reimburse us for a portion of the direct costs to provide the Annual Franchise Conference upon demand at 30 days before the date of the Annual Franchise Conference, whether or not you attend the Annual Franchise Conference. (**Franchise Agreement, Section 7.25**).

ITEM 12 TERRITORY

Franchise Agreement

You will be permitted to operate your JINYA Ramen Bar at a specific location that we accept, as described in your Franchise Agreement. 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.

You will be granted a protected territory around your JINYA Ramen Bar (the "**Protected Territory**") We will assign your Protected Territory when you sign your Franchise Agreement and identify your Franchised Location. The Protected Territory will typically be area of roughly three blocks in an urban setting and a circle with a radius of two miles elsewhere (but not crossing boundaries such as interstate highways, rivers, etc.), although your actual Protected Territory may be defined differently, depending on your market and the characteristics of your desired location. Also, we may consider the total population of the geographic area when determining the Protected Area. For example, the Protected Territory might be five city blocks in an urban setting, two miles in a suburban setting, and five miles in an ex-urban or rural setting. Factors that we consider in determining the size of your Protected Territory include the demographics, population size, age

and income levels, neighboring and adjacent retail tenants, road visibility, traffic patterns and proximity of other JINYA Ramen Bars or competitors serving the same market area. Provided you are not in default under your Franchise Agreement, we will not own, operate, sell or issue a franchise to another franchisee in your Protected Territory. There are no other radius restrictions or minimum population requirements that limit where we can franchise or operate another JINYA Ramen Bar.

We expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate, JINYA Ramen Bars outside of your Protected Territory, regardless of its proximity to the JINYA Ramen Bar; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business under marks and systems different from the JINYA Ramen Bar Marks and the JINYA Ramen Bar System at any location regardless of their proximity to your JINYA Ramen Bar; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Branded Products at any location within or outside of the Protected Territory regardless of its proximity to the JINYA Ramen Bar, through the Internet, mail order catalogs, direct mail marketing, vending machines, grocery stores and through other distribution methods; (iv) market on the Internet and use the JINYA Ramen Bar Marks on the Internet, including all use of Websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, co-branding and other arrangements, and in all other forms of electronic media; (v) acquire, own and operate and to grant licenses and franchises to third parties to develop, own and operate, other Ramen Bars or food service businesses at any location within or outside of the Protected Territory regardless of their proximity to the JINYA Ramen Bar; (vi) develop, own or operate and to grant licenses or franchises to third parties to develop, own or operate JINYA Ramen Bars at **“Non-Traditional Venues”** within and outside of the Protected Territory regardless of their proximity to the JINYA Ramen Bar; (vii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at JINYA Ramen Bars and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (viii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at JINYA Ramen Bars, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (ix) engage in all other activities that the Franchise Agreement does not expressly prohibit. Your limited territorial protection in the Protected Territory only applies to the type of JINYA unit you are operating. For example, if you are operating a standard JINYA Ramen Bar, your limited rights in the Protected Territory do not include bushi by JINYA locations and we expressly reserve the right to open and operate or license third parties the right to open and operate bushi by JINYA locations in the Protected Territory. We are not required to pay you any compensation if we exercise any of the rights specified above.

“Competitive Business” means any Ramen Bar business that prepares, offers and sells ramen as its primary menu item; any business that looks like, copies, imitates, or operates with similar trade dress or décor to a JINYA Ramen Bar; and any restaurant that prepares, offers or sells 20% or more of any menu items offered at a JINYA Ramen Bar. **“Non-Traditional Venues”** means a broad variety of atypical sites, including, without limitation, a site or location within a captive market site, another primary business or in conjunction with other businesses or at institutional settings such as office buildings, business complexes, arenas, stadiums and entertainment venues, recreational facilities, beaches, parks, airports, train stations, travel plazas, toll road facilities and other transportation terminals, educational, medical, governmental and other types of institutional facilities, sites in retail locations (for example, a kiosk within a grocery store),

cafeterias and casinos, and any site for which the lessor, owner or operator limits the operation of its beverages and/or food service facilities to a master concessionaire or contract food service provider.

You do not have the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to make sales without our prior approval. Under your Franchise Agreement, continuation of your location rights does not depend upon the volume of sales generated or on your penetration of the market potential. You do not have the right to acquire additional franchises, options, rights of first refusal or similar rights to acquire additional franchises within the Protected Territory or any contiguous territories, although you may apply for the right to operate additional JINYA Ramen Bars under separate Franchise Agreements.

You may not relocate your JINYA Ramen Bar to any other location during the term of the Franchise Agreement without our prior written consent. Our consent, which will not be unreasonably withheld, is conditioned on one or more of the following circumstances: (i) the population or demographics in your Protected Territory have changed substantially since the opening date of your JINYA Ramen Bar; (ii) your JINYA Ramen Bar has suffered irreparable damage or destruction and cannot be repaired within 60 days; or (iii) any other condition leading you and us to believe that continued operation of your JINYA Ramen Bar at the Franchised Location will not be profitable. You must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for your JINYA Ramen Bar, and you must pay us a Relocation Fee when you request our consent to a relocation of your JINYA Ramen Bar. If you fail to secure the new Franchised Location within twelve (12) months of the date of our approval of the new Franchised Location, we, in our discretion, may extend the time for you to do so; however, we will then have the right to estimate and bill you a Royalty Fee for the time period following the expiration of the twelve (12) month period (a “**Relocation Assessment**”) based upon the Royalty Fees received for the JINYA Ramen Bar during the identical periods of the last preceding calendar year plus an additional ten percent (10%) of such amount or, if your JINYA Ramen Bar was not in operation during the identical period of the last preceding year, a Relocation Assessment based upon the average Royalty Fees paid during the number of months the original JINYA Ramen Bar was in operation plus an additional ten percent (10%) of that amount.

Area Development Agreement

Under the Area Development Agreement, we grant you the right to develop and operate 2 or more JINYA Ramen Bars at venues in a specified Development Area, subject to our approval. The units to be developed can be either standard JINYA Ramen Bars or bushi by JINYA; however, restaurant types cannot be combined under a Development Agreement and any limited territorial protection only applies to the type of units you are developing. (For example, for standard JINYA Ramen Bars, during the term of the Area Development Agreement, we will not operate or grant a license or franchise to any other person to operate a Standard JINYA Ramen Bar in your Development Area and you have no rights to operate bushi by JINYA Ramen Bars in the Development Area; we reserve the right to operate and license third party to operate bushi by JINYA Ramen Bars in the Development Area.) The Development Area may be one or more cities, counties, states, or some other defined area. The Development Area will be specified on **Exhibit A** to the Area Development Agreement.

We will determine or approve the location of each JINYA Ramen Bar under the Franchise Agreement at the time each Franchise Agreement is signed, and our then-current standards for approving sites and determining Protected Territories will apply. 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 expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly to: (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate, JINYA Ramen Bars outside the Development Area, regardless of their proximity to the Development Area; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, including food business under marks and systems different from the JINYA Ramen Bar Marks and the JINYA Ramen Bar System within and outside the Development Area; (iii) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Branded Products within and outside the Development Area, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods; (iv) market on the Internet and use the JINYA Ramen Bar Marks on the Internet, including all use of web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (v) acquire, open and operate and grant licenses and franchises to third parties to develop, open and operate, other Ramen Bars or food service businesses at any location within or outside of the Development Area regardless of their proximity to the Development Area; (vi) open or operate and to franchise or license others to open or operate JINYA Ramen Bars at any Non-Traditional Venue within and outside of the Development Area regardless of their proximity to any JINYA Ramen Bars developed or under development by Area Developer; (vii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at JINYA Ramen Bars or franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (viii) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at JINYA Ramen Bars, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (ix) engage in all other activities that the Area Development Agreement does not expressly prohibit. We are not required to pay you any compensation if we exercise any of the rights specified above.

Upon the termination or expiration of the Area Development Agreement; (i) you will have no further right to develop additional JINYA Ramen Bars in the Development Area and no further rights or obligations under the Area Development Agreement; (ii) you will have the right to continue to own and operate all JINYA Ramen Bars you opened prior to the expiration date under Franchise Agreements with us that remain in full force and effect on the expiration date; and (iii) we may, but are not required to, develop, own and operate, and grant franchises to third parties to develop, own and operate JINYA Ramen Bars at any location within or outside of the Development Area, without restriction, subject only to the territorial rights that are granted to you under your Franchise Agreements for your JINYA Ramen Bars in the Development Area.

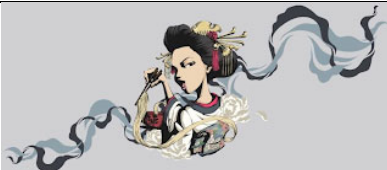
If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, or commit a material breach of any Franchise Agreement signed by you under the Area Development Agreement, or a material breach of any other agreement between you and us, we may terminate your right to develop, open and operate new JINYA Ramen Bars in the Development Area. We may treat your breach of the Area Development Agreement as a breach of any other agreement, including Franchise Agreement, between you and us. After the expiration of the term of your Area Development Agreement, we may own, operate, franchise or license others to operate additional JINYA Ramen Bars anywhere, without restriction, including in your Development Area, subject only to the territorial rights reserved to you in the individual Franchise Agreements.

You are not granted any options, rights of first refusal or similar rights to acquire additional franchises within the Development Area.

We or our affiliates may operate and franchise Saijo restaurants which may be considered competitive with a JINYA Ramen Bar and which may sell similar menu items. There are no restrictions on these restaurants either operating or soliciting customers near JINYA Ramen Bars. Any conflicts will be resolved on a case-by-case basis and, since there have been no conflicts in the past, no formal procedure or mechanism has been adopted for such disputes. For the business address of the Operating Companies and other information on them, see Item 1.

ITEM 13 TRADEMARKS

As a franchisee, you are licensed to use and display the trade name “**JINYA Ramen Bar**” and the JINYA Ramen Bar Marks discussed below during the term of your Franchise Agreement and only for the operation of your JINYA Ramen Bar and the sale of Authorized Products. You may not license or sublicense any trademarks, service marks, trade names, logotypes or commercial symbols owned by us or our affiliate. We registered the following marks on the Principal Register of the U.S. Patent and Trademark Office (“**USPTO**”):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
JINYA Ramen Bar	4409807	October 1, 2013
	4490618	March 4, 2014
	5944929	December 24, 2019
	6789981	July 12, 2022

We filed or intend to file an affidavit of use and an affidavit of incontestability, when due, for the marks listed above. We and LBDC-USA jointly own the JINYA Ramen Bar Marks.

We have filed for registration of the following mark with the USPTO on the Principal Register:

Mark	Serial Number	Application Date

RAMEN IS ALL THE CRAZE	97894665	April 18, 2023
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We do not have a federal registration for this principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no agreements currently in effect which significantly limit our use of the JINYA Ramen Bar Marks in any manner material to the franchise. There are no currently effective material determinations of the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the trade name JINYA Ramen Bar or the JINYA Ramen Bar Marks. There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the JINYA Ramen Bar Marks.

You must use the trade name JINYA Ramen Bar without any suffix or prefix attached to it to identify your JINYA Ramen Bar. You are prohibited from using our trade name, trademarks, or service marks as part of any corporate name or using the JINYA Ramen Bar trade name with any prefix, suffix, or other modifying words, terms, designs, or symbols. You are obligated to file a fictitious business name statement and do all other things necessary to prevent the use of the JINYA Ramen Bar trade name, trademarks, or service marks by you from diminishing or destroying the legal protection to which they are entitled.

You must notify us of any infringement of, challenge to, or unauthorized use of the licensed name or the JINYA Ramen Bar Marks that comes to your attention, including any claim, suit or demand against you. We may take actions we deem appropriate to protect our name or the JINYA Ramen Bar Marks but we are not obligated by the Franchise Agreement to do so. We have the sole right to control any litigation involving our trade name or the JINYA Ramen Bar Marks and to compromise or settle any claim, in our discretion, at our sole cost and expense, using lawyers of our own choosing, and you must cooperate fully in defending any claim, and you may participate at your own expense in the defense or settlement. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. You agree in your Franchise Agreement not to contest, directly or indirectly, our ownership, right, title, or interest in the JINYA Ramen Bar Marks, or contest our sole right to register, use, or license others to use those names and the JINYA Ramen Bar Marks.

We may add to, delete, or modify any or all of the JINYA Ramen Bar Marks. You must modify or discontinue the use of the JINYA Ramen Bar Marks, at your expense, if we modify or discontinue it. We will not compensate you if we modify or discontinue use of the JINYA Ramen Bar Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents. There are no pending patent or copyright applications that are material to the franchise. We have no registered copyrights, but we claim copyright protection for the Manuals and all marketing material that may be distributed by us. We

will loan you one copy of the Manuals for confidential use in your JINYA Ramen Bar. You may not disclose, publish, sell, show, or reproduce the Manuals and you must return the Manuals to us intact upon termination or expiration of your Franchise Agreement or Area Development Agreement.

We regard our recipes and all the information contained in the Manuals, as proprietary and confidential information owned by us. You agree, as part of your Franchise Agreement, not to contest our exclusive ownership of the copyrights, trade secrets, recipes, processes, methods, procedures, formulae, techniques, and other proprietary information to which we claim exclusive rights. You are not given any rights in other trade secrets or proprietary or confidential information developed by us in the future. You must implement any reasonable procedures we may adopt to protect our trade secrets including restrictions on disclosures to your management and supervisory employees and requiring management and supervisory employees who will have access to our trade secrets to sign agreements containing non-disclosure and non-competition provisions in substantially the form of **Exhibit D**. None of the provisions in the Confidentiality and Non-Disclosure Agreement are intended to prohibit or restrict any activity which prohibition or restriction violates your employees' rights to engage in protected concerted activity under the National Labor Relations Act.

There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

All ideas, concepts, techniques or materials you create while you are a JINYA Ramen Bar franchisee, whether or not protectable intellectual property, must be promptly disclosed to us and will become our exclusive property and a part of JINYA Ramen Bar franchise system as a work made for hire for us without compensation to you.

All data pertaining to your JINYA Ramen Bar and all data you create or collect in connection with your operation of the JINYA Ramen Bar (collectively, "**JINYA Ramen Bar Data**"), including, data pertaining to, or otherwise concerning, the JINYA Ramen Bar's customers, or that you otherwise collect, including data uploaded to, or downloaded from your computer system is JINYA Ramen Bar Data and is our sole property. We have the right to review and use the JINYA Ramen Bar Data in any manner that we deem appropriate without any compensation to you. You just provide us with copies and/or originals of the JINYA Ramen Bar Data within 5 days after our request for the JINYA Ramen Bar Data at no cost to us and at any time during the term of your Franchise Agreement and upon the expiration and/or termination of your Franchise Agreement. We license the use of the JINYA Ramen Bar Data to you during the term of your Franchise Agreement, at no cost to you, solely for your use in the operation of your JINYA Ramen Bar. You must maintain the JINYA Ramen Bar Data as secret and confidential must not make any of the JINYA Ramen Bar Data available to any unauthorized person without our prior written consent of and then only in the manner we permit.

The goodwill associated with all phone and fax numbers, email addresses, domain names, websites or webpages, social media and other Internet addresses used in operation of the JINYA Ramen Bar is an asset that belongs to us. Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or services associated with the same. You must sign the instruments we request to confirm the assignments and transfers to us.

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

You must designate a principal owner (a “**Principal Owner**”) acceptable to us who will be responsible for the operational decisions of your JINYA Ramen Bar. Your Principal Owner must devote his or her full time to your JINYA Ramen Bar only in a management capacity and not as a staff member behind the service counter and must own a majority stake in your equity and voting rights (unless you are a publicly held entity or a wholly-owned subsidiary of a publicly-held entity) when you sign your Franchise Agreement. Under certain circumstances we may waive or reduce the requirement that your Principal Owner must have a majority stake in your equity and voting rights. You must also designate a General Manager who will be the individual responsible for your JINYA Ramen Bar in the absence of the Principal Owner. Your JINYA Ramen Bar must, at all times, be directly supervised by the Principal Owner or a General Manager or other supervisory or managerial personnel who have successfully completed our Initial Training Program. You must provide comprehensive initial training programs, additional training programs and remedial training programs for your other employees and ensure that your JINYA Ramen Bar is at all times under the direct control of the Principal Owner or a General Manager and other employees fully trained by you. We may require each of your owners, General Managers and other supervisory and managerial personnel who will have access to any confidential information to sign a Confidentiality and Non-Disclosure Agreement in substantially the form of **Exhibit D**. None of the provisions in the Confidentiality and Non-Disclosure Agreement are intended to prohibit or restrict any activity which prohibition or restriction violates your employees’ rights to engage in protected concerted activity under the National Labor Relations Act.

If you are an entity, all present and future owners of the equity or your voting rights, including spouses, must execute a written Guarantee in a form we prescribe, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of your obligations to us and to our affiliate. Upon each transfer or assignment of your interest in your Franchise Agreement, or other change in your ownership interests, and at any other time we request, these holders must re-execute or re-affirm the guarantee.

All employees you hire or employ at your JINYA Ramen Bar will be your employees and your employees alone, and will not, for any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations. We will not have the power to hire or fire your employees. Our authority under the Franchise Agreement to train and approve your supervisory or managerial personnel for qualification to perform certain functions at your JINYA Ramen Bar does not directly or indirectly vest us with the power to hire, fire or control any of your personnel. You and you alone will be solely responsible for all hiring and employment decisions and functions relating to your JINYA Ramen Bar, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Except as described below, you must offer and sell all, and only, those products and services that we approve as Authorized Products. We may add, delete, and change menu items that you may or must offer, in our unrestricted discretion, and this may require you to purchase additional equipment. There are no limits on our right to make changes. You may not operate any co-branding system without our prior written consent, which may be withheld unless we recognize the co-branding chain as an approved co-brand for operation within JINYA Ramen Bars. “**Co-branding**” includes the operation of an independent business, product line or operating system owned or licensed by another franchisor that is featured or incorporated within the Franchised Location or is adjacent to the Franchised Location and is operated in a manner likely to cause the public to perceive that it is related to your JINYA Ramen Bar.

We may, on occasion, require you to test market products and/or services at your JINYA Ramen Bar. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations established by us.

No vending, gaming machines, payphones, automatic teller machines, Internet kiosks or other mechanical or electrical devices are permitted in your JINYA Ramen Bar without our prior written consent. You cannot sell Authorized Products on the Internet.

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

This table lists certain important provisions of the Franchise Agreement and Area Development Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION	SECTION IN FRANCHISE AGREEMENT (EXHIBIT A)	SUMMARY
a. Length of the term of the franchise	Section 3.1	10 years from the date your JINYA Ramen Bar opens.
b. Renewal or extension of the term	Section 3.2	One 10 year term. Your renewal rights may be exercised only if all conditions precedent set forth in <u>Article 3</u> of your Franchise Agreement are satisfied prior to the expiration date of your Franchise Agreement, which includes payment of the Renewal Fee, which is currently \$25,000

PROVISION	SECTION IN FRANCHISE AGREEMENT (EXHIBIT A)	SUMMARY
c. Requirements for Franchisee to renew or extend	Sections 3.2 – 3.4	You must notify us you wish to renew no less than 12 months prior to the expiration date of your Franchise Agreement; have complied with your obligations during the term of your Franchise Agreement; at our request, renovate or modernize your JINYA Ramen Bar to comply with our then-current standards for a new JINYA Ramen Bar; sign our then-current form of Franchise Agreement that may contain terms and conditions materially different from those in your original Franchise Agreement; satisfy our then-current training requirements; pay a renewal fee; sign a general release (see current form attached as Exhibit E) and provide us with a Guarantee signed by all equity owners of the franchisee and their spouses (if the franchisee is an entity). The royalty and other payments under your renewal Franchise Agreement will be at the rates then applicable to new franchisees.
d. Termination by Franchisee	Not Applicable	Subject to any applicable state law, see Exhibit F if any such law applies.
e. Termination by Franchisor without cause	Not Applicable	
f. Termination by Franchisor with cause	Sections 16.1 – 16.3 and 16.5	We can terminate the Franchise Agreement if you materially default under your Franchise Agreement, any other individual Franchise Agreement, any Area Development Agreement (other than solely for your failure to meet your development obligation), or any other agreement between you and us.
g. “Cause” defined – curable defaults	Section 16.3	You have 10 days to cure non-payment of fees and 30 days to cure non-compliance with laws and defaults not listed in Section 16.2.

PROVISION	SECTION IN FRANCHISE AGREEMENT (EXHIBIT A)	SUMMARY
h. “Cause” defined non- curable defaults	Sections 16.1 and 16.2	Non curable defaults include: bankruptcy, foreclosure, and insolvency; abandonment; unapproved transfers; repeated defaults, even if cured; misrepresentations in acquiring your license; health or safety violations; trademark misuse; conviction of a felony; failure, for a period of 10 days after notification of noncompliance, to comply with any state or local law or regulation applicable to the operation of your JINYA Ramen Bar; knowingly maintaining false books or records or submitting false reports or knowingly underreporting gross sales; materially misusing the JINYA Ramen Bar Marks; making an unauthorized use of the trade secrets or confidential information; failing to purchase appropriate inventory; failure to meet the site selection requirements, enter a Lease or open your JINYA Ramen Bar within the applicable time periods provided for in the Franchise Agreement; purchasing products from suppliers other than Approved Suppliers; selling any food products other than Authorized Products at your JINYA Ramen Bar; and a breach of your obligations under the Franchise Agreement or any other agreement between you and us that is not capable of being cured by you.
i. Franchisee’s obligations on termination/ nonrenewal	Sections 17.1 - 17.5, 17.7 - 17.8	You must cease use of the JINYA Ramen Bar Marks, de-identify your JINYA Ramen Bar, pay all amounts due to us, and return the Manuals. You must pay us the sum of 3 multiplied by the total Royalty Fees paid (or if unpaid, payable) by you during the 24 months immediately preceding the effective date of termination to account for the actual damages that we will suffer as a result of the termination of the Franchise Agreement during the period that we estimate will expire while we search for a replacement franchise. We may, at our option, assume all telephone numbers for your JINYA Ramen Bar. You must, at our option, cancel or assign to us your rights to any Internet websites or web pages or e-mail addresses or assumed, fictitious or corporate names that contain the JINYA Ramen Bar Marks. See also “r” below.
j. Assignment of contract by Franchisor	Section 14.1	No restriction on our right to assign.
k. “Transfer” by Franchisee - de finition	Section 14.2	Includes transfer of the Franchise Agreement or change in ownership of the business entity that owns it.

PROVISION	SECTION IN FRANCHISE AGREEMENT (EXHIBIT A)	SUMMARY
l. Franchisor's approval of transfer by Franchisee	Section 14.2	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor's approval of transfer	Sections 14.2, 14.4	The proposed transferee must qualify, successfully complete our initial training program, sign our then-current Franchise Agreement (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise Agreement), provide us with a Guarantee signed by all equity owners of the proposed franchisee and their spouses (if the proposed franchisee is an entity) and you must be in good standing, sign a general release (see current form attached as Exhibit E), sign a Guarantee of the transferee's obligations under the new Franchise Agreement in our favor and pay the transfer fee. See also "r" below.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 14.3	We can match any offer for your business.
o. Franchisor's option to purchase Franchisee's business	Section 17.6	When your Franchise Agreement expires or is terminated, we have the option to purchase some or all of the assets of your JINYA Ramen Bar and some or all of your assets related to your JINYA Ramen Bar.
p. Death or disability of Franchisee	Section 14.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 15.2	Subject to applicable state law. You are prohibited from: (i) diverting any present or prospective JINYA Ramen Bar customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the JINYA Ramen Bar Marks and the JINYA Ramen Bar System; or (ii) owning or having any interest in a "Competitive Business" .

PROVISION	SECTION IN FRANCHISE AGREEMENT (EXHIBIT A)	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	Section 15.3	Subject to applicable state law. For 2 years following the expiration, termination, or transfer of your Franchise Agreement, you cannot own or have any interest in a Competitive Business located at the Franchised Location or within 4 miles of the Franchised Location or any other JINYA Ramen Bar. If you violate the post-term covenant not to compete, you must pay us, throughout the 2 year period following the termination, transfer, or expiration of your Franchise Agreement, 5% of the gross revenue of any business that provides similar services or products.
s. Modification of the agreement	Sections 21.5, 21.8	The Franchise Agreement can be modified or amended only by written agreement of all of the parties. The Manuals are subject to change at any time. You must comply with any changes made to the Manuals.
t. Integration/merger clause	Section 21.5	Only the terms of the Franchise Agreement and its attachments are binding (subject to applicable state law). No other representations or promises will be binding. Any representations or promises outside of this Disclosure Document and other agreements may not be enforceable. Nothing in the Franchise Agreement or any Exhibit is intended to disclaim any representation made in this Disclosure Document.
u. Dispute resolution by mediation	Section 19.1	Subject to applicable state law. You and we must first attempt to resolve all disputes by mediation in Los Angeles County, California, except for certain matters that may be brought in court.
v. Choice of forum	Section 19.2	All proceedings will be held in the jurisdiction where our headquarters is then located (currently, Los Angeles County, California), subject to applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.
w. Choice of law	Section 19.3	California, subject to the exception provided in Section 19.2 of the Franchise Agreement and subject to applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT (EXHIBIT B)	SUMMARY
a. Length of the term of the Area Development	Section 3.1	The Initial Term will commence on the date you sign your Area Development Agreement and shall expire on the Expiration Date identified in Exhibit A of your Area Development Agreement.
b. Renewal or extension of the term	Not Applicable.	
c. Requirements for Area Developer to renew or extend	Not Applicable	
d. Termination by Area Developer	Not Applicable	Subject to any applicable state law, see Exhibit F if any such law applies.
e. Termination by Franchisor without cause	Not Applicable	
f. Termination by Franchisor with “ cause ”	Section 11.5	We can terminate the Area Development Agreement if you default under your Area Development Agreement, an individual Franchise Agreement, or any other agreement between you or your affiliate and us.
g. “ Cause ” defined - curable defaults	Section 11.3	You have 30 days to cure defaults under your Area Development Agreement, and in the case of a breach or default in the performance of your obligations under any Franchise Agreement or other agreement between you and us, the notice and cure provisions of the Franchise Agreement or other agreement will control.
h. “ Cause ” defined –non-curable defaults	Sections 11.1 and 11.2	Non-curable defaults include: bankruptcy, insolvency; unapproved transfers; failure to meet your development obligations; any breach of the covenants not to compete set forth in Section 13; repeated defaults, even if cured; unapproved transfers; termination of any of your Franchise Agreements; conviction of a felony; disclosure of confidential information; and a breach of your obligations under the Area Development Agreement or any other agreement between you and us that is not capable of being cured by you.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT (EXHIBIT B)	SUMMARY
i. Area Developer's obligation on termination/non-renewal	Section 12.1	You will have no further right to develop or operate additional JINYA Ramen Bars which are not, at the time of termination, the subject of a then validly existing Franchise Agreement between you and us. You may continue to own and operate all JINYA Ramen Bars under then validly existing Franchise Agreements.
j. Assignment of contract by Franchisor	Section 9.1	No restrictions on our right to assign.
k. "Transfer" by Area Developer – defined	Section 9.2	Includes transfer of the agreement or changes in ownership of the business entity which owns it. No shares of an Area Developer that is a business entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.
l. Franchisor's approval of transfer by Area Developer	Section 9.2	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor's approval of transfer	Sections 9.2.1 and 9.4	Except as described below, you may not transfer any Franchise Agreement signed under the Area Development Agreement except with our written consent and a simultaneous assignment of the Area Development Agreement and all of the Franchise Agreements signed under the Area Development Agreement to the same assignee. The proposed buyer must sign our then-current form of Franchise Agreement for each of your JINYA Ramen Bars then developed or under development. The proposed transferee must qualify as a franchisee and sign our then-current Area Development Agreement and provide us with a Guarantee signed by all equity owners of the proposed franchisee and their spouses (if the proposed transferee is an entity) and you must be in good standing, sign a general release (attached as Exhibit E), and pay the transfer fee. See also "r" below.
n. Franchisor's right of first refusal to acquire Area Developer's business	Section 9.3	We may match any offer to purchase your business.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT (EXHIBIT B)	SUMMARY
o. Franchisor's option to purchase Area Developer's business	Not Applicable	
p. Death or disability of Area Developer	Section 9.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 13.2	Subject to applicable state law. You are prohibited from: (i) diverting any present or prospective JINYA Ramen Bar customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the JINYA Ramen Bar Marks and the JINYA Ramen Bar System; or (ii) owning or having any interest in a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 13.3	Subject to applicable state law. For 2 years following the expiration or termination of your Area Development Agreement, you cannot own or have any interest in a Competitive Business within 4 miles of any Franchised Location or within a 4 mile radius of any JINYA Ramen Bar.
s. Modification of the Area Development Agreement	Section 18.5	The Area Development Agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Section 18.5	Only the terms of the Area Development Agreement and its attachments are binding (subject to applicable state law). No other representations or promises will be binding. Any representations or promises outside of this Disclosure Document and other agreements may not be enforceable. Nothing in the Area Development Agreement or any related Exhibit is intended to disclaim any representation made in this Disclosure Document.
u. Dispute resolution by mediation	Section 15.1	Subject to applicable state law. We must first attempt to resolve all disputes by mediation in Los Angeles County, California, except for certain matters that may be brought in court.
v. Choice of forum	Section 15.2	All proceedings will be held in the jurisdiction where our headquarters is then located (currently,

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT (EXHIBIT B)	SUMMARY
		Los Angeles County, California), subject to applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.
w. Choice of law	Section 15.3	California, subject to the exception provided in Section 15.2 of the Area Development Agreement and applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to 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 of a particular location or under particular circumstances.

The Tables below do not include costs of sales, operating expenses or other costs or expenses that must be deducted from gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your JINYA Ramen Bar. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

Tables 1 and 2 below do not include costs of sales, operating expenses or other costs or expenses that must be deducted from gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your JINYA Ramen Bar or bushi by JINYA. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

TABLE 1

**HISTORICAL GROSS SALES FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023 AT FRANCHISED JINYA RAMEN BARS
OPEN MORE THAN ONE YEAR ON DECEMBER 31, 2023**

	Gross Sales	Open Date	Square Feet
1	\$5,608,785	3.1.2015	2700SF
2	\$5,093,432	7.31.2017	2900SF
3	\$4,630,587	9.9.2017	4090F
4	\$4,578,852	6.1.2016	5200SF
5	\$4,578,852	7.01.2016	3100SF
6	\$4,368,681	10.1.2014	2250SF
7	\$4,302,583	6.23.2016	2566SF
8	\$4,159,881	11.11.2019	2003SF
9	\$4,079,151	8.8.2018	2734SF
10	\$3,967,283	9.10.2018	2744SF
11	\$3,959,364	9.17.2019	2437SF
12	\$3,724,322	8.7.2018	2820SF
13	\$3,710,326	9.20.2021	3510SF
14	\$3,685,104	8.23.2017	2807SF
15	\$3,619,113	6.17.2019	2420SF
16	\$3,598,801	4.29.2021	2210SF
17	\$3,559,102	7.24.2018	2649SF
18	\$3,475,859	8.14.2020	4949SF
19	\$3,447,933	10.5.2016	2228SF
20	\$3,276,595	12.16.2019	2456SF
21	\$3,248,533	8.17.2020	3747SF
22	\$3,168,689	12.1.2016	2800SF
23	\$3,143,842	2.18.2019	2687SF
24	\$3,030,230	1.1.2017	1210SF
25	\$2,844,679	5.15.2018	3570SF
26	\$2,832,545	12.1.2021	2460SF
27	\$2,796,376	2.8.2021	3863
28	\$2,623,463	3.25.2019	3344SF
29	\$2,591,904	5.1.2018	2120SF

	Gross Sales	Open Date	Square Feet
30	\$2,535,312	3.9.2020	3306SF
31	\$2,438,669	10.29.2018	2257SF
32	\$2,423,073	8.20.2018	2600SF
33	\$2,333,056	3.7.2014	1612SF
34	\$2,240,120	12.21.2020	2246SF
35	\$2,210,896	10.29.2018	3306SF
36	\$2,209,537	5.15.2018	2257SF
37	\$2,206,652	3.31.2015	3570SF
38	\$2,088,795	7.23.2014	1700SF
39	\$1,906,334	9.26.2022	3746SF
40	\$1,863,804	8.20.2018	2600SF
41	\$1,680,452	12.19.2022	2920SF
42	\$1,675,895	5.02.2022	5516SF
43	\$1,482,495	3.07.2014	1612SF

TABLE 2

**HISTORICAL AVERAGE AND MEDIAN GROSS SALES FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2023 AT FRANCHISED JINYA RAMEN BARS OPEN
MORE THAN ONE YEAR ON DECEMBER 31, 2023**

NUMBER OF FRANCHISED JINYA RAMEN BARS INCLUDED OPEN MORE THAN 350 DAYS*	GROSS SALES	NUMBER OF FRANCHISED JINYA RAMEN BARS THAT EXCEEDED GROSS SALES	PERCENTAGE OF FRANCHISED JINYA RAMEN BARS THAT EXCEEDED GROSS SALES
42	Average: \$3,152,883	20	48%
42	Median: \$3,156,266	21	50%

*We excluded one franchised JINYA Ramen Bar in Table 2 that permanently closed in 2023.

The high and low Gross Sales for the franchised JINYA Ramen Bars included in Table 2 is: \$5,608,785 and \$1,482,495, respectively.

2023 GROSS SALES BY THIRDS*

2023	Systemwide	Top Third	Middle Third	Bottom Third
Number of JINYA Ramen Bars	42	14	14	14
Average Gross Sales	\$3,152,883	\$4,249,105	\$3,117,039	\$2,092,506
High Gross Sales	\$5,608,785	\$5,608,785	\$3,598,801	\$2,535,312
Low Gross Sales	\$1,482,495	\$3,619,113	\$2,591,904	\$1,482,495
Median Gross Sales	\$3,156,266	\$4,119,516	\$3,156,266	\$2,208,095
No. and % that Met or Exceeded Average	20 48%	6 43%	8 57%	8 57%

*We excluded one franchised JINYA Ramen Bar in Table 3 that permanently closed in 2023.

We did not include any express JINYA Ramen bars or bushi by JINYA locations because those units operate using different business models, menus, and unit sizes.

“Gross Sales” means the total of all revenues derived from sales of any nature or kind whatsoever from the JINYA Ramen Bar during the Term, whether evidenced by cash, services, property, barter, or other means of exchange, including orders taken in or from the JINYA Ramen Bar although filled elsewhere and delivery and catering charges that are not included in the price of the Authorized Products. **“Gross Sales”** shall include the full value of drinks and snacks Franchisee provides to its employees as incident to their employment (less the value of any discounts against Gross Sales given during the month in which the drinks and snacks were provided) and all proceeds from the sale of coupons, gift certificates or vouchers once they are redeemed. **“Gross Sales”** shall exclude the amount of bona fide refunds paid to customers and the amount of any sales or use taxes actually paid to any Governmental Authority and the retail price of any coupons, gift certificates and vouchers when they are sold, but not yet redeemed.

The information in Tables 1 and 2 is from Gross Sales reports submitted to us by the franchisees. These reports are unaudited. The JINYA Ramen Bars included had an average square footage of 3,271.

The characteristics of the franchised JINYA Ramen Bars are generally similar to the franchises offered to prospective franchisees under this Disclosure Document.

Before signing any documents or making any investment, you must make your own independent investigation regarding the purchase of a JINYA Ramen Bar franchise, including independent market and industry reviews and comparisons and talking to current and former JINYA Ramen Bar franchisees. You must consult with your own independent advisors, such as attorneys and accountants, to assist in determining the suitability of this investment for you.

Some JINYA Ramen Bars have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, JINYA Franchise, Inc. does not make any financial performance representation. 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 franchisor's management by contacting Ami Priester JINYA Franchise, Inc., 21045 Erwin Street, Suite 1A, Woodland Hills, California 91367; (323) 930-2477; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

**JINYA RAMEN BAR
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 2021 TO 2023*
(USA OUTLETS ONLY)**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2021	34	39	+5
	2022	39	43	+4
	2023	43	55	+12
Company-Owned	2021	2	2	+0
	2022	2	2	+0
	2023	2	2	+0
Total Outlets	2021	34	39	+5
	2022	39	45	+6
	2023	45	57	+12

**JINYA RAMEN BAR
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR FISCAL YEARS 2021 TO 2023*
(USA OUTLETS ONLY)**

STATE	YEAR	NUMBER OF TRANSFERS
Georgia	2021	1
	2022	0
	2023	0
Total-USA	2021	1
	2022	0
	2023	0

**JINYA RAMEN BAR
STATUS OF FRANCHISED OUTLETS
FOR FISCAL YEARS 2021 TO 2023*
(USA OUTLETS ONLY)**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Arizona	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
California*	2021	5	2	0	0	0	0	7
	2022	7	0	0	0	0	2	5
	2023	5	2	0	0	0	0	7
Colorado**	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
District of Columbia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Florida	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Georgia	2021	4	1	0	0	0	0	5
	2022	5	2	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Indiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Louisiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
North Carolina	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
South Carolina	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	3	0	0	0	0	13
Utah	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Virginia	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Washington	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	34	5	0	0	0	0	39
	2022	39	6	0	0	0	2	43
	2023	43	12	0	0	0	1	54

*One unit operated in California is a bushi by JINYA.

**There is one additional unit in Colorado operated at Black Hawk. Not included in total because terms are different.

**JINYA RAMEN BAR
STATUS OF COMPANY-OWNED OUTLETS
FOR FISCAL YEARS 2021 TO 2023
(USA OUTLETS ONLY)**

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
California	2021	2	0	0	0	0	2
	2022	2	1	0	1	0	2
	2023	2	0	0	0	0	2

Hawaii	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Total Outlets	2021	2	0	0	0	0	2
	2022	2	2	0	1	0	3
	2023	3	0	0	0	0	3

TABLE NO. 5
JINYA RAMEN BAR
PROJECTED OPENINGS AS OF JANUARY 1, 2024
(USA OUTLETS)

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED*	NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
California	1	0	1
Colorado	2	0	0
District of Columbia	2	0	0
Florida	1	0	0
Georgia	2	0	0
Indiana	1	0	0
New Jersey	1	0	0
South Carolina	1	0	0
Texas	3	0	0
Total	14	0	1

Exhibit I lists the names, addresses and telephone numbers of all JINYA Ramen Bar franchise outlets, and the names and telephone numbers of any franchisees who signed franchise agreements but have not yet opened their outlets as of December 31, 2023.

Exhibit I also lists the contact information of every franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during our most recently completed fiscal year, or that has not communicated with us within the 10 weeks ending on the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

As of December 31, 2023, there is only one bushi by JINYA Ramen Bar operated by the Operating Companies and one bushi by JINYA Ramen Bar operated by a franchisee, the franchised unit is noted in Exhibit I with an “**”.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last 3 fiscal years, some franchisees have signed confidentiality clauses to settle disputes with us.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the franchise system. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as **Exhibit G** is our audited financial statements as of December 31, 2023, December 31, 2022, and December 31, 2021 and our unaudited financials as of March 31, 2024. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

The following contracts are attached as Exhibits to this disclosure document:

<u>Exhibit A</u>	Franchise Agreement.
<u>Exhibit B</u>	Area Development Agreement.
<u>Exhibit D</u>	Non-Disclosure and Confidentiality Agreement for Management Employees of Franchisee.
<u>Exhibit E</u>	General Release.
<u>Exhibit F</u>	State Specific Addenda.

ITEM 23 RECEIPTS

Two copies of a receipt form appear at the end of this disclosure document. Please fill out and sign both receipts, return one copy to us and keep the other for your records.

EXHIBIT A

FRANCHISE AGREEMENT

**JINYA FRANCHISE, INC.
FRANCHISE AGREEMENT**

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EXHIBITS

EXHIBIT A	FRANCHISE INFORMATION
EXHIBIT B	ENTITY INFORMATION DISCLOSURE
EXHIBIT C	GUARANTEE OF FRANCHISE AGREEMENT
EXHIBIT D	DEBIT AUTHORIZATION FORM
EXHIBIT E	LEASE ADDENDUM FORM
EXHIBIT F	SITE SELECTION AND ACQUISITION ADDENDUM
EXHIBIT G	CURRENT INSURANCE REQUIREMENTS

**JINYA FRANCHISE, INC.
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into as of the “**Effective Date**” set forth on **Exhibit A** by and between **JINYA FRANCHISE, INC.**, a California corporation (“**Franchisor**”), on the one hand, and the individuals or Entity identified as “**Franchisee**” on **Exhibit A**, on the other hand, who are individually referred to in this Agreement as a “**Party**”, and collectively referred to in this Agreement as “**Parties**”, with reference to the following facts:

A. Franchisor and Franchisor’s Affiliates, La Brea Dining California, Inc., a California corporation, and Ventura 77 Dining, Inc., a California corporation (collectively, the “**Operating Companies**”), have developed the “**JINYA Ramen Bar System**” for the establishment and operation of casual dining restaurants and fast casual restaurants that offer freshly prepared ramen (Japanese style noodle) dishes with a diverse selection of broths, noodles, proteins, sauces and garnishes as well as rice bowls, Japanese appetizers and other food and beverage products for on-premises and off-premises consumption and catering events under the trade name and service mark “**JINYA Ramen Bar**,” “**bushi by JINYA**,” and other related trademarks, service marks, logos and commercial symbols (collectively, the “**Jinya Marks**”).

B. Franchisee desires to obtain a license and franchise to develop, own and operate one “**JINYA Ramen Bar**” or one “**bushi by JINYA**” (the “**JINYA Ramen Bar**”) under the Jinya Marks in strict accordance with the JINYA Ramen Bar System and the standards established by Franchisor from time to time, and Franchisor is willing to grant Franchisee a license and franchise under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. **DEFINITIONS.**

The capitalized terms in this Agreement that are not defined elsewhere in the text of this Agreement are assigned these definitions:

“**Abandon**” means (i) Franchisee’s failure, at any time during the Term, to keep the JINYA Ramen Bar open and operating for business for a period of five (5) consecutive days; (ii) Franchisee’s failure to keep the JINYA Ramen Bar open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the JINYA Ramen Bar, unless the failure to operate is due to Force Majeure (subject to Franchisee’s continuing compliance with this Agreement); (iii) the withdrawal of permission from the Landlord that results in Franchisee’s inability to continue operation of the JINYA Ramen Bar at the Franchised Location; or (v) a closure of the JINYA Ramen Bar required by Applicable Law.

“**Affiliate**” or “**Affiliates**” mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person or Entity whether by contract or otherwise.

“**Applicable Law**” means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of the JINYA Ramen Bar that are in effect on or after the Effective Date, as they may be amended from time to time.

“Approved Suppliers” means suppliers of Branded Products, Proprietary Products and Non-Proprietary Products, and ancillary services, food products, beverages, packaging, supplies, furniture, fixtures and equipment for JINYA Ramen Bars that have been accepted and approved by Franchisor because they have demonstrated to Franchisor their ability to supply products and services for JINYA Ramen Bars meeting Franchisor’s specifications as to brand names, models, contents, manner of preparation, ingredients, quality, freshness, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. Franchisor’s Affiliate, Tomo Foods, Inc., is an Approved Supplier. Franchisor other Affiliates may also be Approved Suppliers.

“Authorized Products” means the ramen dishes and other food and beverage products and all Branded Products, Proprietary Products and Non-Proprietary Products offered for sale or used at JINYA Ramen Bars, as specified by Franchisor from time to time.

“Branded Products” means any product now existing or developed in the future that bears any of the Jinya Marks, including products that are prepared, sold and/or manufactured in strict accordance with Franchisor’s recipes, methods, standards and specifications, including, without limitation, pre-packaged food and beverage products, packaging, clothing, souvenirs and novelty items.

“bushi by JINYA” means a fast casual JINYA Ramen Bar of approximately 400 to 800 square feet that offers a menu of broths, noodles, proteins, sauces and garnishes, sushi, rice bowls, Japanese appetizers and other food and beverage products with full table service.

“Co-Branding” means the operation of an independent business, product line or operating system owned or licensed by another Entity (not Franchisor) that is featured or incorporated within the JINYA Ramen Bar or is adjacent to the JINYA Ramen Bar and operated in a manner likely to cause the public to perceive it is related to the JINYA Ramen Bar. An example would be an independent ice cream shop or counter installed within the JINYA Ramen Bar.

“Competitive Business” means any restaurant business that prepares, offers and sells ramen as its primary menu item; any business that looks like, copies, imitates, or operates with similar trade dress or décor to a JINYA Ramen Bar; and any restaurant that prepares, offers or sells 20% or more of any menu items offered at a JINYA Ramen Bar.

“Constituents” means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

“Crisis Management Event” means any event that occurs at or about the JINYA Ramen Bar that has or may cause harm or injury to customers or employees, including, without limitation, food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings or any other circumstance which may damage the JINYA Ramen Bar System, the Jinya Marks, or the image or reputation of Franchisor and its Affiliates.

“Default” means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

“Designated Franchise Portal” means Franchisor’s online portal or portals that provide information, resources and support to JINYA Franchisees and their JINYA Ramen Bars.

“Electronic Signature” means any electronic symbol and/or process attached to or logically associated with a document and executed by a Party with the intent to sign such document, including facsimile, email, or other electronic signatures.

“Entity” means any limited liability company, partnership, trust, association, corporation or other entity, which is not an individual.

“Equity” means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

“Expiration Date” means the tenth (10th) anniversary of the Opening Date as set forth on **Exhibit A**.

“Force Majeure” means any event that: (i) was reasonably unforeseeable as of the Effective Date; (ii) is beyond the reasonable control, directly or indirectly, of a Party; (iii) could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence; (iv) does not result from the fault or negligence of that Party or its agents, employees or contractors; and (v) causes performance by that Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, **“Force Majeure”** includes: (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); (b) strikes, lockouts or other industrial disturbances; (c) war, terrorist acts, riot, or other civil disturbance; (d) unilateral governmental action impacting restaurants, and/or food providers generally; and (e) epidemics, transportation shortages, inadequate supply of labor, material or energy, or a Party foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency. Neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, Landlord, contractor, or other Person, or Franchisee’s financial inability to perform or Franchisee’s insolvency, shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Neither Party will be in Default in the performance of its obligations under this Agreement if such performance is prevented or delayed due to Force Majeure.

“Franchised Location” means the site of the JINYA Ramen Bar as set forth on **Exhibit A**.

“General Manager” means an individual who meets our qualifications and who is responsible for overseeing the operation of the JINYA Ramen Bar in the absence of the Principal Owner as set forth on **Exhibit B**.

“General Release” means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

“Good Standing” means Franchisee is in substantial compliance with the material requirements of this Agreement, the Manuals and all other agreements then in effect between Franchisor, or its Affiliates, and Franchisee, and has substantially cured each curable Default for which Franchisor has issued a Notice of Default to Franchisee within the time periods set forth in **Article 16**.

“Governmental Authority” means all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

“Grand Opening Support” means the on-site training and assistance provided by Franchisor in its discretion, which may be up to ten (10) days before and up to two (2) days after the JINYA Ramen Bar Opens to the public.

“Grand Opening Support Fee” means the \$15,000 fee that Franchisee must pay Franchisor for Grand Opening Support, or \$10,000 fee if the JINYA Ramen Bar governed by this Agreement is not Franchisee’s first JINYA Ramen Bar.

“Grand Opening Marketing Expenditure” means the \$15,000 that Franchisee must spend for a promotional campaign for the grand opening of a JINYA Ramen Bar; beginning thirty (30) days before the scheduled Opening Date of the JINYA Ramen Bar and continuing for sixty (60) days after the Opening Date of the JINYA Ramen Bar.

“Gross Sales” means the total of all revenues derived from sales of any nature or kind whatsoever from the JINYA Ramen Bar during the Term, whether evidenced by cash, services, property, barter, or other means of exchange, including orders taken in or from the JINYA Ramen Bar although filled elsewhere and delivery and catering charges that are not included in the price of the Authorized Products. **“Gross Sales”** shall include the full value of drinks and food Franchisee provides to its employees as incident to their employment (less the value of any discounts against Gross Sales given during the month in which the drinks and food were provided) and all proceeds from the sale of coupons, gift certificates or vouchers once they are redeemed. **“Gross Sales”** shall exclude the amount of bona fide refunds paid to customers and the amount of any sales or use taxes actually paid to any Governmental Authority and the retail price of any coupons, gift certificates and vouchers when they are sold, but not yet redeemed.

“Initial Franchise Fee” means the \$40,000 initial fee that Franchisee must pay Franchisor for the right to operate a JINYA Ramen Bar under this Agreement.

“Initial Term” means the ten (10) year period commencing on the Opening Date and ending on the Expiration Date.

“Initial Training Program” means Franchisor’s training program that Franchisor shall provide for up to four individuals including the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel we designate before Franchisee begins servicing customers and that Franchisor may provide at other times during the Term, upon Franchisee’s request, and by mutual arrangement of the Parties for the fees described in this Agreement. Franchisor may modify the Initial Training Program at any time without notice.

“Initial Training Program Refresher” means, if the Initial Training Program is completed more than 40 calendar days prior to the start of the Grand Opening Support, all managers in training must attend this required review training for a minimum period of 5 days.

“JINYA Franchise Agreements” means Franchise Agreements between Franchisor and JINYA Franchisees for JINYA Ramen Bars, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“JINYA Franchisees” means the parties who enter into JINYA Franchise Agreements with Franchisor to develop, own and operate JINYA Ramen Bars.

“JINYA Ramen Bar” refers to the type of JINYA Ramen Bar identified in **Exhibit A**.

“JINYA Ramen Bar System” means the system developed by Franchisor and the Operating Companies that includes operating methods and business practices related to JINYA Ramen Bars, the relationship between Franchisor and JINYA Franchisees, interior and exterior store design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, recipes and unique cooking techniques and methods, specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor’s Website, all as Franchisor may modify the same from time to time.

“JINYA Ramen Bar Trade Secrets” means proprietary and confidential information of Franchisor and the Operating Companies, including, recipes, ingredients, specifications, procedures, policies, concepts, systems, know-how, plans, software, strategies and methods and techniques of operating JINYA Ramen Bars and producing Authorized Products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation or that Franchisee can show was already lawfully in Franchisee’s possession before receipt from Franchisor.

“Kitchen Manager” and **“Assistant Kitchen Manager”** means those management personnel designated by Franchisee for these back of the house roles who have been reviewed by Franchisor and have attended and successfully attended all training required by Franchisor.

“Landlord” means the owner of the Franchised Location who enters into a Lease with Franchisee for the Franchised Location.

“Lease” means any agreement, however denominated, that allows Franchisee to occupy a Franchised Location owned by a Landlord, including any lease, sublease, concession agreement, license and similar arrangement between Franchisee and a Landlord.

“Local Marketing Expenditure” means the amount that Franchisee must spend each week during the Term for local promotion and marketing for the JINYA Ramen Bar which is two percent (2%) of monthly Gross Sales. Franchisor shall have the right to adjust the required amount of the Local Marketing Expenditure at any time and from time to time during the Term upon ninety (90) days’ prior written notice from Franchisor to Franchisee, to an amount not to exceed three percent (3%) of Gross Sales.

“Management In Training (MIT)” means the training required for any manager who has not completed the Initial Training Program, which consists of up to a 10 day Franchisor Certification program, as determined by Franchisor Representative.

“Management In Training (MIT) Daily Fee” means the \$750 daily fee that Franchisee shall pay Franchisor for each manager who attends MIT.

“Manuals” means Franchisor’s operations manual, which may consist of one or more manuals, and any other written directives related to the JINYA Ramen Bar System, as they may be amended, issued and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

“Marketing Fund” means the fund that Franchisor may elect to establish to promote the Jinya Marks and all JINYA Ramen Bars.

“Marketing Fund Fees” means the marketing fund fees that Franchisee shall pay Franchisor equal to one percent (1%) of the Gross Sales of the JINYA Ramen Bar. Franchisor shall have the right to increase the amount of the Marketing Fund Fees by 0.5% per year up to an amount not to exceed three percent (3%) of Gross Sales at any time and from time to time during the Term upon ninety (90) days’ prior written notice from Franchisor to Franchisee.

“NACHA” means the National Automated Clearing House Association, an organization that establishes the standards and rules followed by financial institutions for transferring payments.

“Non-Proprietary Products” means the food and beverage products, produce, condiments, drink ingredients, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, services, menus, packaging, forms, POS Systems, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Branded Products and Proprietary Products, that Franchisee may or must use, offer and sell at the JINYA Ramen Bar.

“Non-Traditional Venues” means a broad variety of atypical sites, including, without limitation, a site or location within a captive market site, another primary business or in conjunction with other businesses or at institutional settings such as office buildings, business complexes, arenas, stadiums and entertainment venues, recreational facilities, beaches, parks, airports, train stations, travel plazas, toll road facilities and other transportation terminals, educational, medical, governmental and other types of institutional facilities, sites in retail locations (for example, a kiosk within a grocery store), cafeterias and casinos, and any site for which the lessor, owner or operator limits the operation of its beverages and/or food service facilities to a master concessionaire or contract food service provider.

“Notice of Default” means a written notice from one Party to another Party demanding the cure of a Default and demanding that the defaulting Party provide evidence of the cure to the other Party.

“Open,” “Open for Business,” and “Opened” means that Franchisee has actually begun to offer Authorized Products for sale to the public from the JINYA Ramen Bar.

“Opening Date” means the day that (i) Franchisee receives written authorization from Franchisor and all applicable Governmental Authorities to commence business operations at the JINYA Ramen Bar, and (ii) Franchisee actually begins to offer Authorized Products for sale to the public from the JINYA Ramen Bar, whichever occurs last, which shall be no later than the first anniversary of the Effective Date as set forth on **Exhibit A**.

“Owner” means each of the individuals listed on **Exhibit B** and each future direct or indirect shareholder, member, general or limited partner, trustee or other Equity owner of Franchisee. If Franchisee is an Entity, each Owner and each Owner’s spouse shall jointly and severally guarantee Franchisee’s payment and performance of its obligations under this Agreement under a Guarantee in the form of **Exhibit C**.

“Payment Network” means Visa, MasterCard and any credit or debit card network issuing credit or debit cards and/or their duly authorized entities, agents or affiliates.

“Payment Processors” means all credit card, debit card and/or ACH processors whose services Franchisor may require Franchisee to utilize, as well as payment gateway service providers.

“Payment Rules” means the operating rules and regulations of Payment Processors and any applicable Payment Network, as in effect from time to time.

“Person” means any natural person or Entity.

“Post-Opening Additional Training Daily Fee” means the \$750 daily fee per day that Franchisee shall pay for additional training. The length of training will be determined by Franchisor representative.

“Principal Owner” means the individual designated by Franchisee on Exhibit B and accepted by Franchisor to serve as the primary operator of the JINYA Ramen Bar, to serve as the authorized representative of Franchisee, who shall have at least a fifty percent (50%) interest in the Equity of Franchisee, who shall act as Franchisee’s representative in all matters with Franchisor as Franchisee’s liaison with Franchisor and the Owners, and who shall have the authority to act on behalf of Franchisee during the Term without the active participation of any other Owner.

“Proprietary Products” means food products, beverages, packaging and other items that are produced or manufactured strictly in accordance with the JINYA Ramen Bar Trade Secrets or that Franchisor or its Affiliates otherwise designate as proprietary.

“Protected Territory” means the geographic area designated on Exhibit A, provided that the rights granted in the Protected Territory only extend to the type of JINYA Ramen Bar identified in Exhibit A.

“Recommended Suppliers” means suppliers of Non-Proprietary Products who are recommended by Franchisee to become Approved Suppliers.

“Relocation Fee” means the \$5,000 fee that Franchisee must pay Franchisor if Franchisee requests Franchisor to consent to a relocation of the JINYA Ramen Bar.

“Renewal Fee” means the fee that Franchisee must pay Franchisor to extend the Initial Term, which is currently \$25,000.

“Renewal Franchise Agreement” has the meaning assigned to it in Section 3.2.

“Renewal Right” means the right held by Franchisee to renew this Agreement for one Renewal Term upon the expiration of the Initial Term.

“Renewal Term” means the ten (10) year period beginning on the Expiration Date and ending on the Renewal Term Expiration Date.

“Renewal Term Expiration Date” means the tenth anniversary of the commencement date of the Renewal Term.

“Restricted Person” means Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers and OK Affiliates of each of them, and the spouse of each of the foregoing who are individuals.

“Royalty Fees” means the royalty fees that Franchisee shall pay Franchisor equal to five percent (5%) of the Gross Sales of a JINYA Ramen Bar.

“Term” means the Initial Term unless this Agreement is extended for the Renewal Term, in which case **“Term”** shall mean both the Initial Term and the Renewal Term.

“Transfer Fee” means the fee that Franchisee must pay Franchisor as a condition precedent to an Assignment of this Agreement, which is currently \$15,000.

“Website” means an interactive electronic document contained in a network of computers linked by communication software that refers to the JINYA Ramen Bar, the Jinya Marks, Franchisor or the JINYA Ramen Bar System, and includes Internet and World Wide Web home pages.

2. **GRANT.**

2.1 **Grant.** Franchisor hereby grants Franchisee, and Franchisee hereby accepts, the right, license and obligation, during the Initial Term, to use and display the Jinya Marks and use the JINYA Ramen Bar System to continually operate one (1) JINYA Ramen Bar of the type specified on **Exhibit A** at, and only at, the Franchised Location, upon the terms and subject to the provisions of this Agreement and all ancillary documents binding the Parties. Franchisee shall utilize the Franchised Location only for the operation of the JINYA Ramen Bar. Franchisee shall not sublicense, sublease, subcontract or enter any management agreement providing for the right to operate the JINYA Ramen Bar or to use the JINYA Ramen Bar System granted pursuant to this Agreement.

2.2 **Protected Territory.** Except as provided in **Section 2.3**, during the Initial Term, and provided that Franchisee is not in Default under this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee, Franchisor shall not own, operate, sell or issue a franchise for the same type of JINYA Ramen Bars as noted on Exhibit A within the Protected Territory. Except as provided in this **Section 2.2**, Franchisee shall have no territorial or protected rights.

2.3 **Rights Reserved by Franchisor.** Franchisor and its Affiliates reserves all rights not expressly granted under this Agreement, including the exclusive right, in their discretion, directly or indirectly, without paying Franchisee any compensation or granting Franchisee any rights in the same to: (i) develop, own and operate, and to grant licenses and franchises to third parties to develop, own and operate, JINYA Ramen Bars of any type at any location outside of the Protected Territory regardless of its proximity to the JINYA Ramen Bar; (ii) develop, own and operate, and to grant licenses and franchises to third parties to develop, own and operate, any other business, including a restaurant business under the Jinya Marks and the JINYA Ramen Bar System but of a different type than that operated by Franchisee as identified in Exhibit A at any location within the Protected Territory regardless of its proximity to the JINYA Ramen Bar; (iii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, including food business under marks and systems different from the Jinya Marks and the JINYA Ramen Bar System within and outside the Protected Territory; (iv) sell or distribute, at retail or wholesale, directly or indirectly, and license others to sell or distribute, Branded Products and Proprietary Products from any location within or outside of the Protected Territory regardless of proximity to the JINYA Ramen Bar, through the Internet, mail order catalogs, direct mail advertising, vending machines, grocery stores, and through other distribution methods; (v) market on the Internet and use the Jinya Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (vi) acquire, own and operate and to grant licenses and franchises to third parties to develop, own and operate, other restaurants or food service businesses at any location within or outside of the Protected Territory regardless of their proximity to the JINYA Ramen Bar; (vii) develop, own or operate and to grant licenses or franchises to third parties to develop, own or operate JINYA Ramen Bars at Non-Traditional Venues within and outside of the Protected Territory regardless of their proximity to the JINYA Ramen Bar; (viii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at JINYA Ramen Bars and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or

licensees of these businesses) are located or operating; (ix) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at JINYA Ramen Bars, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (x) engage in all other activities that this Agreement does not expressly prohibit.

3. **INITIAL AND RENEWAL TERMS.**

3.1 **Initial Term.** The Initial Term shall commence on the Effective Date and shall expire on the Expiration Date. If Franchisee does not elect to renew the Initial Term under Section 3.2, this Agreement shall expire on the Expiration Date.

3.2 **Renewal Right.** Upon the expiration of the Initial Term, Franchisee shall have the right (the “**Renewal Right**”) to enter into a new franchise agreement in the then-current form then being offered to prospective JINYA Franchisees (a “**Renewal Franchise Agreement**”) for up to one (1) additional and successive Renewal Term. If Franchisee desires to exercise the Renewal Right for a Renewal Term, Franchisee shall, no later than twelve (12) months prior to the Expiration Date or Renewal Term Expiration Date, as the case may be, notify Franchisor in writing (the “**Renewal Notice**”) that Franchisee desires to extend the Initial Term or Renewal Term for the duration of the Renewal Term or the next successive Renewal Term, as the case may be. If Franchisee exercises a Renewal Right, this Agreement shall terminate on the next Renewal Term Expiration Date. This Agreement is not otherwise renewable.

3.3 **Conditions to Renewal.** Franchisee may exercise its Renewal Right only if all of the following conditions precedent are satisfied prior to the Expiration Date or Renewal Term Expiration Date, as the case may be: (i) Franchisee shall fully perform all of its obligations under this Agreement, any Area Development Agreement and all other agreements binding the Parties, and shall be in Good Standing on the date of the Renewal Notice, on the date of Franchisor’s execution of the Renewal Franchise Agreement and on the Expiration Date or the Renewal Term Expiration Date, as the case may be; (ii) Franchisee shall, prior to the commencement date of the Renewal Term, undertake and complete at its expense, the remodeling, renovation, modernization, and refurbishing of the Franchised Location and the JINYA Ramen Bar to comply with Franchisor’s then-current specifications and standards for new JINYA Ramen Bars; (iii) Franchisee shall not commit three (3) or more material Defaults during any eighteen (18) month period during the then-expiring Initial Term or Renewal Term, as the case may be, which are subject to notices of Default issued by Franchisor, whether or not the Defaults were cured; (iv) Franchisee shall continue to comply with the terms and conditions of this Agreement; (v) Franchisee shall satisfy Franchisor’s then-current qualifications and training requirements; (vi) Franchisee shall execute and deliver to Franchisor a General Release; (vii) each Owner and each Owner’s spouse shall execute and deliver to Franchisor a personal guarantee, in a form then satisfactory to Franchisor, jointly and severally guaranteeing Franchisee’s performance of its obligations under the Renewal Franchise Agreement; (viii) Franchisee shall pay Franchisor a Renewal Fee when Franchisee issues the Renewal Notice to Franchisor; and (ix) Franchisee shall execute the Renewal Franchise Agreement and deliver it to Franchisor.

3.4 **Renewal Procedures.** Following the expiration of any waiting periods required by Applicable Law and no more than thirty (30) days after Franchisee receives a franchise disclosure document, if applicable, and the execution copies of the Renewal Franchise Agreement, Franchisee shall execute the copies of the Renewal Franchise Agreement and return them to Franchisor. If Franchisee has exercised a Renewal Right in accordance with Section 3.2 and satisfied all of the conditions in Section 3.3 and in this Section 3.4, Franchisor shall execute the Renewal Franchise Agreement. If Franchisee fails to perform any of the acts, or deliver any of the notices required under this Article 3 in

a timely fashion, the failure to do so shall be deemed an election by Franchisee to not exercise the applicable Renewal Right and shall automatically cause the applicable Renewal Right to lapse and expire.

4. **FEES AND PAYMENTS.**

4.1 **Initial Franchise Fee.** On the Effective Date, Franchisee shall pay Franchisor the Initial Franchise Fee in the manner provided in Section 4.7. The Initial Franchise Fee shall be fully earned and non-refundable when paid, in consideration for the administrative and other expenses incurred by Franchisor to qualify Franchisee as a JINYA Franchisee and for Franchisor's lost or deferred opportunities to enter into a Franchise Agreement for the Protected Territory with another JINYA Franchisee.

4.2. **Grand Opening Support Fee.** On the Effective Date, Franchisee shall pay Franchisor the Grand Opening Support Fee in the manner provided in Section 4.7. The Grand Opening Support Fee shall be fully earned and non-refundable when paid, in consideration for the administrative and other expenses incurred by Franchisor.

4.3 **Royalty Fees.** Franchisee shall pay Franchisor bi-monthly Royalty Fees in the manner provided in Section 4.7 without deduction, abatement, or offset. The Royalty Fees shall be paid for the period and on the due date that Franchisor requires, which is currently the tenth (10th) day and twenty-fifth (25th) day of each calendar month. The Royalty Fee paid on the tenth (10th) day of each calendar month shall be on the Gross Sales of the JINYA Ramen Bar from the sixteenth (16th) day to the last day of the immediately preceding calendar month. The Royalty Fee paid on the twenty-fifth (25th) day of each calendar month shall be on the Gross Sales of the JINYA Ramen Bar from the first (1st) day to the fifteenth (15th) day of the same calendar month. Each payment shall be accompanied by a statement of Gross Sales for the relevant period for which Royalty Fees are paid, certified as complete and accurate by the Principal Owner. Franchisor may, at any time during the Term, upon prior notice to Franchisee, change the period and due date for the Royalty Fees payable by Franchisee.

4.4 **Marketing Fund Fees.** Franchisee shall pay bi-monthly Marketing Fund Fees to the Marketing Fund in the manner provided in Section 4.7 without deduction, abatement or offset. The Marketing Fund Fees shall be paid in the same manner as the Royalty Fees described in Section 4.3. Franchisor may, at any time during the Term, upon ninety (90) days prior notice to Franchisee, increase the amount of the Marketing Fund Fees by up to one half percent (0.5%) per year but to no more than three percent (3%) of Gross Sales. In addition, Franchisor may, from time to time, offer Franchisee the opportunity to purchase point of sale advertising material, posters, flyers, product displays, templates and other promotional materials for the JINYA Ramen Bar at Franchisor's direct costs for the same.

4.5 **Other Payments.** Franchisee shall promptly pay Franchisor and its Affiliates, as applicable, when due without deduction, abatement or offset: (i) all amounts advanced by Franchisor or which Franchisor has paid, or for which Franchisor has become obligated to pay on behalf of Franchisee for any reason whatsoever; and (ii) all amounts due to Franchisor or its Affiliates for Branded Products and Proprietary Products sold to Franchisee.

4.6 **Interest and Charges for Late Payments.** If Franchisee fails to pay any amount due to Franchisor under this Agreement by the date payment is due, or if any electronic payment is unpaid because of insufficient funds or otherwise, Franchisee shall additionally be obligated to pay, as a late charge, the sum of \$200. Additionally, Franchisee shall pay interest on the amount outstanding at the rate of one and one-half percent (1 1/2%) per month (but not to exceed the maximum legal rate of interest) imposed from the date payment was due until the entire sum and late charge are paid in full.

This Section 4.6 does not constitute an agreement by Franchisor to accept any payment after the date payment is due or a commitment by Franchisor to extend credit to, or otherwise finance, Franchisee, and Franchisee's failure to pay all amounts when due shall constitute grounds for termination of this Agreement notwithstanding this Section 4.6.

4.7 **Manner of Payment.** Franchisee shall make all payments due to Franchisor or its Affiliates from Franchisee's bank account by electronic funds transfer ("**EFT**") or other automatic payment mechanism that Franchisor may designate. Promptly upon Franchisor's request, Franchisee shall execute and deliver to Franchisor the EFT payment form attached to this Agreement as **Exhibit D** and all pre-authorized check forms and other instruments or drafts required by Franchisor's bank, payable against Franchisee's bank account, to enable Franchisor to draw the Royalty Fees and other sums payable under the terms of this Agreement. Franchisee shall maintain a single bank account for all EFT payments and shall maintain such minimum balance in this account in the amount that Franchisor may reasonably specify from time to time in order to ensure that all payments due to Franchisor and its Affiliates can be paid in full when drawn from the account. Franchisee shall not alter or close this account except with Franchisor's prior written approval. Any failure by Franchisee to implement an EFT system in strict accordance with Franchisor's instructions shall constitute a material Default of this Agreement. All payments by Franchisee shall be made in US Dollars free and clear of any tax, deduction, offset or withholding of any kind. Franchisee shall register for and collect and report sales tax in compliance with all Applicable Laws. All taxes and penalties presently or in the future levied on the payments due to Franchisor under this Agreement shall be fully borne by Franchisee.

4.8 **Application of Funds.** If Franchisee shall be delinquent in the payment of any obligation to Franchisor under this Agreement, or under any other agreement with Franchisor, Franchisor shall have the absolute right to apply any payments received from Franchisee to any obligation owed, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to application.

4.9 **Gross-Up Fees.** To ensure that Franchisor receives the full amount of its Royalty Fees and Marketing Fund Fees to which Franchisor may be entitled, as their amount may vary from time to time, Franchisee shall pay Franchisor, upon demand, whether in arrears, in advance, in a lump sum or in the same manner as Royalty Fees and Marketing Fund Fees are paid to Franchisor, the amount of all taxes paid by Franchisor to any Governmental Authority on revenue earned or collected by Franchisor based upon Franchisee's use of Franchisor's intellectual property or other intangibles or based upon the existence of this Agreement, within the Governmental Authority's domain during each of Franchisor's fiscal years throughout the entire Term. Further, if state or local law in the state in which the Franchised Unit is located prohibits or restricts in any way Franchisee's ability to pay and Franchisor's ability to collect Royalty Fees or other amounts due to Franchisor based on revenue derived from the sale of alcoholic beverages at the Restaurant, Franchisor shall reset the amount of the Royalty Fees or other sums payable to Franchisor under this Agreement and redefine Gross Sales to exclude the payment of Royalty Fees on revenue derived from the sale of alcoholic beverages to an amount that will have the same basic economic result for both Franchisor and Franchisee.

5. **FRANCHISED LOCATION, CONSTRUCTION AND OPENING FOR BUSINESS.**

5.1 **Franchised Location.** The JINYA Ramen Bar shall be located at the Franchised Location. If the address of the Franchised Location has not been inserted in the blank space on **Exhibit A** on the Effective Date, then the Site Selection Addendum attached to this Franchise Agreement as **Exhibit F** will govern Franchisee's selection of a site for the JINYA Ramen Bar. Franchisor shall provide Franchisee with Franchisor's site criteria following the parties' execution of this Agreement. Franchisee shall submit to Franchisor all demographic and other information regarding a proposed site and its

neighboring areas that Franchisor shall require. Franchisee shall use a real estate and construction management consultant approved by Franchisor to assist Franchisee in locating and selecting the proposed site for the JINYA Ramen Bar, and to refer and manage a general contractor for construction of the JINYA Ramen Bar. Franchisor shall accept or reject a proposed site within thirty (30) days after Franchisee provides Franchisor all supplemental information that Franchisor requires to evaluate the site. Following Franchisor's approval of a site, Franchisee shall promptly thereafter negotiate a Lease for the site and shall submit a copy of the proposed Lease to Franchisor along with the Lease Addendum described in Section 5.2. Franchisee shall not enter into any Lease for a site unless and until Franchisor has approved the site. Following Franchisee's execution of the Lease for the Franchised Location, the Parties shall complete and execute an addendum to **Exhibit A** to identify the Franchised Location. Franchisee shall obtain a fully executed Lease for the site no later than one hundred eighty (180) days after the Effective Date. Franchisor may voluntarily, and without obligation, assist Franchisee in selecting an acceptable site for the Franchised Location. Neither Franchisor's assistance, if any, its acceptance of a proposed site, nor its acceptance of a proposed Lease shall be construed to ensure or guarantee the profitable or successful operation of the JINYA Ramen Bar at the site selected by Franchisee and Franchisor hereby expressly disclaims any responsibility for such profit or success. Franchisee acknowledges its sole responsibility for finding the Franchised Location.

5.2 **Lease for Franchised Location.** Franchisee shall not create any obligations on Franchisor's behalf or grant the Landlord any rights against Franchisor, or agree to any term, condition or covenant in the Lease which are inconsistent with any provision of this Agreement. Franchisee shall deliver a fully executed copy of the Lease to Franchisor promptly following its execution, in the form and on the terms previously accepted by Franchisor, without further request by Franchisor. Unless waived in writing by Franchisor, any Lease, sublease, letter of intent or Lease memorandum for the Franchised Location shall contain provisions that satisfy the requirements set forth in the Lease Addendum Form attached to this Agreement as **Exhibit F** during the entire term of the Lease, including any Renewal Term.

5.3 **Construction.** Franchisor shall make available, at no charge to Franchisee, Franchisor's specifications for the décor and layout of a prototype JINYA Ramen Bar and the required fixtures, equipment, furnishings, décor, trade dress and signs. Franchisor has a required lighting control system for all JINYA Ramen Bars. Franchisee acknowledges and agrees that, as part of the build out of the JINYA Ramen Bar, Franchisee must install and use the required lighting control system. Franchisee shall be responsible for the costs of preparing architectural, engineering and construction drawings and site and space layout and exterior signage plans for the JINYA Ramen Bar. Franchisee shall, at its own expense, adapt the specifications for the prototype JINYA Ramen Bar to conform to the characteristics of the Franchised Location and shall submit the final plans to Franchisor within forty-five (45) days after Franchisee obtains possession of the Franchised Location. Franchisor shall review and accept or reject the plans within fifteen (15) days after receiving them from Franchisee. Before commencing any renovation or construction, Franchisee shall employ a licensed architect and engineer approved by Franchisor to prepare preliminary and final architectural and engineering drawings and specifications for the JINYA Ramen Bar in accordance with Franchisor's standard architectural plans and specifications for a prototype JINYA Ramen Bar.

Franchisee shall, at its own expense, obtain all zoning classifications, licenses, permits, and clearances for construction. Franchisee's failure to locate an acceptable site, enter a Lease and Open the JINYA Ramen Bar within the applicable time periods provided for in this Article 5 shall be deemed to be material Default under this Agreement. Franchisee shall notify Franchisor of the anticipated construction completion date and, within a reasonable time after construction is completed, Franchisor shall have the right, but not the obligation, to conduct a final inspection of the JINYA Ramen Bar.

5.4 **Open for Business.** The JINYA Ramen Bar shall Open for Business no later than the first anniversary of the lease signing deadline. Franchisee shall not Open the JINYA Ramen Bar or offer Authorized Products to the public without the express written authorization of Franchisor, which authorization may be conditioned upon Franchisee's strict compliance with the specifications of the approved final plans and JINYA Ramen Bar System standards, the completion of the Initial Training Program (and any other pre-opening training required by Franchisor) by the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel, and Franchisee's compliance with staffing and other requirements. Franchisee shall Open the JINYA Ramen Bar for business following receipt of a temporary or permanent certificate of occupancy and no more than ten (10) days after receipt of Franchisor's written authorization to Open. Following the Opening Date, the Parties shall complete and execute an addendum to **Exhibit A** to designate the Opening Date.

5.5 **Relocation of JINYA Ramen Bar.** Franchisee may not relocate the JINYA Ramen Bar without Franchisor's prior written consent. Franchisee shall pay Franchisor a Relocation Fee when Franchisee requests Franchisor's consent to a relocation of the JINYA Ramen Bar. Franchisee shall submit to Franchisor in writing the materials Franchisor requires to consider Franchisee's request, including information concerning the proposed new location. Franchisor's consent, which shall not be unreasonably withheld, is conditioned on one or more of the following circumstances: (i) the population or demographics in the Protected Territory have changed substantially since the Opening Date of the JINYA Ramen Bar; (ii) the JINYA Ramen Bar has suffered irreparable damage or destruction and cannot be repaired within sixty (60) days; or (iii) any other condition leading Franchisee and Franchisor to believe that continued operation of the JINYA Ramen Bar at the Franchised Location will not be profitable. If Franchisor consents to a relocation, Franchisee shall de-identify the former Franchised Location in the manner described in **Section 17.1** and shall reimburse and indemnify and hold Franchisor harmless from any direct and indirect losses, costs and expenses, including attorneys' fees, arising out of Franchisee's failure to do so. If Franchisor consents to a relocation of the JINYA Ramen Bar during the Term, Franchisee shall have twelve (12) months from the date of Franchisor's approval of the new Franchised Location to secure the new Franchised Location and to Open and operate the JINYA Ramen Bar at the new Franchised Location. Once Franchisee has identified the new Franchised Location, Franchisor has approved it, and the Lease has been submitted to Franchisor along with the Lease Addendum described in **Section 5.2**, Franchisor will prepare an addendum to **Exhibit A** to designate the Franchised Location and will provide the addendum to Franchisee.

6. OBLIGATIONS OF FRANCHISOR.

6.1 **Initial Training Program.** Prior to the Opening Date of the JINYA Ramen Bar, Franchisor shall provide the Initial Training Program covering, among other things, the JINYA Ramen Bar System and methods of operation at Franchisor's training facilities in Franchisor's corporate office or company owned JINYA Ramen Bars currently located in Los Angeles, California, at Franchisee's JINYA Ramen Bar or at another location designated by Franchisor, for the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel we designate. All trainees must pass a weekly certification test with a score satisfactory to Franchisor before trainee(s) can proceed to the next module of the Initial Training Program. Franchisee's supervisory or managerial personnel must complete the Initial Training Program at least one hundred twenty (120) days, and no more than 40 days, before the start of Grand Opening Support. If the Grand Opening Support is completed more than 40 days after completion of the Initial Training Program, all manager in training must attend Initial Training Program Refresher. The length of the Initial Training Program may vary based on Franchisor's assessment and must be completed before the JINYA Ramen Bar Opens for business. Franchisor shall determine the contents and manner of conducting the Initial Training Program in its discretion. There is no additional fee for the Initial Training Program. Franchisor, in its

sole discretion may require any manager to attend the MIT Program and Franchisee must pay the MIT Daily Fee for such that MIT Program.

6.2 **Grand Opening Support.** Franchisor may in its discretion provide the Grand Opening Support. Franchisor shall select the representatives who will provide the on-site training and the length of time that on-site training will be provided. As stated in Section 4.2, Franchisee must pay the Grand Opening Support Fee for the Grand Opening Support.

6.3 **Additional Initial Training Program.** Franchisor may, at Franchisor's sole discretion, require Franchisee to send managers to additional Initial Training Programs ("**Additional Initial Training Programs**") for new or replacement supervisory or managerial personnel of Franchisee or for any previously training manager who Franchisor determines needs to be retrained. Franchisee shall pay Franchisor its then-current Post-Opening Additional Training Daily Fee for each of Franchisor's representatives who provides Additional Initial Training Programs. In addition, Franchisee shall pay all transportation costs, food, lodging and similar expenses incurred in connection with attendance at the Additional Initial Training Programs.

6.4 **Additional Training.** Franchisor may, at Franchisor's discretion, from time to time during the Term: (i) require the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel to attend; or (ii) make available to the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel, additional and remedial training programs ("**Additional Training**"). Franchisee shall pay Franchisor its then-current Post-Opening Additional Training Daily Fee for each of Franchisor's representatives who provides Additional Training. In addition, Franchisee shall pay all transportation costs, food, lodging and similar expenses incurred in connection with attendance at the Additional Training Programs.

6.5 **Manuals.** Franchisor will loan one copy or provide Franchisee with access to its current Manuals during the Term which may include audio, video, compact disks, computer software, other electronic media, digital copies through Franchisor's Website and/or written materials. At Franchisor's option, Franchisor may post some or all of the Manuals on a restricted Website, intranet, or extranet to which Franchisee will have on-line access. The Manuals may change from time to time during the Term. The Manuals are, and at all times shall remain Franchisor's sole property and shall promptly be returned to Franchisor upon expiration, termination or an Assignment of this Agreement. The Manuals contain both mandatory and recommended specifications, standards, procedures, rules and other information pertinent to the JINYA Ramen Bar System and Franchisee's obligations under this Agreement. The Manuals, as modified by Franchisor from time to time, are an integral part of this Agreement and all provisions now or hereafter contained in the Manuals or otherwise communicated to Franchisee in writing are expressly incorporated into this Agreement by this reference and made a part of this Agreement. Franchisor reserves the right to modify the Manuals from time to time to reflect changes that it may implement in the mandatory and recommended specifications, standards and operating procedures of the JINYA Ramen Bar System.

6.6 **Post-Opening Consultation.** Following the Opening Date of the JINYA Ramen Bar, Franchisor may provide regular consultation and advice to Franchisee in response to Franchisee's inquiries about specific administrative and operating issues that Franchisee brings to Franchisor's attention including, without limitation, mandatory and recommended specifications, standards and operating procedures of the JINYA Ramen Bar System. Franchisor's consultation and advice may be provided by telephone, in writing, electronically, in person, or by other means. Franchisee acknowledges and agrees that the results of Franchisee's efforts to operate a JINYA Ramen Bar rest solely with Franchisee. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However,

Franchisee alone shall establish all requirements, consistent with the policies of Franchisor, regarding: (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the JINYA Ramen Bar for which Franchisor has not established Approved Suppliers.

6.7 **Post-Opening Inspections.** Following the Opening Date of the JINYA Ramen Bar, Franchisor's authorized representatives shall have the right, but not the obligation, from time to time, to enter the JINYA Ramen Bar during business hours, to examine the JINYA Ramen Bar, to confer with Franchisee's supervisory and managerial personnel, inspect and check operations, food, beverages, furnishings, interior and exterior décor, supplies, fixtures and equipment, and determine whether the JINYA Ramen Bar is being operated in accordance with this Agreement, the JINYA Ramen Bar System and the Manuals. Franchisor shall use reasonable efforts to avoid materially disrupting the operation of the JINYA Ramen Bar during an inspection.

6.8 **Assignment.** Upon the occurrence of an Assignment, the Proposed Buyer must be trained by Franchisor as a condition to the granting of Franchisor's consent to the Assignment. All costs for this training shall be included in the administrative/transfer fee payable by Franchisee in accordance with Section 14.7. The JINYA Ramen Bar shall not be transferred, Opened, or re-Opened by the Proposed Buyer until Franchisor accepts the Proposed Buyer in writing as certified to operate the JINYA Ramen Bar and Franchisor has otherwise consented to the Assignment in accordance with this Agreement.

6.9 **Toll Free Telephone Number.** Franchisor has the right, but not the obligation, to establish and maintain a toll free telephone number for the purpose of accepting and confirming customer orders nationwide, customer service, and customer follow-up and satisfaction surveys. If Franchisor establishes a toll free number, Franchisee shall comply with Franchisor's procedures for implementing the nationwide service as Franchisor specifies in the Manuals or otherwise in writing.

7. OBLIGATIONS OF FRANCHISEE.

7.1 **JINYA Ramen Bar System.** Franchisee shall operate the JINYA Ramen Bar in compliance with the terms of this Agreement and the Manuals. Franchisee acknowledges and agrees that Franchisee alone shall exercise day-to-day control over all operations, activities and elements of the JINYA Ramen Bar, including over Franchisee's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the JINYA Ramen Bar System with which Franchisee must comply under this Agreement, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the JINYA Ramen Bar, which Franchisee alone controls, but only constitute standards to which Franchisee must adhere when exercising Franchisee's control over the day-to-day operations of the JINYA Ramen Bar consistent with the policies of Franchisor. Franchisee shall comply with Franchisor's standards and shall operate the JINYA Ramen Bar in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Franchisee shall comply, at Franchisee's expense, with all modifications prescribed by Franchisor and shall implement changes to the JINYA Ramen Bar System within the time periods specified by Franchisor following Franchisee's receipt of notice from Franchisor to do so. Franchisee shall refrain from deviating from the methods, standards, and specifications without Franchisor's prior written consent and from otherwise operating in any manner which reflects adversely on the Jinya Marks or the JINYA Ramen Bar System. Since every detail of the JINYA Ramen Bar System is essential in order to develop and maintain quality operating standards, to increase the demand for the products and services sold by JINYA Ramen Bars under the JINYA Ramen Bar System and Franchisor shall have

the right to disapprove, as it believes necessary, any modification of, or addition to, the JINYA Ramen Bar System suggested by Franchisee that is reasonably likely to have an adverse material effect on the JINYA Ramen Bar System, the Jinya Marks or Franchisor's reputation or goodwill.

7.2 **Initial Training Program**. Franchisee's supervisory and managerial personnel shall attend and complete to Franchisor's satisfaction the Initial Training Program, Initial Training Program Refresher and the MIT Program. All trainees must pass a weekly certification test with a score satisfactory to Franchisor before trainee(s) can proceed to the next module. Franchisee shall not commence operation of the JINYA Ramen Bar until the required training has been completed. Franchisee shall pay all travel, living, compensation, and other expenses, if any, incurred by Franchisee for the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel to attend the training. Franchisee acknowledges that, Franchisor, in its sole discretion, shall determine if Franchisee, the Principal Owner, General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel have satisfactorily completed the training.

7.3 **Scheduling Grand Opening Support**. Franchisee shall notify Franchisor at least thirty (30) days in advance of the scheduled date (the "**Turnover Date**") that (i) all construction and remodeling of the Franchised Location will be completed; (ii) Franchisee will have all permits necessary to Open the JINYA Ramen Bar; and (iii) the JINYA Ramen Bar is ready for turn-over by the general contractor to Franchisee, to allow Franchisor to schedule a date for the Grand Opening Support. Franchisor will provide Franchisee with a turnover checklist approximately twenty-one (21) days before the scheduled Turnover Date and will schedule a conference call with Franchisee approximately seven (7) days before the scheduled Turnover Date to confirm the Turnover Date so that Franchisor may book travel arrangements for its representatives who will provide the Grand Opening Support. Approximately three (3) days before the scheduled Turnover Date, Franchisor will schedule a final conference call with Franchisee to confirm the Turnover Date and the date on which Franchisor's representatives will arrive at the JINYA Ramen Bar. If, after the final conference call, the Turnover Date is delayed or accelerated by more than two (2) days from the date specified during the conference call, Franchisee shall reimburse Franchisor for any and all costs and expenses incurred by Franchisor to change the travel arrangements for its representatives who were scheduled to provide the Grand Opening Support.

7.4 **Additional Initial Training Programs**. If Franchisor in its sole discretion requires Franchisee to send any manager to the Initial Training Program, MIT Program or Initial Training Program Refresher, Franchisee shall pay Franchisor its then-current MIT Daily Fee or Post-Opening Additional Training Fee. Franchisee shall pay all transportation costs, food, lodging and similar costs incurred by Franchisor and Franchisee in connection with attendance at Additional Initial Training Programs.

7.5 **Additional Training Programs**. Franchisee, the Principal Owner, each General Manager, Kitchen Manager, Assistant Kitchen Manager and / or other supervisory or managerial personnel shall attend Additional Training Programs as required by Franchisor. Franchisee shall pay Franchisor its then-current Post-Opening Additional Training Fee for Additional Training Programs. In addition, Franchisee shall pay all transportation costs, food, lodging and similar expenses incurred in connection with attendance at the Additional Training Programs.

7.6 **Manuals**. Franchisee shall treat all information contained in the Manuals as Confidential Information and shall use all reasonable efforts to keep the information confidential. Franchisee shall not, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make them available to any Person not required to have access to their contents in order to carry out their employment functions. If Franchisee is provided a physical copy of the manual, and Franchisee misplaces the Manuals or fails to return the Manuals to

Franchisor upon demand, Franchisee shall pay Franchisor the sum of \$500 as a manual replacement fee. Franchisee shall comply with all mandatory requirements now or hereafter included in the Manuals, and acknowledges and agrees that a Default under any mandatory requirement of the Manuals shall constitute a Default under this Agreement and grounds for termination. Franchisee shall immediately conform its operations to all revisions in mandatory specifications, standards, operating procedures and rules prescribed by Franchisor.

7.7 **Inspections**. Following the Opening Date of the JINYA Ramen Bar, if any inspection of the JINYA Ramen Bar by Franchisor indicates any deficiency or unsatisfactory condition at the JINYA Ramen Bar, Franchisor will notify Franchisee in writing of the deficiencies and Franchisee shall promptly correct, remedy or repair such deficiency or unsatisfactory condition. In addition, if any inspection indicates any deficiency or unsatisfactory condition which requires a re-inspection of the JINYA Ramen Bar within a period of thirty (30) days, Franchisee shall pay Franchisor, upon demand, the sum of \$500 for each re-inspection of the JINYA Ramen Bar and shall, in addition, reimburse Franchisor for its out of pocket expenses for the re-inspection, including for transportation costs, food, lodging and similar expenses. In addition, Franchisee shall participate in quality control programs conducted on a weekly basis by mystery shopper evaluators for the benefit of the JINYA Ramen Bar System and all JINYA Ramen Bar Franchisees and shall pay the actual costs incurred by the mystery shopper evaluators directly to the third party mystery shopper program provider designated by Franchisor.

7.8 **POS System; Computer Hardware and Software and Sound System**. Franchisee shall obtain, use and maintain a computerized point of sale cash collection system (the “**POS System**”), a back office computer and printer, including all related hardware and software, cameras and a DVR, televisions, and a sound system, each as specified in the Manuals or otherwise by Franchisor in writing for the JINYA Ramen Bar. The POS System shall at all times be capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data, and accessing the Internet for ordering and maintaining the POS System. The POS System shall be electronically linked to Franchisor, and Franchisee shall allow Franchisor to poll the POS System on a daily or other basis at the times and in the manner established by Franchisor, with or without notice, and to retrieve transaction information including sales, menu mix, usage, and other operations data that Franchisor deems appropriate. Franchisor may require Franchisee to update, upgrade or replace the POS System, including hardware and/or software, from time to time, upon written notice, provided that Franchisee shall not be required to replace the POS System any more frequently than once every three (3) years. The POS System must include the required technology to permit Franchisee to accept online orders of menu products and services at the JINYA Ramen Bar and to accept and process JINYA Ramen Bar gift cards sold in other JINYA Ramen Bars. In addition, Franchisee shall purchase, lease or license all computer hardware and software designated by Franchisor for the JINYA Ramen Bar at Franchisee’s expense. During the Term, Franchisee shall maintain and update all computer hardware and software as required by Franchisor.

7.9 **Product Line and Service**. Franchisee shall advertise, sell and serve all and only Authorized Products at or from the JINYA Ramen Bar. Franchisee shall stock and maintain the types and brands of non-alcoholic beverages and related supplies at the JINYA Ramen Bar as designated and approved by Franchisor in compliance with the Manuals. All Authorized Products shall be sold and distributed under the names designated by Franchisor and shall be prepared and served strictly in accordance with Franchisor’s methods, standards, and specifications. Franchisee shall not remove any Authorized Product from Franchisee’s menu or offerings without Franchisor’s written consent. Franchisee shall not sell any Authorized Products outside of the JINYA Ramen Bar or to any customer for the purpose of resale by the customer, and all sales by Franchisee shall be for retail consumption only.

7.10 **Prices.** To the fullest extent permitted by Applicable Law, Franchisor reserves the right to establish maximum, minimum, or other pricing requirements with respect to the prices Franchisee may charge for products or services at the JINYA Ramen Bar. Subject to Applicable Law, Franchisee shall honor the terms of all promotional or discount programs that Franchisor may offer to the public for JINYA Ramen Bars. Franchisee shall participate in all gift certificate and/or gift card administration programs as may be designated by Franchisor from time to time. Franchisee shall honor all coupons, gift certificates, gift cards and other programs or promotions as directed by Franchisor. Franchisee shall fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by Franchisor. Franchisee shall not issue coupons or discounts of any type for use at the JINYA Ramen Bar except as approved by Franchisor in writing, which may be withheld in Franchisor's sole and absolute discretion.

7.11 **Oversight and Management.** The Principal Owner shall be responsible for oversight of the day-to-day operations of the JINYA Ramen Bar and shall devote his full time and best efforts solely to the operation of the JINYA Ramen Bar only in a management capacity and not as a staff member behind the service counter and to no other business activities. The JINYA Ramen Bar shall be under the direct control of a General Manager in the absence of the Principal Owner. Following the Opening Date of the JINYA Ramen Bar, Franchisee shall provide comprehensive initial training programs, additional training programs and remedial training programs for its supervisory and managerial personnel and other employees and shall ensure that the JINYA Ramen Bar is at all times under the direct control of a General Manager fully trained by Franchisee and solely dedicated to operation of the JINYA Ramen Bar and other employees who have been fully trained by Franchisee and solely dedicated to operation of the JINYA Ramen Bar. Each General Manager shall have a skill level, training and experience commensurate with the demands of the position and conform in all respects with Franchisor's high standards for quality products, courteous service, and cleanliness of operations. In addition, Franchisor may, in its sole discretion, contract with a third party to conduct sanitation and food safety audits of the JINYA Ramen Bar periodically throughout the Term, but no less than once per calendar year and the costs for all such audits will be charged to Franchisee. The JINYA Ramen Bar shall be operated under the control and supervision of Franchisee, its Principal Owner, the restaurant managers or another manager hired by and employed by Franchisee and approved by Franchisor. Franchisee shall not hire or retain a management company, manager (other than an employee manager trained and approved by Franchisor), or third party to undertake any of the management or operational functions of the JINYA Ramen Bar.

7.12 **Menus.** The approved and authorized menu and menu formats may include, in Franchisor's discretion, requirements on organization, graphics, product descriptions, illustrations and any other matters related to the menu, whether or not similar to those listed. In Franchisor's discretion, the menu and/or menu formats may vary depending upon region, market size and other factors which affect the JINYA Ramen Bar. Franchisor may change the menu and/or menu formats from time to time and authorize tests from region to region or within regions. Franchisee shall, upon receipt of notice from Franchisor, add, delete or update any Authorized Products to its menu according to the instructions contained in the notice. Franchisee shall have a minimum of thirty (30) days and not more than sixty (60) days after receipt of written notice in which to fully implement any menu change. Franchisee shall cease selling previously approved Authorized Products within thirty (30) days after receipt of notice that the product is no longer approved. All menus, containers, napkins, bags, cups and other packaging and like articles used at the JINYA Ramen Bar shall conform to Franchisor's specifications, shall be imprinted with the Jinya Marks, if and as specified by Franchisor, and shall be purchased by Franchisee from an Approved Supplier.

7.13 **Compliance with Applicable Law.** Franchisee shall operate the JINYA Ramen Bar as a clean, orderly, legal and respectable place of business in accordance with Franchisor's business standards and merchandising policies and shall comply with all Applicable Laws. Franchisee shall not cause or allow any part of the JINYA Ramen Bar or the Franchised Location to be used for any immoral or illegal purpose. Franchisee shall in all dealings with its customers, suppliers, and public officials adhere to high standards of honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action which will cause Franchisor to be in violation of any Applicable Law. If Franchisee shall receive any notice, report, fine, test results or the like from any applicable department of health (or other similar Governmental Authority), Franchisee shall promptly send a copy of the same to Franchisor.

7.14 **Hours.** Subject to Applicable Law, the JINYA Ramen Bar shall be open and operational at least twelve (12) hours per day, seven (7) days per week or as otherwise prescribed by Franchisor. Franchisee shall continually operate the JINYA Ramen Bar throughout the Term. Franchisee shall diligently and efficiently exercise its best efforts to achieve the maximum Gross Sales possible from its Franchised Location, and shall remain open for longer hours if additional opening hours are reasonably required to maximize operations and sales.

7.15 **Signs.** Franchisee shall maintain approved signs and/or awnings at, on, or near the front of the JINYA Ramen Bar, identifying the Franchised Location as a JINYA Ramen Bar, which shall conform in all respects to Franchisor's specifications and requirements and the layout and design plan approved for the Franchised Location, subject only to restrictions imposed by Applicable Law.

7.16 **Franchisee Employee Policies.** Franchisee shall maintain a competent, conscientious, and trained staff and shall take all steps necessary to ensure that its employees preserve good customer relations, render competent, prompt, courteous, and knowledgeable service, and meet the minimum standards that Franchisor may establish from time to time in the Manuals or otherwise. All employees hired by or working for Franchisee shall be the employees of Franchisee, and Franchisee alone, and shall not, for any purpose, be deemed to be the employees of Franchisor or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any Governmental Authority. Franchisee and Franchisor will each file their own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments with respect to their respective employees and operations. Franchisee acknowledges and agrees that Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify Franchisee's supervisory or managerial personnel for qualification to perform certain functions at the JINYA Ramen Bar does not directly or indirectly vest in Franchisor the power to hire, fire or control any of Franchisee's personnel. Franchisee alone shall be solely responsible for all hiring and employment decisions and functions relating to the JINYA Ramen Bar, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee acknowledges and agrees that any guidance Franchisee receives from Franchisor regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own employment policies, and that Franchisee understands that Franchisee should do so in consultation with local legal counsel experienced in employment law. Franchisee shall immediately defend, reimburse and hold Franchisor harmless from any direct or indirect losses, costs and expenses, including attorneys' fees, arising out of any claim made by or for the benefit of any employee of Franchisee against Franchisor regarding employment decisions and employee functions at the JINYA Ramen Bar, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees. Franchisee shall take all action necessary to ensure that

Franchisee's employees understand and acknowledge that they are not employees of Franchisor, including, without limitation, requiring Franchisee's employees to sign a written acknowledgement that Franchisee is an independently owned and operated franchisee and that Franchisee is the employee's sole employer. Franchisee shall cause all employees, while working in the JINYA Ramen Bar, to wear uniforms of the color, design and other specifications that Franchisor may designate from time to time and to present a neat and clean appearance. If Franchisor removes a type of uniform utilized by Franchisee from the list of approved uniforms, Franchisee shall have thirty (30) days from receipt of written notice of removal to discontinue use of its existing inventory of uniforms and obtain and use the approved type of uniform.

7.17 **Vending or Other Machines**. Except with Franchisor's written approval, Franchisee shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the JINYA Ramen Bar.

7.18 **Co-Branding**. Franchisee may not engage in any co-branding in or in connection with the JINYA Ramen Bar except with Franchisor's prior written consent. Franchisor may approve any co-branding chain or arrangement in its discretion, and only if Franchisor has recognized that co-branding chain as an approved co-brand for operation within JINYA Ramen Bars.

7.19 **Customer Complaints and Cooperation**. Franchisee shall respond promptly to each customer inquiry or complaint and resolve all reasonable complaints to the customer's satisfaction. At Franchisor's request, Franchisee shall use and display in the JINYA Ramen Bar during all operating hours customer comment cards in the manner specified in the Manuals. Franchisee shall, from time to time, purchase from Franchisor or an Approved Supplier, and maintain in the JINYA Ramen Bar, a supply of postage prepaid customer comment cards reasonably adequate to meet Franchisee's needs. Franchisee shall at all times cooperate with Franchisor and other JINYA Franchisees and shall actively participate in any and all sales, public relations, marketing, cooperative marketing and purchasing programs or promotional programs which may be developed and implemented by Franchisor which call for the cooperation of Franchisee and other JINYA Franchisees. Franchisee shall further cooperate in any additional programs which may be established and designated by Franchisor from time to time including participating in coupon programs, the system-wide use of gift cards, and other similar programs for the benefit of the JINYA Ramen Bar System, and shall comply with Franchisor's rules and regulations established from time to time in connection with this Agreement. Franchisee shall cooperate with Franchisor in connection with the test marketing of products and services at the JINYA Ramen Bar and shall comply with Franchisor's rules and regulations established from time to time in connection with this Agreement.

7.20 **Maintenance, Upkeep of the JINYA Ramen Bar**. Franchisee shall at its own expense, engage in any required maintenance and upkeep for the JINYA Ramen Bar that Franchisor may reasonably require. Franchisee shall have ninety (90) days from receipt of notice from Franchisor regarding such requirements in which to make the required alterations, additions, or modifications to the JINYA Ramen Bar.

7.21 **Intranet**. If Franchisor establishes a JINYA Franchisee Intranet, Franchisee shall have the mere privilege to use the Intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time in the Manuals and otherwise. Franchisee acknowledges that, as administrator of the Intranet, Franchisor may access and view any communication posted on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other Person may assert. Upon receipt of notice from Franchisor that Franchisor has established an Intranet, Franchisee shall establish and continually maintain an electronic connection with the Intranet as specified in the Manuals that allows Franchisor

to send messages to and receive messages from Franchisee. If Franchisee shall Default under this Agreement or any other agreement with Franchisor, Franchisor may, in addition to, and without limiting any other rights and remedies available to Franchisor, disable or terminate Franchisee's access to the Intranet without Franchisor having any liability to Franchisee.

7.22 Innovations. If Franchisee develops any new concept, process or improvement in the JINYA Ramen Bar System (an "**Innovation**"), Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any Innovations shall become the sole property of Franchisor and Franchisor shall be the sole owner of all related intellectual property rights. Franchisee hereby assigns to Franchisor any rights Franchisee may have or acquire in the Innovations, including the right to modify the Innovations, and Franchisee waives and/or releases all rights of restraint and moral rights in and to the Innovations. Franchisee shall assist Franchisor in obtaining and enforcing the intellectual property rights to any Innovation in any and all countries and further agrees to execute and provide Franchisor with all necessary documentation for obtaining and enforcing those rights. Franchisee hereby irrevocably designates and appoints Franchisor as Franchisee's agent and attorney-in-fact to execute and file any the documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property rights related to any Innovation. If the foregoing provisions of this Section 7.22 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Innovations to the extent the use or sublicense would, absent this Agreement, directly or indirectly infringe upon Franchisee's rights in the Innovations.

7.23 Refurbishment of JINYA Ramen Bar. At Franchisor's request, but not more often than once every five (5) years unless sooner required by the Lease, Franchisee shall refurbish the JINYA Ramen Bar, at its own expense, to conform to the building design, trade dress, color schemes, and presentation of the Jinya Marks in a manner consistent with the then-current public image for new or remodeled JINYA Ramen Bars, including, without limitation, replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements and reasonable structural changes that Franchisor may reasonably require or that may be required by Applicable Law. Franchisee's costs for the required refurbishment shall not exceed \$100,000 for the interior of the JINYA Ramen Bar or \$50,000 for the exterior of the JINYA Ramen Bar.

7.24 Notifications and Crisis Management Events. Franchisee shall notify Franchisor in writing within twenty-four (24) hours, and confirm in writing within two (2) days thereafter, of any investigation or violation, actual or alleged, of any health, liquor or narcotics laws or regulation related to the JINYA Ramen Bar, and shall notify Franchisor in writing within five (5) days of the commencement of any investigation, action, suit, or proceeding or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other Governmental Authority which may adversely affect the operation or financial condition of the JINYA Ramen Bar. Franchisee shall immediately inform Franchisor's Chief Executive Officer (or as otherwise instructed in the Manuals) by telephone of the occurrence of a Crisis Management Event. Franchisee shall cooperate fully with Franchisor with respect to Franchisor's response to a Crisis Management Event.

7.25 Annual Franchise Conference. Franchisor may hold an Annual Franchise Conference for all JINYA Franchisees each year. The Principal Owner and each General Manager shall attend the Annual Franchise Conference. Franchisee shall pay Franchisor a Franchisee Conference Fee to reimburse Franchisor for a portion of the direct costs to provide the Annual Franchise Conference. Franchisee shall pay the Franchisee Conference Fee upon demand at least thirty (30) days before the date of the Annual Franchise Conference, whether or not Franchisee attends the Annual Franchise Conference.

7.26 **Credit Cards.** Franchisee shall honor all credit, charge, courtesy and cash cards approved by Franchisor in writing. To the extent Franchisee shall store, process, transmit or otherwise access or possess cardholder data in connection with the sale of Authorized Products, Franchisee shall maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, for the protection of cardholder data throughout the Term. Franchisee shall be and remain responsible for the security of cardholder data in the possession or control of any subcontractors Franchisee engages to process credit cards. All subcontractors must be identified to and approved by Franchisor in writing prior to sharing cardholder data with the subcontractor. Franchisee shall, if requested to do so by Franchisor, provide appropriate documentation to Franchisor to demonstrate compliance with applicable PCI DSS requirements by Franchisee and all identified subcontractors.

7.27 **Gift Cards, Loyalty, CRM, Social Media Software, Online and Mobile Ordering Programs.** Franchisee shall not create or issue any gift certificates or gift cards and shall only sell gift certificates or gift cards that have been issued by Franchisor that are accepted at all JINYA Ramen Bars. Franchisee shall participate in all gift certificate and/or gift card administration programs as may be designated by Franchisor from time to time. Franchisee shall honor all coupons, gift certificates, gift cards and other programs or promotions as directed by Franchisor. Franchisee shall fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by Franchisor. Franchisee shall not issue coupons or discounts of any type for use at the JINYA Ramen Bar except as approved by Franchisor in writing, which may be withheld in Franchisor's sole and absolute discretion. In addition, Franchisee shall purchase, enroll in or subscribe to, as applicable, all CRM, social media analytics, and online and mobile ordering software or programs as specified by Franchisor in its Manual or otherwise in writing. Franchisor reserves the right to change the designated suppliers of these or similar services in Franchisor's sole discretion. Franchisee shall change, purchase or subscribe to the additional programs or software, as applicable, immediately upon notice from Franchisor to do so.

7.28 **Data Security Safeguards.** Franchisee shall exert Franchisee's best efforts to protect its customers against a cyber-event, including, without limitation, a data breach or other identity theft or theft of personal information (collectively, a "**Cyber Event**"). If a Cyber Event occurs, regardless of whether the Cyber Event affects only the JINYA Ramen Bar, Franchisor reserves the right, but shall not have any obligation, to perform and/or control and/or cause its third-party consultants to perform and/or control all aspects of the response to the Cyber Event including, without limitation, the investigation, containment and resolution of the Cyber Event and all communications within the JINYA Ramen Bar franchise system and with vendors and suppliers, Governmental Authorities and the general public. Franchisor's control of the response to a Cyber Event may potentially affect or interrupt operations of the JINYA Ramen Bar, but shall not create any liability for Franchisor or additional rights for Franchisee, entitle Franchisee to damages or relieve Franchisee of Franchisee's indemnification obligations under Section 18.4. Franchisee shall reimburse Franchisor for all of Franchisor's out-of-pocket costs and expenses incurred in responding to and remedying any Cyber Event caused solely by Franchisee or the JINYA Ramen Bar. Franchisee shall at all times be compliant with (i) the NACHA ACH Security Framework; (ii) the Payment Rules; (iii) Applicable Law regarding data privacy, data security and security breaches; and (iv) Franchisor's security policies and guidelines, all as may be adopted and/or amended from time to time (collectively, "**Data Security Safeguards**"). Franchisee shall obtain advice from Franchisee's own legal and security consultants to ensure that Franchisee operates the JINYA Ramen Bar at all times in full compliance with the Data Security Safeguards. Notwithstanding Franchisor's right to perform and/or control all aspects of a response to a Cyber Event, Franchisor shall make commercially reasonable efforts to coordinate its response with Franchisee and Franchisee's insurance carrier(s) and to cooperate with Franchisee's insurance carrier(s) regarding insurance coverage of the Cyber Event to the extent reasonably practicable under the circumstances.

7.29 **Designated Franchise Portal.** Franchisee shall actively use and monitor Franchisor's then current Designated Franchise Portal in connection with the development and operation of the JINYA Ramen Bar. Franchisee shall be deemed to be "actively using and monitoring" the Designated Franchise Portal if Franchisee, the Principal Owner or any other Owner and/or General Manager logs into the Designated Franchise Portal at least once per week.

7.30 **Music.** Franchisee shall play only the music and music selections in the Restaurant that have been approved by Franchisor as set forth in the Manuals or otherwise in writing. Franchisee shall install the equipment necessary to receive and play all approved music, at Franchisee's cost, inclusive of any licensing fees.

8. SUPPLIERS AND PRODUCTS.

8.1 **Approved Suppliers.** Franchisor shall designate its Approved Suppliers for Franchisee following the Effective Date. All Branded Products, Proprietary Products and Non-Proprietary Products designated by Franchisor for use and sale at the JINYA Ramen Bar must be purchased from Approved Suppliers. Franchisor and its Affiliates are, may be, but are not obligated to become, Approved Suppliers of certain Branded Products, Proprietary Products and Non-Proprietary Products and may act as the sole Approved Suppliers of certain Branded Products, Proprietary Products and Non-Proprietary Products. Franchisor and its Affiliates may operate an online portal that Franchisee can use to buy Branded Products, Proprietary Products, marketing materials, handbooks and menus directly from Approved Suppliers. If, at any time during the Term, Franchisor receives notice from an Approved Supplier that Franchisee is over sixty (60) days past due on any payment owed to the Approved Supplier, and Franchisee has not provided any notice to the Approved Supplier disputing the overdue amount prior to Franchisor's receipt of notice from the Approved Supplier concerning the past due amount, Franchisor shall have the right, but not the obligation, to make payment to the Approved Supplier on behalf of Franchisee and to thereafter reimburse itself for the amount paid to the Approved Supplier in the manner provided in Section 4.7 of this Agreement.

8.2 **Recommended Suppliers.** If Franchisee desires to purchase authorized Non-Proprietary Products from a Recommended Supplier rather than from Franchisor, Franchisor's Affiliates or an Approved Supplier, Franchisee shall deliver written notice to Franchisor identifying the Recommended Supplier and shall provide Franchisor with reasonable financial, operational and other information regarding the Recommended Supplier necessary for Franchisor to assess the Recommended Supplier. Franchisor shall notify Franchisee of Franchisor's decision within sixty (60) days after Franchisor's receipt of the necessary information from Franchisee. If Franchisor does not approve or disapprove a Recommended Supplier within sixty (60) days, the Recommended Supplier shall be deemed disapproved. As a condition of its approval, Franchisor may require a Recommended Supplier to agree in writing to (i) provide, from time to time, upon Franchisor's request, free samples of the Non-Proprietary Product the Recommended Supplier intends to supply to Franchisee; (ii) faithfully comply with Franchisor's specifications for the Non-Proprietary Products to be sold by the Recommended Supplier; (iii) sell any Non-Proprietary Products bearing the Jinya Marks only to JINYA Franchisees and only under a trademark license agreement with Franchisor; (iv) provide Franchisor, upon request, with duplicate purchase invoices issued to Franchisee for Franchisor's records and inspection purposes; and (v) otherwise comply with Franchisor's reasonable requests. Further, Franchisor may require Franchisee or the Recommended Supplier to reimburse Franchisor for all of Franchisor's actual costs in reviewing the application of the Recommended Supplier and all current and future reasonable costs and expenses, including transportation costs, food, lodging and similar expenses incurred, related to inspecting, re-inspecting and auditing the Recommended Suppliers' facilities, equipment, and food products, and all product testing costs paid by Franchisor to third parties and to pay Franchisor, in advance, a deposit of up to \$1,000, before Franchisor inspects the Recommended Supplier's facilities.

Franchisor may revoke its approval of a previously approved Recommended Supplier if the Recommended Supplier does not continue to satisfy Franchisor's criteria.

8.3 Purchases from Franchisor or its Affiliates. All Branded Products, Proprietary Products and Non-Proprietary Products purchased from Franchisor or its Affiliates shall be purchased in accordance with the purchase order format issued from time to time by Franchisor or its Affiliates and at the prices and on delivery terms and other terms offered to similarly situated JINYA Franchisees. Franchisor and its Affiliates, in their sole and absolute discretion, may establish the credit terms, if any, upon which they will accept Franchisee's orders, and may require Franchisee to pay for orders on a cash-in-advance or cash-on-delivery basis. On the termination or expiration of this Agreement, or in the event of any Default by Franchisee under this Agreement, Franchisor and its Affiliates shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by Franchisee and may, among other things, only deliver the quantities reasonably necessary to supply Franchisee's needs prior to the termination or expiration of this Agreement. Neither Franchisor nor its Affiliates shall be liable to Franchisee for any delay or delivery failure caused by Force Majeure.

8.4 Rebates. Franchisor or its Affiliates may receive rebates or allowances from certain Approved Suppliers on purchases of Branded Products, Proprietary Products and Non-Proprietary Products made by Franchisee and other JINYA Franchisees. Rebates and allowances will generally be a percentage of the revenue derived by the Approved Supplier from sales to JINYA Ramen Bars, will be included in Franchisor's general revenue, and may be used by Franchisor for a variety of purposes including ongoing programs, education, marketing, advertising, seminars and conferences, the handling of inquiries and complaints from JINYA Franchisees' customers and for general and administrative expenses. Franchisor may use these rebate and allowance funds received for any purpose in its sole and absolute discretion.

9. JINYA MARKS.

Franchisor and its Affiliates continue to develop, use and control the use of the Jinya Marks in order to identify for the public the source of services and products marketed under the Jinya Marks and the JINYA Ramen Bar System, and to represent the JINYA Ramen Bar System's high standards of quality, appearance and service.

9.1 Ownership and Goodwill of Jinya Marks. Franchisee acknowledges that its right to use the Jinya Marks is derived solely from this Agreement and is limited to use in operating as Franchisee pursuant to and in compliance with this Agreement. Any unauthorized use of the Jinya Marks by Franchisee shall constitute a Default under this Agreement and an infringement of Franchisor's and Franchisor's Affiliate's rights in and to the Jinya Marks. Franchisee acknowledges and agrees that as between Franchisor and Franchisee: (i) Franchisor owns the Jinya Marks and the JINYA Ramen Bar System; (ii) Franchisee owns no goodwill or rights in the Jinya Marks or the JINYA Ramen Bar System except for the license granted by this Agreement; and (iii) Franchisee's use of the Jinya Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Franchisee agrees not to contest, or assist any other Person to contest, the validity of Franchisor's rights and interest in the Jinya Marks or the JINYA Ramen Bar System either during the Term or after this Agreement terminates or expires.

9.2 Limitations on Use. Franchisee shall not use any Jinya Marks: (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Franchisee under this Agreement); (ii) in connection with unauthorized services or products; (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; or (iv) in any other manner not expressly authorized in

writing by Franchisor. Franchisee shall give all notices of trademark and service JINYA Ramen Bar JINYA Ramen Bar Mark registration that Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under Applicable Law. Franchisee further agrees that no service JINYA Ramen Bar JINYA Ramen Bar Mark other than “**JINYA Ramen Bar**”, other Jinya Marks specified by Franchisor shall be used in marketing, promoting, or operating the JINYA Ramen Bar.

9.3 **Modifications.** Franchisor reserves the right to: (i) modify or discontinue licensing any of the Jinya Marks; (ii) add new names, marks, designs, logos or commercial symbols to the Jinya Marks and require that Franchisee use them; and (iii) require that Franchisee introduce or observe new practices as part of the JINYA Ramen Bar System in operating the JINYA Ramen Bar. Franchisee acknowledges and agrees that the term “**Jinya Marks**” means the specific names, marks, designs, logos or commercial symbols licensed by Franchisor at any given point in time, subject to Franchisor’s right to impose changes. Franchisee shall comply, at Franchisee’s sole expense, with Franchisor’s directions regarding changes in the Jinya Marks and JINYA Ramen Bar System within a reasonable time after written notice from Franchisor. Franchisor shall have no liability to Franchisee for any cost, expense, loss or damage that Franchisee incurs in complying with Franchisor’s directions and conforming to required changes.

9.4 **Defense of Jinya Marks and JINYA Ramen Bar System.** Franchisor shall have the sole right, either alone or with its Affiliates, to handle disputes with Franchisees and third parties concerning Franchisor’s or Franchisor’s Affiliates’ ownership of, rights in, or Franchisee’s use of, the Jinya Marks or the JINYA Ramen Bar System. Franchisee shall immediately notify Franchisor in writing if Franchisee receives notice, or is informed, of any: (i) improper use of any of the Jinya Marks or elements of the JINYA Ramen Bar System, including misuse by Franchisees; (ii) use by any third party of any JINYA Ramen Bar Mark, design, logo or commercial symbol which, in Franchisee’s judgment, may be confusingly similar to any of the Jinya Marks; (iii) use by any third party of any business practice which, in Franchisee’s judgment, unfairly simulates the JINYA Ramen Bar System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against Franchisee based upon Franchisee’s use of the Jinya Marks or the JINYA Ramen Bar System. Franchisor and/or Franchisor’s Affiliate shall have sole discretion to take all action as it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Jinya Marks or the JINYA Ramen Bar System. Franchisee shall not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor’s decisions in handling disputes regarding the Jinya Marks and the JINYA Ramen Bar System. Franchisee shall cooperate fully with Franchisor and execute all documents and perform all actions as may, in Franchisor’s judgment, be necessary, appropriate or advisable in the defense of all claims, suits or demands and to protect and maintain Franchisor’s rights in the Jinya Marks and the JINYA Ramen Bar System. Unless it is established that a third party claim asserted against Franchisee is based directly upon Franchisee’s misuse of the Jinya Marks or the JINYA Ramen Bar System, Franchisor agrees to defend Franchisee against the third party claim and indemnify Franchisee for any losses resulting from it, provided Franchisee has notified Franchisor as soon as practical after learning of the claim and fully cooperates in the defense of the action. Because Franchisor will defend the third party claim, Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter.

10. **MARKETING.**

10.1 **Marketing Fund.** The Marketing Fund shall be administered by Franchisor and shall be used to meet the costs of conducting marketing and promotional activities. Franchisor retains sole discretion over all marketing and public relations programs and activities financed by the Marketing Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement

and allocation. Franchisee shall contribute to the Marketing Fund the amount of Marketing Fund Fees specified by Franchisor from time to time. Company-owned and Affiliate owned JINYA Ramen Bars, including any owned by the Operating Companies, may, but are not required to, contribute to the Marketing Fund. If they do, they may not be required to contribute in the same percentage as Franchisee and may stop contributing at any time without notice to Franchisee.

10.1.1 The Marketing Fund may be used to pay the costs of preparing and producing associated materials and programs as Franchisor determines, including video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, Website design and development/operation for portal, Internet, Intranet and URL services, social media, technology programs, electronic application design and development, and for 800 or similar numbers. Twenty percent (20%) of the contributions to the Marketing Fund will be used to compensate Franchisor for overhead and other expenses incurred in connection with the administration of the Marketing Fund. All expenditures are at the sole discretion of Franchisor. Franchisor may spend in any year more or less than the total contributions to the Marketing Fund in that year. Franchisor may borrow from Franchisor or other lenders on behalf of the Marketing Fund to cover deficits of the Marketing Fund. Upon request, Franchisor will prepare an annual accounting of the Marketing Fund and will distribute it to JINYA Franchisees, once a year, that will state the total amount of money collected and spent by the Marketing Fund during the previous year and list, by general category, the manner in which Franchisor spent the money. The report will not be separately audited but will be examined as part of the overall annual audit of Franchisor's books.

10.1.2 Franchisee acknowledges that the Marketing Fund is intended to maximize general public recognition of and the acceptance of the JINYA Ramen Bar brand for the benefit of the JINYA Ramen Bar System as a whole. Franchisor undertakes no obligation, in administering the Marketing Fund, to make expenditures for Franchisee that are equivalent or proportionate to its contribution, or to ensure that any particular Franchisee benefits directly or pro rata from marketing or promotion conducted with the Marketing Fund.

10.1.3 Franchisor will maintain the Marketing Fund in an account separate from Franchisor's other monies. Franchisor's printed materials and Website may also contain references stating that "Franchises Are Available" and/or that "Each JINYA Ramen Bar Franchise Is Independently Owned and Operated" to promote the sale of franchises for JINYA Ramen Bars. With this exception, no portion of the Marketing Fund will be used to solicit or to sell JINYA Ramen Bar franchises to prospective JINYA Franchisees. The Marketing Fund is not and will not be an asset of Franchisor. Any Marketing Fund Fees collected in a year, but not spent in that year, will be carried over to the next year. Franchisor shall have the right, in its sole discretion, to terminate the collection and disbursement of Marketing Fund Fees upon ninety (90) days' prior written notice to Franchisee. Upon termination, Franchisor shall disburse the remaining Marketing Fund Fees on hand only for the purposes authorized by this Article 10.

10.2 **Local Marketing Expenditure**. Franchisee must spend the Local Marketing Expenditure each month on local marketing and promotion of the JINYA Ramen Bar. Franchisor shall have the right to adjust the required amount of the Local Marketing Expenditure at any time and from time to time during the Term upon ninety (90) days' prior written notice from Franchisor to Franchisee, to an amount not to exceed three percent (3%) of Gross Sales. Franchisee shall conduct all local marketing and promotion

in accordance with the policies and provisions with respect to format, content, media, geographic coverage and other criteria as are from time to time contained in the Manuals, or as otherwise directed by Franchisor, and shall not use or publish any marketing material or in any way use or display any of the Jinya Marks except in accordance with said policies and provisions and with Franchisor's prior written approval. Franchisee shall submit samples of all marketing and promotional plans and materials to Franchisor for Franchisor's approval and may only commence use of the materials after they have been approved, in writing, by Franchisor. Franchisor shall have the right at any time after Franchisee commences use of any materials to prohibit further use, effective upon written notice to Franchisee.

10.3 Cooperative Marketing Programs. Franchisor has the right at any time to establish local or regional marketing co-operatives ("**Cooperative Marketing Programs**") that pool funds of franchised and company-owned JINYA Ramen Bars on an ongoing basis to collectively promote the JINYA Ramen Bar System and the businesses of the Cooperative Marketing Program members. Franchisee must participate in each applicable Cooperative Marketing Program and comply with the rules of the program. The following provisions apply to Cooperative Marketing Programs:

10.3.1 Franchisor has the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative Marketing Program. If a Cooperative Marketing Program is applicable to Franchisee's JINYA Ramen Bar at the time that Franchisee begins operation, Franchisee must join the Cooperative Marketing Program. If a Cooperative Marketing Program applicable to the Franchisee's JINYA Ramen Bar is established during the Initial Term or Renewal Term, Franchisee must become a member and begin contributing no later than thirty (30) days after Franchisor approves the Cooperative Marketing Program to begin operation. Franchisee will not contribute to more than one (1) Cooperative Marketing Program for a single JINYA Ramen Bar at the same time. Franchisor (or its affiliates, as the case may be) will become a member of any Cooperative Marketing Program that is applicable to a JINYA Ramen Bar owned by Franchisor or its affiliates.

10.3.2. Each Cooperative Marketing Program will adopt a Cooperative Marketing Program agreement governing the organization and operation of the Cooperative Marketing Program, subject to Franchisor's approval. If the members of the Cooperative Marketing Program do not sign an agreement within a reasonable time, Franchisee agrees to sign Franchisor's recommended form of cooperative agreement. Franchisor reserves the right to change the form of organization, governing documents, and manner of operation of any Cooperative Marketing Program, and Franchisee and the other members agree to implement any such change promptly after notice from Franchisor. Franchisor also reserves the right to require any Cooperative Marketing Program to dissolve or merge. If Franchisor requires a Cooperative Marketing Program to be dissolved, Franchisor will require the Cooperative Marketing Program to either expend all monies in the Cooperative Marketing Program or rebate contributions on a pro-rata basis based on contributions. No changes in the bylaws or other governing documents of a Cooperative Marketing Program may be made without Franchisor's prior written consent.

10.3.3 Each Cooperative Marketing Program will be organized for the exclusive purpose of developing, administering, and executing advertising programs for the benefit of the members of the Cooperative Marketing Program.

10.3.4 No advertising or promotional plans or materials may be used by a Cooperative Marketing Program or furnished to its members without Franchisor's prior approval.

10.3.5 Franchisee and each other member of the Cooperative Marketing Program must contribute monthly to the Cooperative Marketing Program all or any portion of the Local Marketing Expenditure required under Section 10.2 above, as determined by the membership. Franchisee's

obligation for local marketing under Section 10.2 will be reduced by the amount of Franchisee's contributions to the Cooperative Marketing Program.

10.3.6 Franchisor may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative Marketing Program and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request of the franchisee stating reasons that Franchisor deems sufficient to support the exemption. Franchisor's decision concerning any request for exemption will be final. If Franchisor grants an exemption to a franchisee, the franchisee will be required to spend on Local Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative Marketing Program.

10.3.7 Franchisor and its designated agents will have the right to examine and copy, at Franchisor's expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative Marketing Program. Franchisor will also have the right, at any time, to have an independent audit made of the books of any Cooperative Marketing Program.

10.4 **Grand Opening Marketing Expenditure; Grand Opening Events.** At least thirty (30) days before the Opening Date of the JINYA Ramen Bar, Franchisee shall develop and provide Franchisor with a promotional campaign plan (the "**Grand Opening Plan**") for the grand opening of the JINYA Ramen Bar. Franchisee shall spend the required Grand Opening Marketing Expenditure within thirty (30) days before, and sixty (60) days after, the Opening Date. Franchisee shall provide Franchisor with copies of all invoices, statements, canceled checks or other forms of payment which have been issued by Franchisee which evidence the Grand Opening Marketing Expenditure and payment by Franchisee of the amounts required by this Section 10.4 for the grand opening marketing campaign for the JINYA Ramen Bar within thirty (30) days of the Opening Date. If Franchisee fails to provide Franchisor with such evidence of payment, or if Franchisee fails to spend the amount required by the Grand Opening Plan and this Section 10.4, Franchisee shall immediately pay the Marketing Fund the difference between the amount that Franchisee actually spent on the grand opening marketing campaign and the required Grand Opening Marketing Expenditure. In addition to the Grand Opening Marketing Expenditure, Franchisee shall conduct grand opening events and promotions as required and directed by Franchisor.

10.5 **Promotional Campaigns.** From time to time during the Term, Franchisor shall have the right to establish and conduct promotional campaigns on a national or regional basis, which may by way of illustration and not limitation promote particular products or marketing themes. Franchisee shall participate in the promotional campaigns upon the terms and conditions that Franchisor may establish. Franchisee acknowledges and agrees that participation may require Franchisee to purchase point of sale advertising material, posters, flyers, product displays and other promotional materials.

10.6 **Advisory Council.** Franchisor reserves the right to establish an Advisory Council for JINYA Franchisees to work with Franchisor and to consult with Franchisor on potential improvements to the JINYA Ramen Bar System, the products offered by JINYA Ramen Bars, advertising conducted by the Marketing Fund and any other matters that Franchisor deems appropriate. If an Advisory Council is formed, it will act solely in an advisory capacity, and will not have decision making authority, will be comprised of Franchisor's representatives and JINYA Franchisees who may be chosen by Franchisor or elected by other JINYA Franchisees. All JINYA Franchisees who serve on an Advisory Council shall pay all transportation costs, food, lodging and similar expenses incurred in connection with their attendance at Advisory Council meetings. Franchisor shall have the right to form, change, merge or dissolve any Advisory Council at any time, in its sole discretion.

10.7 **Internet**. Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, Website, domain name, bulletin board, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Jinya Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Franchisor's prior written consent, and then only in the manner and in accordance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Franchisee shall not separately register any domain name or any portion of any domain name containing the Jinya Marks or participate or market on any Website or other form of electronic media (including, without limitation, through the use of social technology, social media, social networking platforms, video Websites, email marketing sites or other forms of electronic media not yet developed) using the Jinya Marks without Franchisor's prior written consent. Franchisee's general conduct on the Internet and in the use of other forms of electronic media is subject to the terms and conditions of this Agreement and all other rules, requirements or policies that Franchisor may identify from time to time. Franchisor may, at any time after Franchisee commences use of any approved electronic media, prohibit further use, effective upon receipt of written notice by Franchisee. Franchisee shall provide free WiFi service at the JINYA Ramen Bar for use by Franchisee's customers in compliance with Franchisor's requirements for bandwidth included in the Manuals or otherwise. Franchisor control the WiFi gateway and all emails collected will be Franchisor's property, with no restrictions on Franchisor's use or distribution of email addresses.

10.8 **Websites**. Franchisor shall establish and maintain from time to time, one or more Internet Websites that shall be used to provide information about JINYA Ramen Bars to the public. Franchisor has sole discretion and control over the establishment, design and content of the Website. Franchisor may, in its discretion, configure the site to accommodate one or more interior pages which Franchisor shall dedicate, in whole or in part, to the JINYA Ramen Bar, all at Franchisee's expense. Franchisor shall have the right, at its sole option, from time to time, to: (i) change, revise, or eliminate the design, content and functionality of the Website; (ii) make operational changes to the Website; (iii) change or modify the URL and/or domain name of the Website; (iv) substitute, modify, or rearrange the Website, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to comply with Applicable Laws, or respond to changes in market conditions or technology and respond to any other circumstances; (v) limit or restrict end-user access (in whole or in part) to the Website; and (vi) disable or terminate the Website without any liability to Franchisee.

10.9 **Social Media**. Franchisee shall not participate or market through the use of social technology, social media such as Facebook, Instagram, My-Space, Pinterest and Twitter, social networking platforms or other forms of electronic media not yet developed ("**Social Media Platforms**") using the Jinya Marks or in connection with the JINYA Ramen Bar, without Franchisor's prior written consent. If Franchisee separately registers any Social Media Platform account (a "**Social Media Account**") containing the Jinya Marks or otherwise related to the JINYA Ramen Bar, whether with Franchisor's prior consent or otherwise, then: (i) Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary information related to the Social Media Account that Franchisor requires or demands, without compensation to Franchisee; and (ii) the Social Media account shall, without further notice, become and be deemed to be Franchisor's sole property without compensation to Franchisee, and Franchisee hereby assigns all of Franchisee's right, title and interest in all such Social Media Accounts to Franchisor. Franchisor shall be the sole owner of all related intellectual property rights in the Social Media Account and all content posted on it. In addition, Franchisee hereby assigns to Franchisor the right to control and administer all Social Media Accounts, including the right to modify the Social Media Accounts, and Franchisee waives and releases all rights of restraint and moral rights in and to the Social Media Accounts. If the foregoing provisions of this Section 10.9 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and administer the Social Media Account to the extent the use or sublicense would,

absent this Agreement, directly or indirectly infringe Franchisee's rights. For elimination of doubt, Franchisor's right to control and administer the Social Media Accounts includes, without limitation, the right to post or remove content, language and media, the right to require Franchisee to post and remove content, language and media, and to disable and/or close a Social Media Account.

11. **CONFIDENTIAL INFORMATION.**

11.1 **Description of Confidential Information.** Franchisee acknowledges and agrees that the JINYA Ramen Bar System is comprised of confidential information that has been developed by Franchisor and the Operating Companies by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and the Operating Companies and their Affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, recipes, cooking and preparation techniques and methods, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, Websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, knowledge or know-how concerning the methods of operation of the JINYA Ramen Bar which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the JINYA Ramen Bar under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the "**Confidential Information**"). Confidential Information does not include any information that: (i) was in the lawful and unrestricted possession of Franchisee prior to its disclosure by Franchisor; (ii) is or becomes generally available to the public by acts other than those of Franchisee after receiving it; (iii) has been received lawfully and in good faith by Franchisee from a third party who did not derive it from Franchisor or Franchisee; or (iv) is shown by acceptable evidence to have been independently developed by Franchisee.

11.2 **Value.** Franchisee acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its Affiliates, JINYA Franchisees and Franchisee; derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or Franchisee; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation: (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring JINYA Franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring JINYA Franchisees to agree in writing to maintain the confidentiality of the

Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring JINYA Franchisees to return all Confidential Information to Franchisor upon the termination or expiration of their JINYA Franchise Agreements.

11.3 **Maintain Confidentiality.** Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its JINYA Ramen Bar Trade Secrets and/or Confidential Information. Franchisee shall divulge Confidential Information only to its supervisory or managerial personnel who must have access to it in order to perform their employment responsibilities.

11.4 **Irreparable Injury from Disclosure of Confidential Information.** Franchisee acknowledges that failure to comply with the requirements of this Article 11 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Article 11.

11.5 **Confidentiality Covenants from Individuals Associated with Franchisee.** Franchisee shall require any supervisory or managerial personnel who may have access to any Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their association with Franchisee. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

11.6 **JINYA Ramen Bar Data.** All data pertaining to the JINYA Ramen Bar and all data created or collected by Franchisee in connection with Franchisee's operation of the JINYA Ramen Bar, including, without limitation, data pertaining to, or otherwise concerning, the JINYA Ramen Bar's customers and other pertinent data about the JINYA Ramen Bar collected by Franchisee, including, without limitation, data uploaded to, or downloaded from Franchisee's POS System and/or computer system (collectively "**JINYA Ramen Bar Data**") is Confidential Information and is the sole property of Franchisor. Franchisor shall have the right to review and use the JINYA Ramen Bar Data in any manner that Franchisor deems appropriate without any compensation to Franchisee. Franchisee shall provide Franchisor with copies and/or originals of the JINYA Ramen Bar Data within five (5) days after Franchisor's request for the JINYA Ramen Bar Data at no cost to Franchisor and at any time during the Term and upon the expiration and/or termination of this Agreement. Franchisor hereby licenses use of the JINYA Ramen Bar. Franchisee shall maintain the JINYA Ramen Bar Data as secret and confidential throughout the Term and shall not make any of the JINYA Ramen Bar Data available to any unauthorized person without the prior written consent of Franchisor and then only in the manner permitted by Franchisor. Franchisor hereby licenses use of the JINYA Ramen Bar Data to Franchisee during the Term, at no cost, solely for Franchisee's use in connection with the JINYA Ramen Bar.

11.7 **No Restriction.** Nothing in this Article 11 is intended to prohibit or restrict any activity which prohibition or restriction violates Franchisee's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

12. **ACCOUNTING AND RECORDS.**

12.1 **General Reporting.** Franchisee shall submit statistical control forms and other financial, operational and statistical information that Franchisor may require in order to: (i) assist Franchisee in the operation of the JINYA Ramen Bar; (ii) allow Franchisor to monitor Gross Sales, purchases, costs

and expenses; (iii) enable Franchisor to develop chain wide statistics; (iv) assist Franchisor in the development of new Authorized Products or the removal of existing unsuccessful Authorized Products; and (v) enable Franchisor to refine the menu mix of existing Authorized Products (collectively, the “**Reporting Information**”). Franchisee will allow Franchisor to collect the Reporting Information by polling the POS System on a daily or other basis at the times and in the manner established by Franchisor, with or without prior notice to Franchisee to retrieve transaction information including sales, sales mix, usage, and other operations data that Franchisor deems appropriate.

12.2 **Specific Reporting**. Unless otherwise agreed by Franchisor in writing, Franchisee shall submit condensed reports of daily Gross Sales to Franchisor as required in accordance with the guidelines established by Franchisor. Further:

12.2.1 Within ten (10) days following the end of each month during the Term, or at any other interval that Franchisor may establish, Franchisee shall submit a Gross Sales report signed by Franchisee, in the form and manner prescribed by Franchisor, reporting all Gross Sales for the preceding month, together with the additional financial information that Franchisor may, from time to time, request.

12.2.2 Within forty-five (45) days following the end of each calendar quarter during the Term, Franchisee shall submit to Franchisor financial statements for the preceding quarter, including a balance sheet and profit and loss statement, prepared in the form and manner prescribed by Franchisor and in accordance with generally accepted accounting principles, which shall be certified by Franchisee to be accurate and complete.

12.2.3 Within forty-five (45) days following the end of each calendar year during the Term, Franchisee shall submit to Franchisor an unaudited annual financial statement prepared in accordance with generally accepted accounting principles, and in the form and manner prescribed by Franchisor, which shall be certified by Franchisee to be accurate and complete. Franchisee shall also provide Franchisor with copies of signed original sales and use tax forms contemporaneously with their filing with the appropriate Governmental Authority. Franchisor reserves the right to require the further information concerning the JINYA Ramen Bar that Franchisor may, from time to time, reasonably request.

12.3 **Audits**. Franchisee shall prepare, and keep for not less than three (3) years following the end of each of its fiscal years, adequate books and records showing daily receipts in, at and from the JINYA Ramen Bars, applicable sales tax returns, if any, all pertinent original serially numbered sales slips and cash register records, and the other sales records as may be reasonably required by Franchisor, from time to time, to verify the Gross Sales reported by Franchisee to Franchisor, in a form suitable for an audit of Franchisee’s records by an authorized auditor or agent of Franchisor. Such information shall be broken down by categories of goods, foods and beverages sold, when possible. Franchisor, its agents or representatives may, at any reasonable time during normal working hours, audit or review Franchisee’s books and records in accordance with generally accepted standards established by certified public accountants. If any audit or other investigation reveals an under-reporting or under-recording error of two percent (2%) or more, or if Franchisee fails to submit financial records, or if Franchisee fails to keep financials records, then in addition to any other sums due, the costs and expenses of the audit/inspection shall be borne and paid by Franchisee upon billing by Franchisor, which shall include, without limitation, Franchisor’s travel, lodging and wage expenses and reasonable accounting and legal expenses, plus interest at the highest compound rate permitted by Applicable Law, but not to exceed the rate of eighteen percent (18%) per annum.

12.4 **Books and Records.** Franchisee shall maintain an accounting and record keeping system, which shall provide for basic accounting information necessary to prepare financial statements, a general ledger and reports required by this Agreement and the Manuals. Franchisee shall maintain accurate, adequate and verifiable books and supporting documentation relating to the accounting information.

12.5 **Use of Financial Statements in Disclosure Document.** Franchisee hereby irrevocably consents to Franchisor's use of information contained in its financial statements, at Franchisor's election, in its franchise disclosure document for the offer and sale of franchises.

13. **INSURANCE.**

13.1 **Franchisee's Insurance Obligations.** Franchisee shall obtain, and at all times during this Agreement maintain in force and pay the premiums for, the types and minimum amounts of insurance coverage specified in the Manuals or otherwise in writing by Franchisor. The current insurance requirements are set forth in Exhibit H. Franchisor shall have the right to increase the amounts of coverage required and to require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

13.2 **Required Endorsements and Certificates.** Each policy shall: (i) be written by insurers licensed and admitted to write coverage in the jurisdiction in which the JINYA Ramen Bar is located, and with a rating of "A-" or better as set forth in the most recent edition of Best's Key Rating Guide (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide); (ii) name Franchisor as an additional insured; and (iii) comply with the requirements prescribed by Franchisor at the time the policies are obtained. Franchisee and Franchisee's insurers shall agree to waive their rights of subrogation against Franchisor, and Franchisee shall provide evidence of the waiver. Franchisee's obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18.4. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as an additional insured, shall nevertheless be entitled to recover under the policies on any loss occasioned to Franchisor, or its Affiliates, partners, shareholders, directors, agents, or employees by reason of the negligence of Franchisee or its partners, shareholders, directors, agents, or employees. At least ten (10) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of required coverage. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by the Certificates. Certificates evidencing the insurance required by this Section 13.2 shall name Franchisor, and each of its Affiliates, partners, shareholders, directors, agents, and employees as additional insureds on the additional-insured Grantor of Franchise Form CG-2029 or an insurer's comparable form, and shall expressly provide that any interest of each shall not be affected by any Default by Franchisee of any policy provisions for which the Certificates evidence coverage.

13.3 **Franchisor's Right to Secure Insurance on Behalf of Franchisee.** Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as the requirements may be revised from time to time by Franchisor in the Manuals or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to immediately procure the insurance and to charge Franchisee for it, which charges, together with 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.

14. **TRANSFER OF INTEREST.**

14.1 **Transfer by Franchisor.** Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or Entity without the consent or approval of Franchisee. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform the obligations, and shall become solely responsible for all obligations, of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Jinya Marks, or the JINYA Ramen Bar System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring all without the consent or approval of Franchisee.

14.2 **Assignment by Franchisee.** Franchisee acknowledges and agrees that the rights granted to Franchisee under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Franchisee and, if Franchisee is an Entity, that of the Owners. Franchisee acknowledges and agrees that Franchisee has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly (i) any interest in this Agreement; or (ii) the right to use the JINYA Ramen Bar System or the Jinya Marks (an "**Assignment**") without Franchisor's prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor's judgment, Franchisee satisfies the conditions to the Assignment identified in this Agreement.

14.2.1 As a condition to Franchisor's consent to an Assignment, the assignee must execute Franchisor's then-current form of Franchise Agreement for each JINYA Ramen Bar sold to the assignee. Further, without Franchisor's prior written consent, which may be withheld by Franchisor in its discretion (i) Franchisee shall not offer for sale or transfer at public or private auction any of the rights of Franchisee under this Agreement; and (ii) Franchisee shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Franchisee shall provide not less than ten (10) days' prior written notice (which notice shall contain the name and address of the secured party and the terms of the pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

14.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to Assignment identified in this Agreement: (i) the death or incapacity of any Owner; (ii) the offer or sale of securities of Franchisee pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum; (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of any Equity or voting power of Franchisee, by operation of law or otherwise; (iv) the issuance of any securities by Franchisee of the outstanding Equity or voting power of Franchisee; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Franchisee, however effected. Franchisee shall promptly provide Franchisor with written notice (stating the information that Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in Franchisee, notwithstanding that such transfer, assignment, or encumbrance may not constitute an "**Assignment**" as defined under this Article 14.

14.2.3 Neither Franchisor's right of first refusal nor the other conditions of Assignment shall apply to a transfer by Franchisee of all of Franchisee's rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity provided all of the Equity or voting interests of the new business Entity are owned by the same Owners (a "**Qualified Assignment**"). Any attempted or purported Assignment which fails to comply with the requirements of this Article 14 shall be null and void and shall constitute a Default under this Agreement.

14.3. **Right of First Refusal.** Except with respect to a "**Qualified Assignment**", if Franchisee or an Owner receives a bona fide written offer ("**Third Party Offer**") from a third party (the "**Proposed Buyer**") to purchase or otherwise acquire any interest in Franchisee which will result in an Assignment within the meaning of this Agreement, Franchisee or the Proposed Buyer shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor's consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer must also apply to purchase or otherwise acquire all JINYA Ramen Bars then owned and operated by Franchisee, or its Affiliates.

14.3.1 Franchisee, or the Proposed Buyer, shall attach to its application for consent to complete the Assignment a copy of the Third Party Offer together with: (i) information relating to the proposed transferee's experience and qualifications; (ii) a copy of the proposed transferee's current financial statement; and (iii) any other information material to the Third Party Offer, proposed transferee and proposed Assignment or that Franchisor requests.

14.3.2 Franchisor or its nominee shall have the right, exercisable by written notice ("**Purchase Notice**") given to Franchisee or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Franchisee or the Proposed Buyer that it will purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer; and (ii) deduct from the purchase price the amount of all amounts then due and owing from Franchisee to Franchisor under this Agreement or otherwise.

14.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

14.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Franchisee. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 14.3.

14.4 **Conditions of Assignment to Third Party.** As a condition to obtaining Franchisor's consent to an Assignment, all of the following conditions must be satisfied:

14.4.1 The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor's then-current qualifications for new JINYA Franchisees, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

14.4.2 Franchisee must be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

14.4.3 The Proposed Buyer must sign Franchisor's then-current form of Franchise Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects, except that the term of replacement Franchise Agreement shall be the remaining term of this Agreement. In exchange for signing the then-current Franchise Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement. If the Proposed Buyer is an Entity, each owner and each owner's spouse of the Proposed Buyer shall jointly and severally guarantee the Proposed Buyer's performance of its obligations in the then-current Franchise Agreement under a Guarantee in the form of **Exhibit C**. If Franchisor is not offering new JINYA Ramen Bar franchises, is in the process of revising, amending or renewing Franchisor's form of Franchise Agreement or franchise disclosure document or is not lawfully able to offer Franchisor's then-current form of Franchise Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the Term on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a then-current form of Franchise Agreement.

14.4.4 Franchisee will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the Assignment, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

14.4.5 Franchisee and the Proposed Buyer shall execute a General Release of all known and unknown liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, that they have, may have or believe to have against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees as of the date of the General Release, in a form acceptable to Franchisor.

14.4.6 Franchisee shall pay Franchisor the Transfer Fee to apply against Franchisor's administrative and other costs to process the Assignment.

14.4.7 Franchisee must simultaneously transfer its rights in all contracts for which continuation is necessary for operation of the JINYA Ramen Bar to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the Assignment of Franchisee's rights to the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained.

14.4.8 Franchisee's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Franchisee and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Franchisee only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

14.4.9 Except when the transferee is an existing JINYA Franchisee, the Proposed Buyer and a supervisory or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the JINYA Ramen Bar who is acceptable to Franchisor, must complete

to Franchisor's sole satisfaction Franchisor's Initial Training Program and any other training required by Franchisor prior to the effective date of the Assignment.

14.4.10 The Proposed Buyer must conform the JINYA Ramen Bar with Franchisor's then-current appearance and design standards and equipment specifications applicable to new JINYA Ramen Bars.

14.5 **Death or Incapacity.** In the event of the death or incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Owner, or the remaining Owners (the "**Successor**") shall have one hundred eighty (180) days from the date of death or incapacity in which to (i) purchase the interest of the deceased or incapacitated Owner, or (ii) complete an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party, subject to the provisions of this Article 14. If a Successor has not purchased the interest of the deceased or incapacitated Owner or completed an Assignment of the interest of the deceased or incapacitated Owner to a qualified, approved third party within one hundred eighty (180) days from the date of death or incapacity, Franchisor may terminate this Agreement.

14.6 **Transfer by Franchisee in Bankruptcy; Franchisor's Rights.** If, for any reason, this Agreement is not terminated pursuant to Section 16.1 and instead the Assignment and assumption of this Agreement to and by any Person or Entity who has made a bona fide offer to accept an Assignment of it is contemplated pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment and assumption, which shall set forth (i) the name and address of the proposed assignee, and (ii) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept Assignment of this Agreement. Further, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, Franchisor shall have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, which consideration shall be reduced by the amount of any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by the assignee for the Assignment of this Agreement.

14.7 **Restriction on Publicly Traded and Private Securities.** Franchisee may not (1) offer as part of a public or private placement any securities, partnership or other direct or indirect ownership interests in Franchisee under the Securities Act of 1933, as amended, (2) register any securities, partnership or other direct or indirect ownership interests in Franchisee under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation without the prior written consent of Franchisor. All materials required for any such offering or registration under federal or state law must be submitted to Franchisor for review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Franchisee shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor. Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor, and its Affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in this Section 14.7. Franchisee, its Owners and other participants in the offering must fully agree in writing to defend and indemnify Franchisor, its Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any

documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of \$10,000, which shall be in addition to any Transfer Fee under this Agreement or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Article 14.

15. **COVENANTS.**

15.1 **No Prior Experience, Information or Knowledge.** Franchisee specifically acknowledges and agrees that prior to becoming a franchisee of Franchisor, Franchisee had no experience, information or knowledge whatsoever about operating a JINYA Ramen Bar and that Franchisee's knowledge of the Confidential Information was obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the JINYA Ramen Bar under this Agreement. In addition, Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the JINYA Ramen Bar System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

15.2 **Non-Competition during Term of Agreement.** Franchisee and each Restricted Person covenants that during the Term, except as otherwise approved in writing by Franchisor, Franchisee and each Restricted Person shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person, or Entity: (i) divert or attempt to divert any present or prospective JINYA Ramen Bar customer to any Competitive Business, 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 Jinya Marks and the JINYA Ramen Bar System; or (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions stated in this Section 15.2 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

15.3 **Non-Competition after Transfer, Expiration or Termination of Agreement.** Except as Franchisor otherwise approves in writing, commencing upon the date of: (i) an Assignment permitted under Article 14; (ii) the Expiration Date; (iii) the termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.3, and continuing for an uninterrupted period of two (2) years thereafter, Franchisee and each Restricted Person shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business located at the Franchised Location or within four (4) miles of the Franchised Location or any other JINYA Ramen Bar; provided, however, the restrictions stated in this Section 15.3 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Franchisee.

15.4 **Violation of Covenants.** If Franchisee or any Restricted Person shall commit any violation of Section 15.3 during the two (2) year period following (i) the termination or expiration of this Agreement,

(ii) the occurrence of any Assignment during the Term, (iii) the cession of the Restricted Person's relationship with Franchisee, or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.3, in addition to all other remedies available to Franchisor, Franchisee or the Restricted Person shall pay Franchisor, throughout the twenty-four (24) month period, five percent (5%) of the revenue derived by Franchisee from the sale of all products and services and all other income of every kind and nature ("**Post Termination Gross Sales**") of the Competitive Business. Franchisee shall account for and pay the five percent (5%) of the Post Termination Gross Sales to Franchisor on the fifteenth day of each calendar month on the Post Termination Gross Sales of the Competitive Business during the preceding calendar month. Franchisor shall have the right to audit the books and records of the competing business in accordance with Section 12.3 to confirm Franchisee's compliance with this Section 15.4, upon prior notice to Franchisee.

15.5 **Exceptions to Covenants.** Section 15.2 and Section 15.3 shall not apply to ownership by Franchisee or a Restricted Person of a less than five percent (5%) beneficial interest in the outstanding equity securities of any Competitive Business registered under the Securities Act of 1933 or the Securities Exchange Act of 1934. Further, none of the provisions in this Article 15 are intended to prohibit or restrict any activity which prohibition or restriction violates Franchisee's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

15.6 **Reducing Scope of Covenants.** Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 15.3, or any portion of them, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice of such reduction; and Franchisee agrees that it shall comply immediately with any covenant as so modified, which shall be fully enforceable.

15.7 **Reasonable Good Faith Estimate.** The Parties acknowledge and agree that it would be impossible and impracticable to determine the precise amount of damages and expenses Franchisor will incur if Franchisee or any Restricted Person shall commit any violation of Section 15.3 during the two (2) year period following: (i) the termination or expiration of this Agreement; (ii) the occurrence of any Assignment during the Term; (iii) the cession of the Restricted Person's relationship with Franchisee; or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 15.3 due to the complications inherent in determining the amount of revenue lost by Franchisor because of the uncertainty regarding the number of months left to complete the Term then in effect, the uncertainty regarding the Gross Sales of the JINYA Ramen Bar during the remainder of that Term, the amount of Royalty Fees Franchisee would have paid Franchisor based upon the Gross Sales of the JINYA Ramen Bar and the like as well as the amount of the fees that Franchisor will collect from Franchisee upon the occurrence of the circumstances described in Section 15.3. The Parties further acknowledge and agree that the five percent (5%) fee of Post Termination Gross Sales is a reasonable, good faith estimate of those damages.

15.8 **Covenants from Individuals.** Upon demand by Franchisor, Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 15 (including covenants applicable upon the termination of a Person's relationship with Franchisee) from all Owners. Every covenant required by this Section 15.8 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

15.9 **Effect of Applicable Law.** In the event any portion of the covenants in this Article 15 violates laws affecting Franchisee, or is held invalid or unenforceable in a final judgment to which Franchisor and Franchisee are parties, then the maximum legally allowable restriction permitted by Applicable Law

shall control and bind Franchisee. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any reduced covenant upon receipt of written notice. The provisions of this Article 15 shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other Person, whether pursuant to another agreement or pursuant to Applicable Law.

15.10 **Business Practices.** Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"). In connection with its compliance, Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 16.2.

15.11 **Survival.** The provisions of this Article 15 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the JINYA Marks, the JINYA Ramen Bar System, the Confidential Information, the JINYA Ramen Bar Trade Secrets, or any other proprietary aspects of Franchisor's business.

16. **DEFAULT AND TERMINATION.**

16.1 **Termination In the Event of Franchisee's Bankruptcy or Insolvency.** Franchisee shall be deemed to be in Default under this Agreement, and all rights granted to Franchisee of this Agreement shall automatically terminate without notice to Franchisee if: (i) Franchisee becomes insolvent or make a general assignment for the benefit of creditors; (ii) a petition in bankruptcy is filed under any foreign, state or United States Bankruptcy Act by Franchisee or if a petition is filed against and not opposed by Franchisee; (iii) Franchisee is adjudicated as bankrupt or insolvent; (iv) a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for the JINYA Ramen Bar is filed and consented to by Franchisee; (v) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part of them, is appointed by any court of competent jurisdiction; (vi) proceedings for a composition with creditors under any Applicable Law is instituted by or against Franchisee; (vii) a final judgment in excess of \$100,000 against the JINYA Ramen Bar remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); (viii) Franchisee admits Franchisee is unable to generally pay Franchisee's debts as they become due; (ix) execution is levied against the JINYA Ramen Bar or property; (x) suit to foreclose any lien or mortgage against the JINYA Ramen Bar, the Franchised Location or the equipment of the JINYA Ramen Bar is instituted against Franchisee and not dismissed within thirty (30) days; or (xi) if the JINYA Ramen Bar or the Franchised Location shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 **Option to Terminate Without Opportunity to Cure.** Franchisee shall be deemed to be in Default and Franchisor may, at its option, terminate this Agreement and all rights granted under this Agreement, without affording Franchisee any opportunity to cure the Default, effective immediately upon receipt of notice by Franchisor upon the occurrence of any of the following events:

16.2.1 If the Principal Owner: (i) fails to complete the any required pre-opening training as required; (ii) does not complete the pre-opening training to Franchisor's satisfaction; (iii) does not, during the pre-opening training, appear to possess the skills necessary to properly fulfill and discharge the demands and responsibilities required by the JINYA Ramen Bar System or this Agreement; or (iv) is not acceptable to become a franchisee of Franchisor for any reason whatsoever.

16.2.2 If Franchisee Abandons the JINYA Ramen Bar or loses the right to possession of the Franchised Location, or otherwise forfeits the right to do or transact business in the jurisdiction where the Restaurant is located.

16.2.3 If Franchisee purports to make any Assignment without the prior written consent of Franchisor.

16.2.4 If Franchisee Defaults in any obligation as to which Franchisee has previously received three (3) or more written notices of Default from Franchisor setting forth the Default complained of within the preceding twelve (12) months.

16.2.5 If Franchisee makes any material misrepresentations in connection with the execution of this Agreement or the operations of the JINYA Ramen Bar.

16.2.6 If Franchisee fails, for a period of ten (10) days after having received notification of noncompliance from Franchisor or any Governmental Authority, to comply with any Federal, state or local law or regulation applicable to the operation of the JINYA Ramen Bar.

16.2.7 If Franchisee's operation of the JINYA Ramen Bar constitutes an imminent danger to the public health or if Franchisee sells unauthorized products to the public after Notice of Default and thereafter sells the products, whether or not Franchisee has cured the Default after one or more notices.

16.2.8 If an audit or investigation conducted by Franchisor discloses that Franchisee has knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly understated its Gross Sales or withheld the reporting of the same as provided in this Agreement.

16.2.9 If Franchisee or any of its Owners, are convicted of or plead guilty or *nolo contendere* to a felony or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor's reputation, the JINYA Ramen Bar System, the Jinya Marks or the goodwill associated with the same; however, if the crime or offense is committed by an Owner other than the Principal Owner, Franchisor may only terminate this Agreement under this Section 16.2.9 if the convicted Owner fails to sell its interest in Franchisee to Franchisee's other Owners within thirty (30) days after the conviction or guilty plea.

16.2.10 If Franchisee materially misuses or makes any unauthorized use of the Jinya Marks or otherwise materially impairs either the goodwill associated with them or Franchisor's rights in them, or takes any action which reflects materially and unfavorably upon the operation and reputation of the JINYA Ramen Bar or the JINYA Ramen Bar chain generally.

16.2.11 If Franchisee makes any unauthorized use, disclosure, or duplication of the JINYA Ramen Bar Trade Secrets or Confidential Information.

16.2.12 If Franchisee fails to purchase and maintain in inventory the types and quantities of Branded Products, Proprietary Products or Non-Proprietary Products necessary to meet reasonably anticipated consumer demand.

16.2.13 If Franchisee purchases or purports to purchase Branded Products or Proprietary Products or Non-Proprietary Products from other than an Approved Supplier and fails to cease use of the non-complying product within three (3) days after having received notification from Franchisor to do so.

16.2.14 If Franchisee sells or attempts to sell any products other than Authorized Products at the JINYA Ramen Bar and fails to cease to do so within three (3) days after having received notification from Franchisor to do so.

16.2.15 If Franchisee Defaults in any obligation under this Agreement that by its nature is not capable of being cured by Franchisee.

16.2.16 If Franchisee fails to meet the site selection requirements, enter a Lease or Open the JINYA Ramen Bar within the applicable time periods provided for in this Agreement.

16.2.17 If, within ten (10) days after receipt of written notice from Franchisor that any required payment is overdue, Franchisee fails to make the payment to Franchisor, its Affiliates, or, to Franchisee's suppliers, creditors or employees unless, with respect to Franchisee's suppliers, creditors or employees, Franchisee notifies Franchisor of the existence on a bona fide dispute and takes immediate action to resolve it.

16.3 **Termination with Notice and Opportunity to Cure.** Except for any Default by Franchisee under Section 16.1 or Section 16.2, and as expressly provided elsewhere in this Agreement, Franchisee shall have ten (10) days, in the case of any monetary Default and thirty (30) days in the case of any other type of Default, following the receipt of a notice of Default (a "**Notice of Default**") demanding the cure of the Default and to provide evidence of the cure to Franchisor. If any Default is not cured within that time period, or any longer time period that Applicable Law may require or that Franchisor may specify in the Notice of Default, this Agreement and all rights granted in this Agreement shall automatically terminate without further notice or opportunity to cure.

16.4 **Reimbursement of Franchisor's Costs.** Upon a Default by Franchisee, all of Franchisor's costs and expenses arising from the Default, including reasonable attorneys' fees, shall be paid to Franchisor within five (5) days after cure or upon demand by Franchisor whether or not the Default is cured.

16.5 **Cross-Default.** Franchisor has the right to treat a default under any other agreement that Franchisee or an affiliate has with Franchisor as a default under this Agreement, subject to any applicable provisions for notice and cure set forth in the other agreement. For purposes of this section, "affiliate" means a person or business entity controlling, controlled by, or under common control with Franchisee.

16.6 **Notice Required By Law.** Notwithstanding anything to the contrary contained in this Article 16, if any valid Applicable Law of a competent Governmental Authority having jurisdiction over this Agreement and the Parties shall limit Franchisor's rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by that Applicable Law. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of Applicable Laws in any action, hearing or dispute relating to this Agreement or the termination of this Agreement.

16.7 **Delay by Force Majeure.** Franchisee shall provide Franchisor, within five (5) days after the occurrence of an event that Franchisee believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Franchisee's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. If Franchisor determines that the Default is the result of an event of Force Majeure, the required date for performance by Franchisee shall be extended by the number of days equal to the number of days that the Force Majeure exists. Franchisee shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Franchisee's progress and diligence in responding to and overcoming the event of Force Majeure.

17. **OBLIGATIONS FOLLOWING TERMINATION OR EXPIRATION.**

17.1 **General.** Upon the termination or expiration of Franchisee's rights granted under this Agreement, Franchisee shall immediately cease to use all JINYA Ramen Bar Trade Secrets, Confidential Information, the Jinya Marks, and any confusingly similar trademark, service JINYA Ramen Bar JINYA Ramen Bar Mark, trade name, logotype, or other commercial symbol or insignia. Franchisee shall at its own cost immediately return the Manuals and all written materials incorporating JINYA Ramen Bar Trade Secrets and all copies of any of the same to Franchisor. Franchisee shall at its own cost make cosmetic changes to the JINYA Ramen Bar and the Franchised Location so that they no longer contain or resemble Franchisor's proprietary designs and shall remove all JINYA Ramen Bar identifying materials and distinctive JINYA Ramen Bar cosmetic features and finishes, soffits, interior wall coverings and colors, exterior finishes and colors and signage from the Franchised Location that Franchisor may reasonably direct.

17.2 **Amounts Due / Payments.** Franchisor may retain all fees paid to Franchisor pursuant to this Agreement, and Franchisee shall immediately pay any and all amounts remaining due to Franchisor and its Affiliates. If this Agreement terminates due to a Default by Franchisee, the amounts to be paid by Franchisee shall include all damages, and costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the Default, which obligation shall remain, until paid in full, a lien in favor of Franchisor against assets of the JINYA Ramen Bar. In addition to the foregoing, if Franchisee abandons the Franchised Business, terminates this Agreement or Franchisee defaults and Franchisor terminates this Agreement, Franchisee shall pay Franchisor, within thirty (30) days following the date of termination, an amount equal to the product of three (3) multiplied by the total Royalty Fees paid (or if unpaid, payable) by Franchisee during the twenty-four (24) months immediately preceding the effective date of termination to account for the actual damages that Franchisor shall suffer as a result of the termination of this Agreement during the time period that Franchisor estimates will expire while Franchisor searches for a replacement franchisee or for a replacement location in the trade area of the JINYA Ramen Bar. The Parties acknowledge and agree that it would be impossible and impracticable to determine the precise amount of damages Franchisor will incur upon the termination of this Agreement due to the complications inherent in determining the amount of revenue lost by Franchisor and the uncertainty regarding the number of months that will expire while Franchisor searches for a replacement franchisee or for a replacement location in the trade area of the JINYA Ramen Bar. The Parties further acknowledge and agree that this calculation of Franchisor's potential damages is a reasonable, good-faith estimate of those damages. If Franchisor is unable to make this calculation because of Franchisee's failure to report the Gross Sales of the JINYA Ramen Bar, Franchisor may estimate the Gross Sales of the JINYA Ramen Bar for the applicable period based upon the historical financial information available to Franchisor at that time.

17.3 **Termination of Obligations and Rights.** Following the termination or expiration of this Agreement, any and all obligations of Franchisor to Franchisee under this Agreement shall immediately

cease and terminate. Likewise, any and all rights of Franchisee under this Agreement shall immediately cease and terminate and Franchisee shall immediately cease and thereafter refrain from representing itself as a then or former Franchisee or other Affiliate of Franchisor.

17.4 Electronic Communications and Media. The goodwill associated with all phone and fax numbers, email addresses, domain names, Websites or webpages, social media and other Internet addresses used in operation of the Franchised Business ("**Electronic Communications and Media**") is an asset that belongs to Franchisor. Franchisor shall have the option, exercisable by written notice within thirty (30) days after the cancellation, termination or expiration of this Agreement, to take an assignment of all Electronic Communications and Media for the JINYA Ramen Bar. If Franchisor exercises this option, Franchisee will be deemed to have assigned to Franchisor or Franchisor's designee all right, title and interest in and to these and/or services associated with the same. Franchisee shall notify the telephone company, domain name registrars and all listing agencies of the cancellation, termination or expiration of its right to use the Electronic Communications and Media associated with the JINYA Ramen Bar, and shall authorize their transfer to Franchisor. Franchisee hereby appoints Franchisor as its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as may be necessary to effect an assignment of all Electronic Communications and Media for the JINYA Ramen Bar. This power of attorney is coupled with an interest and shall survive the cancellation, termination or expiration of this Agreement. Franchisee, by executing this Agreement, authorizes Franchisor and hereby appoints Franchisor and all of Franchisor's officers as Franchisee's attorney-in-fact to direct the telephone company, domain name registrars and all listing agencies to transfer the same to Franchisor, should Franchisee fail or refuse to do so. The telephone company, domain name registrars and all listing agencies may accept this Agreement as conclusive evidence of Franchisor's exclusive rights to the Electronic Communications and Media and Franchisor's authority to direct their transfer. Franchisee must sign the instruments Franchisor requests to confirm the assignments and transfers to Franchisor. Franchisee shall not be entitled to any compensation from Franchisor if Franchisor exercises this option.

17.5 Purchase Ramen Bar Assets. Upon the expiration of this Agreement or the termination of this Agreement for any Default of Franchisee, Franchisor shall have the option, to be exercised by written notice to Franchisee within thirty (30) days after the Expiration Date or termination date, to purchase some or all of the assets of the JINYA Ramen Bar, regardless of whether the JINYA Ramen Bar is under construction or is Open and operating, and some or all of the assets of Franchisee related to the JINYA Ramen Bar that Franchisor elects to purchase (collectively, the "**Ramen Bar Assets**"). The purchase price for the Ramen Bar Assets (the "**Purchase Price**") shall be the "**Fair Market Value**" of the Ramen Bar Assets as determined under this Section 17.5. "**Fair Market Value**" means the price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the date the option is first exercisable (the "**Exercise Date**"). The Parties shall use their best efforts to mutually agree upon the Fair Market Value. If they are unable to so agree within thirty (30) days after the Exercise Date, Franchisor shall appoint, within forty (40) days of the Exercise Date, one (1) appraiser, and Franchisee shall appoint within forty (40) days of the Exercise Date, one (1) appraiser. The two (2) appraisers shall within a period of five (5) additional days, agree upon and appoint an additional appraiser. The three (3) appraisers shall, within sixty (60) days after the appointment of the third appraiser, determine the Purchase Price in writing and submit their report to the Parties. The Purchase Price shall be determined by disregarding the appraiser's valuation that diverges the greatest from each of the other two (2) appraisers' valuations, and the arithmetic mean of the remaining two (2) appraisers' valuations shall be the Purchase Price. The Parties shall each pay for the services of the appraiser they select, plus fifty percent (50%) of the fee charged by the third appraiser, and fifty percent (50%) of all other costs relating to the determination of the Purchase Price. The Purchase Price as so determined shall be payable as the Parties mutually agree. If they are unable to so agree within ten (10) days after final determination of the Purchase Price,

fifty percent (50%) of the Purchase Price shall be payable in cash and the remaining fifty percent (50%) of the Purchase Price shall be paid in eighty-four (84) equal monthly payments and shall bear interest at a rate equal to the greater of the prime rate of interest, as published by the Western Edition of the Wall Street Journal, plus three percent (3%), OR ten percent (10%) per annum, but in no event in excess of the maximum rate permitted by Applicable Law. Payment of the portion of the Purchase Price not paid in cash shall be secured by a security interest in the Ramen Bar Assets. Any purchase of the Ramen Bar Assets shall include the assumption by Franchisor and the assignment by Franchisee, of the Lease for the JINYA Ramen Bar.

17.6 **Survival of Obligations.** Termination or expiration of this Agreement shall be without prejudice to any other rights or remedies that Franchisor or Franchisee, as the case may be, shall have in law or in equity, including, without limitation, the right to recover benefit of the bargain damages. In no event shall a termination or expiration of this Agreement affect Franchisee's obligations to take or abstain from taking any action in accordance with this Agreement. The provisions of this Agreement which by their nature or expressly constitute post-termination or post-expiration covenants and agreements, including the obligation of the Parties to attempt to resolve all disputes by mediation, shall survive the termination or expiration of this Agreement.

17.7 **No Ownership of Jinya Marks.** Franchisee acknowledges and agrees that the rights to the Jinya Marks and the use of the Jinya Marks shall be and remain the property of Franchisor. Franchisee acknowledges and agrees that any use of the Jinya Marks after the termination or expiration of this Agreement shall constitute an unauthorized use of an identical JINYA Ramen Bar JINYA Ramen Bar Mark and shall entitle Franchisor to damages due to, but not limited to, trademark infringement and counterfeiting.

17.8 **Government Filings.** If Franchisee has registered any of the Jinya Marks or the name JINYA Ramen Bar as part of an assumed, fictitious or corporate name, Franchisee shall promptly amend those registrations to delete the Jinya Marks and any confusingly similar marks or names.

18. **INDEPENDENT CONTRACTOR AND INDEMNIFICATION.**

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

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

18.3 **Independent Contractor.** Franchisee acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any action, nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the JINYA Ramen Bar or for any claim or judgment arising therefrom against Franchisee or Franchisor.

18.4 **Indemnification.** Franchisee and its Owners and Affiliates (collectively, the "Indemnitors") shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor and its Constituents (collectively, the "Indemnitees"), from any and all "Losses and Expenses" incurred in

connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement of them (collectively, an “**Indemnifiable Claim**”) which arises directly or indirectly from, as a result of, or in connection with Franchisee's operation of the JINYA Ramen Bar and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Franchisee; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 18.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Franchisee). For the purpose of this Section 18.4, the term “**Losses and Expenses**” means and include compensatory, exemplary, or punitive damages, fines and penalties, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

18.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 18.4. The notice shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a “**Third Party Claim**”) or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the Indemnitees, the Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

18.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both named in any action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

18.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

18.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they become available).

18.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or the expiration of any mutually agreed upon extension to the period) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the same, the matter shall be resolved in the manner described in Article 15.

18.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

19. **DISPUTE RESOLUTION.**

19.1 **Mediation.** The Parties pledge to attempt first to resolve any dispute between them pursuant to mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association unless the Parties agree on alternative rules and a mediator within fifteen (15) days after either Party first gives notice of mediation. Mediation shall be conducted in the county where our headquarters is located at the time the mediation is commenced, and shall be conducted and completed within forty-five (45) days following the date either Party first gives notice of mediation unless otherwise agreed to in writing by the Parties. The fees and expenses of the mediator shall be shared equally by the Parties. The mediator shall be disqualified as a witness, expert or counsel for any Party with respect to the dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under California and other Applicable Laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the Parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. Notwithstanding anything to the contrary set forth in this Agreement, any Party that fails to reasonably cooperate in scheduling and completing a mediation within forty-five (45) days after giving or receiving notice of the mediation shall be precluded from recovering costs, expenses, and/or prevailing Party attorneys' fees in any subsequent legal action. If any dispute remains unresolved ninety (90) days after a demand for mediation by either Party, the Parties shall each be free to pursue their respective legal remedies under Section 19.2.

19.2 **Litigation Venue.** The Parties irrevocably select the venue of and submit themselves to the exclusive jurisdiction of the state or federal courts having jurisdiction where our principal business offices are located at the time suit is filed and hereby waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision, provided, however, with respect to any action which

includes injunctive relief or other extraordinary relief, we may bring such action against you in any court in any state which has jurisdiction. You and we agree that service of process may be made upon each party in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by California or federal law.

19.3 Governing Law. This Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the JINYA Ramen Bar is located outside of California and such provision would be enforceable under the laws of the state in which the JINYA Ramen Bar is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 19.3 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

19.4 Waivers. The Parties agree, to the extent permitted by Applicable Law, that any legal action of any kind by either Party arising out of or relating to this Agreement or its Default under this Agreement must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability; or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. Franchisor and Franchisee, for themselves, and for and on behalf of the Owners, hereby waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the Parties shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 19.6.

19.5 Specific Performance. The Parties acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, the Parties agree that the provisions of this Agreement shall be specifically enforceable. The Parties further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Franchisee might otherwise have.

19.6 Exclusive Remedy. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any claim for damages. Neither Party may claim any damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

19.7 Attorneys' Fees. In any legal action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs in addition to any other relief that may be awarded by a court of competent jurisdiction.

19.8 Exceptions to Mediation. The mediation provision in Section 19.1 shall not apply to any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to Franchisor and/or to protect the Jinya Marks. Any claim or dispute involving or contesting the validity of any of the Jinya Marks shall not be subject to mediation.

20. **NOTICES.**

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery with a guaranteed tracking facility, by certified mail, or by electronic transmission (email). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility; (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid; and (iv) on the day of electronic transmission to the email address given below if telephonic confirmation of receipt is obtained by the sender promptly after completion of electronic transmission. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

JINYA Franchise Inc.
21045 Erwin Street,
Suite 1A.
Woodland Hills, California 91367
Attention: President
franchisesales@jinyaholdings.com

Notices to Franchisee:

See **Exhibit A**

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

21. **ACKNOWLEDGMENTS.**

21.1 **Waiver and Delay.** No waiver by Franchisor of any Default, or series of Defaults in performance by Franchisee, and no failure, refusal or neglect of Franchisor to (i) exercise any right, power or option given to it under this Agreement or under any agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, or (ii) insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or any Franchise Agreement or other agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time afterward to require exact and strict compliance with the provisions of this Agreement or any Franchise Agreement or other agreement between the Parties.

21.2 **Survival of Covenants**. The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the termination or expiration of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

21.3 **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Franchisee and his or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

21.4 **Joint and Several Liability**. If Franchisee consists of more than one Owner, the obligations and liabilities of each Person or Entity to Franchisor are joint and several.

21.5 **Entire Agreement**. Except as provided in Section 21.9, this Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement and Franchisee agrees that it has executed this Agreement without reliance upon any representation or promise not included in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by both of the Parties. Nothing in this Agreement or any related agreement, however, is intended to disclaim the representations made in the JINYA Ramen Bar Franchise Disclosure Document previously furnished to Franchisee.

21.6 **Titles and Recitals**. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A and B are true and correct and are hereby incorporated by reference into the body of this Agreement.

21.7 **Gender and Construction**. The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Franchisee that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. On any occasion where Franchisor is required or permitted to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor's

standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. The Parties intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

21.8 **Severability; Modification.** Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

21.9 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or otherwise shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

21.10 **Time of the Essence.** Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

21.11 **Atypical Terms.** Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other JINYA Franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement. Franchisee further acknowledges and agrees that Franchisor has made no warranty or representation that all JINYA Franchise Agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other JINYA Franchise Agreements previously executed or executed after the Effective Date with other JINYA Franchisees in a non-uniform manner.

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

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California corporation

By:

Name:

Title:

Date:

FRANCHISEE:

**(IF FRANCHISEE IS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By:

Name:

Title:

Date:

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

Print Name

Signature

Date

**JINYA FRANCHISE, INC.
FRANCHISE AGREEMENT**

**EXHIBIT A
FRANCHISE INFORMATION**

TYPE OF JINYA RAMEN BAR (CHECK ONE):

_____ **STANDARD JINYA RAMEN BAR**

_____ **BUSHI BY JINYA RAMEN BAR**

NAME OF FRANCHISEE: _____

INITIAL TERM (# OF YEARS): _____ **; EFFECTIVE DATE:** _____
_____ ; EXPIRATION DATE: _____

ADDRESS OF FRANCHISED LOCATION: _____
; IF NO ADDRESS IDENTIFIED, COMPLETE EXHIBIT F.

SITE SELECTION AREA: _____
; ONLY ADDED IF NO FRANCHISED LOCATION IDENTIFIED.

SITE SELECTION DEADLINE: _____ **180 days after Effective Date**

LEASE SIGNING DEADLINE: _____ **180 days after Effective Date**

CONSTRUCTION COMMENCEMENT DEADLINE: _____ **As Agreed**

OPENING DATE: _____ **, but no later than 12 months after Lease Signing
Deadline**

PROTECTED TERRITORY: _____ **;**

NOTICE ADDRESS FOR FRANCHISEE: _____

E-mail Address: _____

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

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

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

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

State of incorporation/organization: _____

Entity name: _____

Federal Tax ID Number: _____

- (2) The name and address of each Owner is:

NAME	HOME ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

- (3) The names, addresses and titles of Franchisee Owner who will be devoting their full time to the JINYA Ramen Bar are:

NAME	HOME ADDRESS	TITLE

- (4) The Principal Owner is _____

- (5) The General Manager is _____

EXHIBIT C
GUARANTEE OF FRANCHISE AGREEMENT

The undersigned ("**Guarantors**") have requested **JINYA FRANCHISE, INC.**, a California corporation ("**Franchisor**"), to enter into that certain Franchise Agreement dated _____ (the "**Franchise Agreement**") with the "**Franchisee**" named in the Franchise Agreement. In consideration for, and as an inducement to, Franchisor's execution of the Franchise Agreement, Guarantors hereby grant this guarantee (this "**Guarantee**") and agree as follows:

1. "**Obligations**" means and includes any and all obligations of Franchisee arising under or pursuant to the Franchise Agreement and all other obligations, whether now existing or hereafter arising, of Franchisee to Franchisor of whatever nature.
2. Guarantors irrevocably and unconditionally, fully guarantee to Franchisor the prompt, full and complete payment of any and all Obligations of Franchisee to Franchisor and the performance of any and all obligations of Franchisee including, without limitation, obligations under the Franchise Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.
3. If Franchisee fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary obligation of Guarantors. Guarantors agree that if any obligation, covenant or agreement contained in the Franchise Agreement is not observed, performed or discharged as required by the Franchise Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, to observe, perform or discharge the obligation, covenant or agreement in like manner as if the same constituted the direct and primary obligation of Guarantors.
4. No exercise or non-exercise by Franchisor of any right under this Guarantee, no dealing by Franchisor with Franchisee or any other Person, and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against Franchisee. Without limiting the generality of the foregoing, Guarantors agree that Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by way of any of the following, regardless of whether Franchisor gives notice of or obtains the consent of Guarantors to any of them: (i) any amendment, modification, renewal, extension, substitution or replacement of the Franchise Agreement or of any of the Obligations, in whole or in part; (ii) any acceptance, enforcement or release by Franchisor of any security for the Franchise Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Franchise Agreement or the Obligations or any security therefore; (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any Assignment or transfer of the Franchise Agreement (or any of them) by Franchisor or Franchisee; (iv) the invalidity or unenforceability of any provision of the Franchise Agreement or any of the Obligations; or (v) any failure, omission or delay of Franchisor in enforcing the Franchise Agreement, the Obligations or this Guarantee.
5. Guarantors waive and agree not to assert or take advantage of: (i) any right to require Franchisor to proceed against Franchisee or any other Person, firm or corporation or to proceed against or exhaust any security held by Franchisor at any time or to pursue any other remedy in Franchisor's power; (ii) any statute of limitations in any action under this Guarantee to collect any Obligations guaranteed hereby; (iii) any defense that may arise by reason of Franchisee's incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in

bankruptcy or other proceeding) of Franchisee, any other or others; (iv) any defense arising out of any alteration of the Franchise Agreement or the Obligations; (v) notice of Franchisee's Default in the payment or performance of any of the Obligations; (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or obligations or of any action or non-action on the part of Franchisee, Franchisor, any endorser, creditor of Franchisee or Guarantors under this or any other instrument, or any other Person, in connection with any obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed; (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Franchisee by operation of Applicable Law or otherwise; (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Franchisee, regardless of whether Franchisor has reason to believe that those facts materially increase the risk beyond that which Guarantors intends to assume or has reason to believe that the facts are unknown to Guarantors or has a reasonable opportunity to communicate the facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Franchisee's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed; or (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Franchisee. All existing or future indebtedness of Franchisee to Guarantors and any right to withdraw capital invested in Franchisee by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and the rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law. Without limiting the generality of anything contained in this Guarantee, Guarantors waive and agree not to assert or take advantage of: (i) all rights described in California Civil Code Sections 2856(a)(1) through 2856(a)(3), inclusive, including, without limitation, any rights or defenses which are or may become available to Guarantors by reason of California Civil Code Sections 2787 through 2855, inclusive; or (ii) California Civil Code Section 2899.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Franchisee's obligations. This is a continuing Guarantee. It shall be irrevocable during the initial term and each renewal term and through any extensions, renewals, amendments, modifications, substitutions or replacements of the Franchise Agreement and until all Obligations has been fully paid and the Obligations have been fully performed. In the event of any Default under this Guarantee, a separate action and/or successive actions may be brought and prosecuted against Guarantors regardless of whether action is brought against Franchisee or whether Franchisee is joined in any action or actions. Franchisor may maintain successive actions for other Defaults. Franchisor's rights under this Guarantee shall not be exhausted by Franchisor's exercise of any rights or remedies or by any action or by any number of successive actions until and unless all Obligations have fully been paid and performed. The obligations of Guarantors shall be primary and are independent of the obligations of Franchisee and Franchisor may directly enforce its rights under this Guarantee without proceeding against or joining Franchisee or any other Person or Entity, or applying or enforcing any security of the Franchise Agreement. Guarantors acknowledge and

agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Franchise Agreement.

9. Neither any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall bind Franchisor unless expressed in this Guarantee.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 20 of the Franchise Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantor's signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by the Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Guarantee would not be enforceable under the laws of California, and if the JINYA Ramen Bar is located outside of California and such provision would be enforceable under the laws of the state in which the JINYA Ramen Bar is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of California, County of Los Angeles. Guarantors hereby submit to the jurisdiction of the United States District Court for the Central District of California.

Executed by or on behalf of Guarantors on the date set forth below.

_____	Date: _____
_____	Date: _____

EXHIBIT D
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

The undersigned franchisee/depositor ("**Depositor**") hereby (1) authorizes JINYA FRANCHISE, INC. and its Affiliates ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below, and (2) authorizes the depository designated below ("**Depository**") to debit such account pursuant to Franchisor's instructions.

_____	_____
Depository	Branch
_____	_____
City and State	Zip Code
_____	_____
Bank Transit /ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Franchisor and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Franchisor and Depositor with thirty (30) days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever comes first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error, and requesting Depository to credit the amount of the entry to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws. Depositor shall be responsible for all charges assessed by Depository to process all debit entries and/or credit corrections entries to the undersigned's checking and/or savings account initiated by Franchisor. Franchisor will credit Depositor for fees if error is deemed to be caused by Franchisor.

DEPOSITOR (Print Name)

By: _____

Its: _____

Date: _____

EXHIBIT E
LEASE ADDENDUM FORM

THIS ADDENDUM is executed as of _____ by and between _____ ("Tenant") and _____ ("Landlord"), as an addendum to the lease dated as of _____, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein, ("Lease") for the premises located at _____, State of _____ ("Franchised Location").

Tenant has entered into a JINYA Franchise, Inc. Development Agreement and/or a Franchise Agreement ("Franchise Agreement") with JINYA Franchise, Inc., a California corporation ("Franchisor") for the development and operation of one Standard JINYA Ramen Bar or one bushi by JINYA at the Franchised Location (the "JINYA Ramen Bar"), and as a requirement thereof, the lease for the Franchised Location must contain the provisions set forth in this Addendum.

Landlord and Tenant agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

(1) Landlord consents to Tenant's use at the Franchised Location of the marks and signs, décor items, color schemes, and related components of the JINYA Ramen Bar system as Franchisor may prescribe for the JINYA Ramen Bar. During the term of the Franchise Agreement, the Franchised Location may be used only for the operation of the JINYA Ramen Bar.

(2) Landlord will furnish Franchisor a copy of any notice sent to Tenant pertaining to any default or violation under the Lease at the same time that such notice is sent to Tenant. If Tenant fails to timely cure the default or violation, Landlord will provide Franchisor written notice of such failure and Franchisor may (but is not obligated): (a) to cure the default or violation by no later than fifteen (15) calendar days after receipt of the notice; and/or (b) take an assignment of the Lease in its sole discretion without paying an assignment fee and without any modification of the terms of the lease. If Franchisor does not timely cure the default or violation, Landlord may exercise any remedy arising as a consequence of Tenant's default or violation. In the event Franchisor elects to exercise its rights under Section 2(b) Franchisor may at any time thereafter further assign the Lease to another duly authorized franchisee for the purpose of the continued operation of the JINYA Ramen Bar at the Franchised Location, without paying an assignment fee and without any modification of the Lease, provided Franchisor must: (i) supply Landlord with reasonable documentary evidence confirming that a franchise agreement between such franchisee and Franchisor is (or will be) in full effect as of the date of the assignment, and (ii) ensure that the individual owners of such franchise become guarantors of the Lease. Unless Franchisor elects to exercise its rights under Section (2)(b), Franchisor shall not be deemed to have assumed the terms, covenants, obligations and conditions of the Lease.

(3) Tenant and Landlord will not agree to any assignment, renewal, extension or modification of the Lease without notice to, and consent from, Franchisor.

(4) For notice, Franchisor's mailing address shall be JINYA Franchise, Inc., 21045 Erwin Street, Suite 1A., Woodland Hills, California 91367, Attention: VP of Franchise Sales.

(5) Franchisor is an intended third party beneficiary of the provisions of this Addendum.

WITNESS the execution hereof under seal.

LANDLORD:

FRANCHISEE:

DATE: _____
Subscribed and sworn to before me this
_____ day of _____, _____.

Notary Public
My Commission expires: _____

DATE: _____
Subscribed and sworn to before me this
_____ day of _____, _____.

Notary Public
My Commission expires: _____

[ONLY SIGNED IF NO FRANCHISED LOCATION IDENTIFIED IN EXHIBIT A]

**EXHIBIT F
SITE ADDENDUM**

TO FRANCHISE AGREEMENT DATED _____

BETWEEN JINYA FRANCHISE, INC.

_____ AND ("FRANCHISEE")

SITE SELECTION AND ACQUISITION ADDENDUM

This Site Selection and Acquisition Addendum ("Site Addendum") is made part of, and incorporated into, the Franchise Agreement by and between JINYA Franchise, Inc. ("we," "us," "our," or "Franchisor") and _____ ("you," "your," or "Franchisee") dated _____, 20____, (the "Franchise Agreement"). Capitalized terms used but not defined in this Site Addendum have the meanings set forth in the Franchise Agreement.

RECITALS

You and we have entered into the Franchise Agreement without having entered into a Development Agreement.

You and we desire to modify the Franchise Agreement to provide for certain site selection and acquisition procedures and obligations with respect to the JINYA Ramen Bar.

NOW, THEREFORE, you and we expressly covenant and agree as follows:

1. Site Selection

A. **Designated Area.** You assume all cost, liability, expense and responsibility for locating, obtaining, and developing a site for the JINYA Ramen Bar within the geographic area described below ("Designated Area"). You acknowledge and agree that you acquire no rights in and to the Designated Area, other than the right to select a site for the JINYA Ramen Bar from within its boundaries.

Following your selection and our acceptance of a site for the JINYA Ramen Bar, the Franchised Location and Protected Territory will be identified in Exhibit A to the Franchise Agreement and the Designated Area will be of no further force or effect.

B. **Site Selection Assistance.** To assist you in your selection of a site for your JINYA Ramen Bar, we will provide to you:

1. Our written site selection guidelines and such site selection assistance as we deem advisable.

2. Such on-site evaluation as we may deem necessary; provided, that we will not provide an on-site evaluation for any proposed site before receiving all required information

and materials required pursuant to Section 2.A. below and, in our discretion, before receiving such information for multiple proposed sites.

2. Site Review and Acceptance Procedure

A. You assume all cost, liability, expense and responsibility for selecting, obtaining and developing a site for the JINYA Ramen Bar to be developed pursuant to the Franchise Agreement.

B. Before acquiring a site for the JINYA Ramen Bar, you shall submit to us, in the form specified by us, a description of the site, evidence satisfactory to us demonstrating that the site satisfies our site selection guidelines, and such other information and materials as we may reasonably require, including, but not limited to, copies of a proposed lease (which incorporates an addendum in substantially the form attached as Exhibit F to the Franchise Agreement) or a contract of sale for the site.

C. We shall have thirty (30) calendar days after receiving your site information to accept or not accept, in our sole discretion, the proposed site as the location for the JINYA Ramen Bar. No site may be used for a JINYA Ramen Bar unless it is first approved in writing by us, and you shall not make any binding commitment with respect to a site for the JINYA Ramen Bar unless the site is first approved in writing by us. If we approve multiple sites for the JINYA Ramen Bar, you shall notify us in writing within five (5) calendar days of the date of such approval of the site that you intend to acquire for the JINYA Ramen Bar. You acknowledge that our acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the JINYA Ramen Bar operated at that site will be profitable or otherwise successful.

3. Site Acquisition

A. **Site Acquisition.** Promptly following our acceptance of the site for the JINYA Ramen Bar, you shall acquire the site by purchase or lease, at your expense. You agree to furnish to us a copy of the executed lease or contract of sale within five (5) calendar days after execution.

B. **Contractual Designation of Site.** After we accept the site and you acquire the site pursuant to this Addendum, the address of the site shall be entered on Exhibit B to the Franchise Agreement as the Franchised Location.

4. Termination of Franchise Agreement and Refund of Initial Franchise Fee

Section 16 of the Franchise Agreement is hereby amended to add the following Section 16.9:

16.9 **Our Failure to Approve Franchised Location.** If you propose a reasonable site for the JINYA Ramen Bar and we fail to approve a site within six (6) months from the Effective Date of the Franchise Agreement, you may terminate the Franchise Agreement upon written notice to us delivered within ten (10) days following the six (6) month anniversary of the Effective Date. Upon termination, we will refund your initial franchise fee, less the greater of \$5,000 or the actual expenses we incurred (including commissions).

5. Conflict with Franchise Agreement. Whenever there is a conflict or inconsistency between this Site Addendum and any provision of the Franchise Agreement, the provisions of this Site Addendum shall control.

IN WITNESS WHEREOF, the undersigned have entered into this Site Addendum as witnessed by their signatures below.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California corporation

By:

Name:

Title:

Date:

FRANCHISEE:

**(IF FRANCHISEE IS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By:

Name:

Title:

Date:

OR

(IF FRANCHISEE IS AN INDIVIDUAL):

Print Name

Signature

Date

EXHIBIT G CURRENT INSURANCE REQUIREMENTS

You must obtain and maintain the at least following insurance:

- commercial general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury (with full assault and battery coverage), with a combined bodily injury and property damage limit of at least \$2,000,000 in the aggregate and \$1,000,000 per occurrence;
- statutory workers' compensation insurance and employer's liability insurance for a minimum limit equal to the greater of \$100,000 or the amounts required as underlying by your umbrella carrier, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchised Business is located;
- commercial umbrella liability insurance with total liability limit of at least \$5,000,000 (with foodborne illness coverage included);
- dramshop coverage with limits of liability not less than \$1,000,000 combined single limit for both bodily injury and property damage (this may be included within the umbrella coverage);
- property insurance providing coverage for direct physical loss or damage to real and personal property (as well as electronic equipment such as point of sales, menu board, and other equipment) for all-risk perils, including the perils of flood and earthquake that values property (real and personal) on a new replacement cost basis without deduction for depreciation and the amount of insurance shall not be less than 90% of the full replacement value of the Franchised Business, its furniture, fixtures, equipment, and stock (real and personal property);
- comprehensive automobile liability insurance, including owned, non-owned and hired car coverage providing third party liability insurance, covering all licensed vehicles owned or operated by or on your behalf, with limits of liability not less than \$1,000,000 combined single limit for both bodily injury and property damage;
- data theft and cybersecurity coverage with limits of liability not less than \$1,000,000 combined single limit;
- employment practices liability insurance with limits of liability not less than \$1,000,000 combined single limit;
- director and officer coverage for your executives and board of directors (or equivalent if you are an entity that is not a corporation);
- any other insurance coverage that is required by federal, state, or municipal law; and
- any contractors and subcontractors that you engage must carry the same amount or greater coverage and name the us and you as additional insured parties.

****subject to change****

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

**JINYA FRANCHISE INC.
AREA DEVELOPMENT AGREEMENT**

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EXHIBIT A	DEVELOPMENT INFORMATION
EXHIBIT B	ENTITY INFORMATION DISCLOSURE
EXHIBIT C	GUARANTEE OF AREA DEVELOPMENT AGREEMENT

**JINYA FRANCHISE INC.
AREA DEVELOPMENT AGREEMENT**

THIS AREA DEVELOPMENT AGREEMENT (the “**Agreement**”) is made and entered into as of the “**Effective Date**” set forth on **Exhibit A**, by and between **JINYA FRANCHISE INC.**, a California corporation (“**Franchisor**”), on the one hand, and the individuals or Entity identified as “**Area Developer**” on **Exhibit A**, on the other hand, who are individually referred to in this Agreement as a “**Party**”, and collectively referred to in this Agreement as “**Parties**”, with reference to the following facts:

A. Franchisor and Franchisor’s Affiliates, La Brea Dining California, Inc., a California corporation and Ventura 77 Dining, Inc., a California corporation (collectively, the “**Operating Companies**”), have developed the “**JINYA Ramen Bar System**” for the establishment and operation of casual dining restaurants and fast casual restaurants that offer freshly prepared ramen (Japanese style noodle) dishes with a diverse selection of broths, noodles, proteins, sauces and garnishes as well as rice bowls, Japanese appetizers and other food and beverage products for on-premises and off-premises consumption and catering events under the trade name and service mark “**JINYA Ramen Bar**,” “**bushi by JINYA**,” and other related trademarks, service marks, logos and commercial symbols (collectively, the “**Jinya Marks**”).

B. Franchisor desires to expand and develop Standard JINYA Ramen Bars or bushi by JINYAs (as designed by Franchisor) in the Development Area and Area Developer desires to develop, Open, own and operate such Standard JINYA Ramen Bars or bushi by JINYAs under the terms and conditions set forth in this Agreement. As used in this Agreement, the term “**JINYA Ramen Bar**” refers collectively to a Standard JINYA Ramen Bar or a bushi by JINYA to developed, owned and operated by Area Developer under this Agreement and a Franchise Agreement unless the context of its use indicates otherwise.

NOW, THEREFORE, IT IS AGREED:

1. **DEFINITIONS**

The capitalized terms in this Agreement that are not defined elsewhere in the text of this Agreement are assigned these definitions:

“**Affiliate**” or “**Affiliates**” mean any Person or Entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a Person or Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person or Entity whether by contract or otherwise.

“**Applicable Law**” means and includes applicable common law and all statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority with jurisdiction over the operation of JINYA Ramen Bars that are in effect on or after the Effective Date, as they may be amended from time to time.

“**Approved Suppliers**” means suppliers of Branded Products, Proprietary Products and Non-Proprietary Products, and ancillary services, food products, beverages, packaging, supplies, furniture, fixtures and equipment for JINYA Ramen Bars that have been accepted and approved by Franchisor because they have demonstrated to Franchisor their ability to supply products and services for JINYA Ramen Bars meeting Franchisor’s specifications as to brand names, models, contents, manner of preparation, ingredients, quality, freshness, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. Franchisor and its Affiliates may be Approved Suppliers.

“Authorized Products” means the ramen dishes and other food and beverage products and all Branded Products, Proprietary Products and Non-Proprietary Products offered for sale or used at JINYA Ramen Bars, as specified by Franchisor from time to time.

“Branded Products” means any product now existing or developed in the future that bears any of the Jinya Marks, including products that are prepared, sold and/or manufactured in strict accordance with Franchisor’s recipes, methods, standards and specifications, including, without limitation, pre-packaged food and beverage products, packaging, clothing, souvenirs and novelty items.

“bushi by JINYA” means a fast casual JINYA Ramen Bar of approximately 400 to 800 square feet that offers a menu of broths, noodles, proteins, sauces and garnishes, sushi, rice bowls, Japanese appetizers and other food and beverage products with full table service.

“Competitive Business” means any restaurant business that prepares, offers and sells ramen as its primary menu item; any business that looks like, copies, imitates, or operates with similar trade dress or décor to a JINYA Ramen Bar; and any restaurant that prepares, offers or sells 20% or more of any menu items offered at a JINYA Ramen Bar.

“Constituents” means past, present and future Affiliates, parents, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

“Default” means any breach of, or failure to comply with, any of the terms or conditions of an agreement.

“Development Area” means the geographic area described on Exhibit A, provided that the rights granted in the Development Area only extend to the type of JINYA Ramen Bar Franchisor permits Developer to develop.

“Development Fee” means the \$20,000 development fee payable to Franchisor by Area Developer on the Effective Date multiplied by the number of JINYA Ramen Bar to be developed, Opened and operated by Area Developer under this Agreement in the amount set forth on Exhibit A.

“Development Fee Credit” means \$20,000 of the Development Fee that will be credited against the Initial Franchise Fee for each JINYA Ramen Bar upon the Parties’ execution of a Franchise Agreement for each JINYA Ramen Bar as set forth on Exhibit A.

“Development Period” means each of the time periods indicated on Exhibit A during which Area Developer shall have the right and obligation to construct, equip, Open and thereafter continue to operate JINYA Ramen Bars in accordance with the Minimum Development Obligation.

“Electronic Signature” means any electronic symbol and/or process attached to or logically associated with a document and executed by a Party with the intent to sign such document, including facsimile, email, or other electronic signatures.

“Entity” means any limited liability company, partnership, trust, association, corporation or other entity, which is not an individual.

“Equity” means capital stock, membership interests, partnership rights or other equity ownership interests of an Entity.

“Expiration Date” means the Expiration Date stated in the definition of Term below.

“Force Majeure” means any event (i) that was reasonably unforeseeable as of the Effective Date; (ii) that is beyond the reasonable control, directly or indirectly, of a Party; (iii) that could not reasonably have been prevented or avoided by that Party with the exercise of reasonable efforts and due diligence; (iv) that does not result from the fault or negligence of that Party or its agents, employees or contractors; and (v) that causes performance by that Party to be delayed, in whole or in part, or unable to partially or wholly perform its obligations under this Agreement. Subject to the satisfaction of the foregoing criteria, **“Force Majeure”** includes (a) acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); (b) strikes, lockouts or other industrial disturbances; (c) war, terrorist acts, riot, or other civil disturbance; (d) unilateral governmental action impacting restaurants, and/or food providers generally; and (e) epidemics, transportation shortages, inadequate supply of labor, material or energy, or a Party foregoing the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency. Neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Area Developer by any lender, Landlord, contractor, or other Person, or Area Developer's financial inability to perform or Area Developer's insolvency, shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure.

“Franchise Agreement” means the form of agreement prescribed by Franchisor and used to grant to Area Developer the right to develop, Open, own and operate a single JINYA Ramen Bar in the Development Area, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“Franchised Location” means the site of a JINYA Ramen Bar.

“General Release” means the form of general release prescribed by Franchisor of any and all known and unknown obligations, liabilities, demands, costs, expenses, damages, claims, actions and causes of action, of whatever nature, character or description, against Franchisor and its Constituents. A General Release will cover future consequences of acts, omissions events and circumstances predating the date of the General Release, but will not release, in advance, future acts, omissions or events which have not occurred at the time the General Release is executed.

“Good Standing” means Area Developer is in substantial compliance with the material requirements of this Agreement, the Franchise Agreements, the Manuals and all other agreements then in effect between Franchisor or its Affiliates, and Area Developer, and has substantially cured each curable Default for which Franchisor has issued a notice of Default to Area Developer within the time periods set forth in Section 11.3.

“Governmental Authority” means all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

“Gross Sales” means the total of all revenues derived from sales of any nature or kind whatsoever from the JINYA Ramen Bars during the Term, whether evidenced by cash, services, property, barter, or other means of exchange, including orders taken in or from a JINYA Ramen Bar although filled elsewhere and delivery and catering charges that are not included in the price of Authorized Products. **“Gross Sales”** shall include the full value of drinks and food Area Developer provides to its employees as incident to their employment (less the value of any discounts against Gross Sales given during the month in which the drinks and food were provided) and all proceeds from the sale of coupons, gift certificates or vouchers. **“Gross Sales”** shall exclude the amount of bona fide refunds paid to customers

and the amount of any sales or use taxes actually paid to any Governmental Authority and the retail price of any coupons, gift certificates and vouchers when they are redeemed.

“Initial Franchise Fee” means the \$40,000 initial fee that Area Developer must pay Franchisor for each JINYA Ramen Bar developed, Opened and operated by Area Developer in the Development Area in the amounts set forth on **Exhibit A**.

“JINYA Ramen Bar” means a JINYA Ramen Bar that offers the Authorized Products.

“JINYA Ramen Bar System” means the system developed by Franchisor and the Operating Companies that includes operating methods and business practices related to JINYA Ramen Bars, the relationship between Franchisor and its area developers and franchisees, including: interior and exterior restaurant design; other items of trade dress; specifications of equipment, fixtures, and uniforms; defined product offerings; recipes and preparation methods; Franchisor specified pricing and promotions; standard operating and administrative procedures; restrictions on ownership; management and technical training programs; and marketing and public relations programs, all as Franchisor may modify them from time to time.

“JINYA Ramen Bar Trade Secrets” means proprietary and confidential information of Franchisor and the Operating Companies, including, recipes, ingredients, specifications, procedures, policies, concepts, systems, know-how, plans, software, strategies and methods and techniques of operating JINYA Ramen Bars and producing Authorized Products, excluding information that is or becomes a part of the public domain through publication or communication by third parties not bound by any confidentiality obligation or that can be shown that was already lawfully in a third party’s possession before receipt from Franchisor.

“Landlord” means the owner of a Franchised Location who enters into a Lease with Area Developer for a Franchised Location.

“Manuals” means Franchisor’s Operations Manuals, which may consist of one or more manuals, and any other written directive related to the JINYA Ramen Bar System, as they may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Franchisor as in effect and amended from time to time.

“Minimum Development Obligation” means the Area Developer’s right and obligation to construct, equip, Open and thereafter continue to operate at sites within the Development Area the cumulative number of JINYA Ramen Bars set forth in **Exhibit A** hereto within each Development Period.

“Non-Proprietary Products” means the food and beverage products, condiments, drink ingredients, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, services, menus, packaging, forms, POS Systems, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Branded Products and Proprietary Products, that may or must be used, offered and sold at the JINYA Ramen Bars.

“Non-Traditional Venues” means a broad variety of atypical sites, including, without limitation, a site or location within a captive market site, another primary business or in conjunction with other businesses or at institutional settings such as office buildings, business complexes, arenas, stadiums and entertainment venues, recreational facilities, beaches, parks, airports, train stations, travel plazas, toll road facilities and other transportation terminals, educational, medical, governmental and other types of institutional facilities, sites in retail locations (for example, a kiosk within a grocery store), cafeterias and casinos, and any site for which the lessor, owner or operator limits the operation of its beverages and/or food service facilities to a master concessionaire or contract food service provider.

“Open” and **“Opened”** means that Area Developer has actually begun to sell food products to the public from a JINYA Ramen Bar.

“Opening Date” means the day that (i) Area Developer receives written authorization from Franchisor and all applicable Governmental Authorities to commence business operations at a JINYA Ramen Bar; and (ii) Area Developer actually begins to offer Authorized Products for sale to the public from the JINYA Ramen Bar, whichever occurs last.

“Owner” means each of the individuals listed on **Exhibit B** and each future direct or indirect shareholder, member, general or limited partner, trustee or other Equity owner of Area Developer. If Area Developer is an Entity, each Owner and each Owner’s spouse shall jointly and severally guarantee Area Developer’s payment and performance of its obligations under this Agreement under a Guarantee in the form of **Exhibit C**.

“Person” means any natural person or Entity.

“Principal Owner” means the individual designated by Area Developer on **Exhibit B**, and accepted by Franchisor to serve as the primary operator of the JINYA Ramen Bars, to serve as the authorized representative of Area Developer, who shall have at least a fifty percent (50%) interest in the Equity of Area Developer, who shall act as Area Developer’s representative in all matters with Franchisor, as Area Developer’s liaison with Franchisor and the Owners, who shall have the authority to act on behalf of Area Developer during the Term without the participation of any other Owner.

“Proprietary Products” means only those food products, beverages, packaging and other products that are produced or manufactured strictly in accordance with JINYA Ramen Bar Trade Secrets or that Franchisor otherwise designates as proprietary.

“Restricted Person” means Area Developer, and each of its Owners and Affiliates, and the respective officers, directors, managers and Affiliates of each of them, and the spouse of each of the foregoing who are individuals.

“Term” means the period commencing on the Effective Date and ending on the earlier of the last required opening date in the Development Schedule or the actual date the last JINYA Ramen Bar Opens (either, the **“Expiration Date”**).

“Transfer Fee” means the fee that Area Developer must pay Franchisor as a condition precedent to an Assignment of this Agreement, which is currently \$15,000.

“Venue” means any site other than a Non-Traditional Venue.

2. **EXCLUSIVE LICENSE**

2.1 **Grant and Minimum Development Obligation.** Franchisor hereby grants Area Developer, and Area Developer hereby accepts the right and obligation to use the Jinya Marks and the JINYA Ramen

Bar System to develop, Open, own and operate the Minimum Development Obligation of JINYA Ramen Bars set forth in **Exhibit A** of the type set forth in **Exhibit A** only at Venues in the Development Area described on **Exhibit A** during the individual Development Periods listed on **Exhibit A** under the Development Schedule set forth on **Exhibit A** in accordance with the terms and conditions in this Agreement. **Area Developer may only develop the type of JINYA Ramen Bar set forth in Exhibit A and may not develop any other type of JINYA Ramen Bar under this Agreement. Franchisor has the right to develop or grant third parties the right to develop other types of JINYA Ramen Bars in the Development Area.** Area Developer may not develop, Open, own or operate more JINYA Ramen Bars in the Development Area than the Minimum Development Obligation during the Term. Area Developer shall not subcontract, sublicense, share, divide or partition this Agreement and nothing in this Agreement will be construed as granting Area Developer the right to do so. The Parties shall execute Franchisor's then-current Franchise Agreement for each JINYA Ramen Bar to be developed, owned and operated by Area Developer under this Agreement, the form of which may differ from the form of Franchise Agreement attached to Franchisor's Franchise Disclosure Document (the "**Disclosure Document**") provided to Area Developer prior to the Effective Date.

2.2 **Limited Exclusive License.** Except as otherwise provided in Section 2.3, the rights granted to Area Developer under this Agreement are exclusive during the Term so long as Area Developer is in Good Standing and neither Franchisor nor any of its Affiliates shall themselves develop, own and operate, or grant third parties the right to develop, own and operate, the type of JINYA Ramen Bars set forth in **Exhibit A** in the Development Area during the Term. Franchisor is not restricted from operating or granting third parties the right to operate the type of JINYA Ramen Bar that Multi-Unit Developer **does not** operate in the Development Area.

2.3 **Reservation of Rights.** Except as provided in Section 2.2, Franchisor and its Affiliates expressly reserve all other rights not granted under this Agreement, including the exclusive, unrestricted right, in its discretion, directly and indirectly, through its employees, Affiliates, representatives, licensees, assigns, agents and others, to (i) develop, own and operate, and to grant franchises to third parties to develop, own and operate, JINYA Ramen Bars outside the Development Area, regardless of their proximity to the Development Area; (ii) develop, own and operate, and to grant franchises to third parties to develop, own and operate, JINYA Ramen Bars at any location within the Development Area provided that the only limitation on Franchisor in the Development Area is for the type of JINYA Ramen Bar that Franchisor has permitted Developer to open under this Agreement and Franchisor shall be permitted to open and operate or license third parties to open and operate Ramen Bars under any other name or format; (iii) develop, own and operate, and to grant franchises to third parties to develop, own and operate any other business, including food business under marks and systems different from the Jinya Marks and the JINYA Ramen Bar System within and outside the Development Area; (iv) sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, Branded Products within and outside the Development Area, through the Internet, mail order catalogs, direct mail advertising, vending machines, grocery stores, and through other distribution methods; (v) market on the Internet and use the Jinya Marks on the Internet, including all use of web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (vi) acquire, open and operate and grant licenses and franchises to third parties to develop, open and operate, other restaurants or food service businesses at any location within or outside of the Development Area regardless of their proximity to the Development Area; (vii) open or operate and to franchise or license others to open or operate JINYA Ramen Bars at any Non-Traditional Venue within and outside of the Development Area regardless of their proximity to any JINYA Ramen Bars developed or under development by Area Developer; (viii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at JINYA Ramen Bars or franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (ix) be acquired (whether through acquisition

of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at JINYA Ramen Bars, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses; and (x) engage in all other activities that this Agreement does not expressly prohibit.

2.4 **Adherence to Development Schedule.** Area Developer shall satisfy the Minimum Development Obligation by Opening the number of JINYA Ramen Bars only at Venues in the Development Area within each Development Period as required by the Development Schedule and by continuing to operate the cumulative number of JINYA Ramen Bars required by the Minimum Development Obligation. Failure to comply with a scheduled Opening Date set forth in the Development Schedule shall constitute a Default under this Agreement and shall entitle Franchisor to terminate this Agreement, unless the Default results from an event of Force Majeure, in which case, the Opening Date may be extended by Franchisor as provided in Section 2.7.

2.5 **Closures and Assignments.** If, during the Term, Area Developer ceases to operate any JINYA Ramen Bar developed and Opened under this Agreement for any reason, Area Developer must develop a replacement JINYA Ramen Bar (a “**Replacement Restaurant**”) to fulfill Area Developer’s obligation to have Open and in operation the required number of JINYA Ramen Bars at the expiration of each Development Period. Area Developer may not, however, cease operating any JINYA Ramen Bar or obtain a Replacement Restaurant without Franchisor’s prior written consent. Area Developer must Open each Replacement Restaurant within twelve (12) months after the date of the closing of the JINYA Ramen Bar that it will replace. JINYA Ramen Bars that are operating that are assigned to Affiliates of Area Developer with Franchisor’s consent, shall count in determining whether Area Developer has satisfied the Minimum Development Obligation for so long as the applicable Affiliate continues to comply with the terms of this Agreement.

2.6 **Additional Development Rights.** If Area Developer satisfies the Minimum Development Obligation before the Expiration Date and desires to develop, open and operate additional JINYA Ramen Bars in the Development Area, Area Developer shall have the right to extend the Term of this Agreement on the terms and conditions set forth in this Section 2.6. If Area Developer desires to extend the Term of this Agreement, Area Developer shall, no later than one hundred eighty (180) days prior to the Expiration Date, notify Franchisor in writing (the “**Additional Development Notice**”) that Area Developer desires to do so and provide Franchisor with a proposal for the development of additional JINYA Ramen Bars in the Development Area (the “**Additional Development Obligation**”), setting forth the number of additional JINYA Ramen Bars proposed to be opened by Area Developer, the proposed development fees and the proposed opening dates for each JINYA Ramen Bar during the extended term. Franchisor may, but has no obligation to, grant Area Developer the Additional Development Rights described in this Section 2.6 in its sole and absolute discretion.

2.6.1 If the Additional Development Obligation proposed by Area Developer is unacceptable to Franchisor, or if the Parties cannot reach an agreement on an alternative Additional Development Obligation within the thirty (30) day period after the date of the Additional Development Notice, this Agreement shall expire on the Expiration Date. Franchisor and Area Developer shall execute Franchisor’s then-current Franchise Agreement for each additional JINYA Ramen Bar to be developed and opened in the Development Area by Area Developer. If the Additional Development Obligation proposed by Area Developer is acceptable to Franchisor, or if the Parties reach agreement on an alternative Additional Development Obligation within the thirty (30) day period after the date of the Additional Development Notice, Franchisor shall deliver to Area Developer its then-current form of JINYA Ramen Bar Area Development Agreement (the “**Additional Area Development Agreement**”) setting forth the agreed upon Additional Development Obligation. Within thirty (30) days after Area Developer’s receipt of the Additional Area Development Agreement, Area Developer shall execute the Additional Area Development Agreement, and return it to Franchisor. If Area Developer has so executed

and returned the Additional Area Development Agreement, and has satisfied the conditions precedent set forth in Section 2.6.2, Franchisor shall execute the Additional Area Development Agreement, and return a fully executed copy to Area Developer.

2.6.2 Franchisor shall execute the Additional Area Development Agreement, if, and only if, (i) Franchisor elects to grant the Additional Development Rights to Area Developer; (ii) Area Developer has fully performed all of its obligations under this Agreement and all other agreements between Franchisor and Area Developer and is in Good Standing on the date of the Additional Development Notice and on the date of Franchisor signs the Additional Area Development Agreement; (iii) Area Developer has demonstrated Area Developer's then-current financial ability to timely implement and complete the Additional Development Obligation; (iv) Area Developer continues to operate no less than the aggregate number of JINYA Ramen Bars in the Development Area as required by the Minimum Development Obligation; (v) Area Developer has executed the Additional Area Development Agreement and delivered it to Franchisor together with the development fees and initial development fees payable to Franchisor for the Additional Development Rights; and (vi) Area Developer executes and delivers to Franchisor a General Release in a form acceptable to Franchisor.

2.7 **Force Majeure**. Neither Party will be in Default in the performance of its obligations under this Agreement if such performance is prevented or delayed due to Force Majeure. If Area Developer is unable to meet the Minimum Development Obligation for any Development Period solely as the result of Force Majeure or any legal disability of Franchisor to deliver a Disclosure Document pursuant to Section 5.4, which results in the inability of Area Developer to construct and Open the JINYA Ramen Bars as required by this Agreement, Area Developer shall provide Franchisor, within five (5) days after the occurrence of an event that Area Developer believes is an event of Force Majeure, with notice of the specific nature and extent of the Force Majeure and an explanation as to how the event has delayed Area Developer's performance under this Agreement. The determination of whether an event of Force Majeure has occurred shall be made by Franchisor upon Franchisor's assessment of the event causing the delay. If Franchisor determines that the Default is the result of an event of Force Majeure, the required date for performance by Area Developer shall be extended by the number of days equal to the number of days that the Force Majeure exists. Area Developer shall provide Franchisor with continuing updates and all information requested by Franchisor regarding Area Developer's progress and diligence in responding to and overcoming the event of Force Majeure.

2.8 **No Rights to Use the Jinya Marks or JINYA Ramen Bar System**. This Agreement is not a Franchise Agreement, and does not grant Area Developer any right to use the Jinya Marks or the JINYA Ramen Bar System or to sell or distribute any Authorized Products. Area Developer's rights to use the Jinya Marks and the JINYA Ramen Bar System will be granted to Area Developer solely under the terms of a Franchise Agreement.

3. **TERM**.

3.1 **Term**. The Term is set forth in the definitions above.

3.2 **Effect of Expiration**. As of the Expiration Date, Area Developer shall have no further right to develop additional JINYA Ramen Bars in the Development Area and no further rights or obligations under this Agreement; (ii) Area Developer shall have the right to continue to own and operate all JINYA Ramen Bars Opened by Area Developer prior to the Expiration Date under Franchise Agreements with Franchisor that remain in full force and effect on the Expiration Date; and (iii) Franchisor, may, but shall not be required to, develop, own and operate, and grant franchises to third parties to develop, own and operate JINYA Ramen Bars at any location within or outside of the Development Area, without restriction.

4. **PAYMENTS BY AREA DEVELOPER**

4.1 **Development Fee.** On the Effective Date, Area Developer shall pay the Development Fee to Franchisor for the rights granted to Area Developer under this Agreement by a wire transfer of immediately available funds to a bank account designated by Franchisor. The Development Fee is fully earned by Franchisor when paid and is nonrefundable, in whole or in part, under any circumstances.

4.2 **Initial Franchise Fees.** Area Developer shall pay Franchisor an Initial Franchise Fee for each JINYA Ramen Bar to be operated under this Agreement. The Initial Franchise Fee for each JINYA Ramen Bar shall be payable upon execution of each Franchise Agreement, less the Development Fee Credit for each JINYA Ramen Bar, not to exceed a credit of the amount set forth on **Exhibit A** for any one JINYA Ramen Bar. The Initial Franchise Fee for each JINYA Ramen Bar is fully earned by Franchisor when paid and is non-refundable, in whole or in part, under any circumstances.

5. **INITIAL SERVICES AND ONGOING OBLIGATIONS OF FRANCHISOR**

5.1 **Limited Obligations.** Area Developer acknowledges and agrees that Franchisor's obligations under this Agreement are limited to identifying the Development Area and that Franchisor has no ongoing obligations for training or operational support for Area Developer under this Agreement. All initial and continuing obligations of Franchisor to Area Developer shall be provided by Franchisor under Franchisor's then-current Franchise Agreement for each JINYA Ramen Bar to be developed and opened in the Development Area by Area Developer.

5.2 **Franchised Locations.** Area Developer shall, at all times during the Term, exert Area Developer's best efforts to diligently identify proposed sites for the JINYA Ramen Bars. When Area Developer identifies a proposed site for a JINYA Ramen Bar, Area Developer shall submit to Franchisor all demographic and other information regarding the proposed site and neighboring areas that Franchisor shall require, in the form prescribed by Franchisor, and shall request Franchisor to consider and approve the site. If Franchisor accepts a proposed site, Franchisor shall notify Area Developer of its acceptance of the Franchised Location. Area Developer acknowledges and agrees that it is Area Developer's sole responsibility to identify and obtain each Franchised Location for the JINYA Ramen Bars to be developed under this Agreement. Area Developer further acknowledges and agrees that it is Area Developer's sole responsibility to review and approve each Lease or purchase agreement for each JINYA Ramen Bar to be developed under this Agreement. Each Lease shall comply with the requirements set forth in Sections 5.1 and 5.2 of Franchisor's current Franchise Agreement. Each Franchise Agreement must be signed and the respective Initial Franchise Fee paid by no later than 30 days after the lease (or other real estate contract) is signed for the specific JINYA Ramen Bar.

5.3 **Conditions to Franchisor's Obligations.** Area Developer acknowledges and agrees that, as a condition precedent to Franchisor's performance of Franchisor's obligations and to Area Developer's right to develop each and every JINYA Ramen Bar, all of the following conditions precedent must be satisfied. Franchisor shall execute a Franchise Agreement for each JINYA Ramen Bar if, and only if (i) Area Developer has fully performed all of its obligations under this Agreement and all other agreements between the Parties and is in Good Standing on the date of Franchisor's execution of a Franchise Agreement; (ii) Area Developer demonstrates Area Developer's then-current financial ability to implement and complete the construction and Opening of the JINYA Ramen Bars; (iii) Area Developer has Opened and continues to operate no less than the aggregate number of JINYA Ramen Bars required by the Minimum Development Obligation in compliance with the Development Schedule; (iv) Area Developer has executed a Franchise Agreement and delivered it to Franchisor; (v) Area Developer executes and delivers a General Release to Franchisor in a form acceptable to Franchisor; and (vi) Area Developer has paid Franchisor the Initial Franchise Fee when Area Developer executed a Franchise Agreement and returned it to Franchisor.

6. **OBLIGATIONS OF AREA DEVELOPER**

6.1 **Development and Operation of JINYA Ramen Bars.** Area Developer shall, at all times during the Term, exert Area Developer's best efforts to faithfully, honestly and diligently develop, Open and operate the number of JINYA Ramen Bars in the Development Area in order to satisfy the Minimum Development Obligation and the Development Schedule in accordance with the requirements of this Agreement and each Franchise Agreement for each JINYA Ramen Bar.

6.2 **JINYA Ramen Bar System.** Area Developer shall operate the JINYA Ramen Bars in compliance with the terms of the Franchise Agreements and the Manuals. Area Developer acknowledges and agrees that Area Developer alone shall exercise day-to-day control over all operations, activities and elements of the JINYA Ramen Bars, including over Area Developer's employees, and that under no circumstance shall Franchisor do so or be deemed to do so. Area Developer further acknowledges and agrees that the various requirements, restrictions, prohibitions, specifications and procedures of the JINYA Ramen Bar System that Area Developer must comply with under the Franchise Agreements, the Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the JINYA Ramen Bars, which Area Developer alone controls, but only constitute standards to which Area Developer must adhere when exercising Area Developer's control over the day-to-day operations of the JINYA Ramen Bars consistent with the policies of Franchisor. Area Developer shall comply with each Franchise Agreement and shall develop and operate the JINYA Ramen Bars in conformity with the methods, standards, and specifications that Franchisor may from time to time prescribe in the Manuals or otherwise. Since every detail of the JINYA Ramen Bar System is essential in order to develop and maintain quality operating standards, to increase the demand for the products and services sold by JINYA Ramen Bars under the JINYA Ramen Bar System and to protect the Jinya Marks and Franchisor's reputation and goodwill, Franchisor shall have the right to disapprove, as it believes necessary, any modification of, or addition to, the JINYA Ramen Bar System suggested by Area Developer that is reasonably likely to have an adverse material effect on the JINYA Ramen Bar System, the Jinya Marks or Franchisor's reputation or goodwill.

7. **MARKS**

Franchisor and its Affiliates continue to develop, use and control the use of the Jinya Marks in order to identify for the public the source of services and products marketed under the Jinya Marks and the JINYA Ramen Bar System, and to represent the JINYA Ramen Bar System's high standards of quality, appearance and service. Accordingly:

7.1 **Ownership and Goodwill of Jinya Marks.** Area Developer acknowledges that its right to use the Jinya Marks is derived solely from the Franchise Agreements between Area Developer and Franchisor. Any unauthorized use of the Jinya Marks by Area Developer shall constitute a Default under this Agreement and an infringement of Franchisor's and Franchisor's Affiliate's rights in and to the Jinya Marks. Area Developer acknowledges and agrees that as between the Parties (i) Franchisor owns the Jinya Marks and the JINYA Ramen Bar System; (ii) Area Developer owns no goodwill or rights in the Jinya Marks or the JINYA Ramen Bar System except for the license granted by this Agreement; and (iii) Area Developer's use of the Jinya Marks and any goodwill established by that use shall inure to the exclusive benefit of Franchisor. Area Developer agrees not to contest, or assist any other Person to contest, the validity of Franchisor's rights and interest in the Jinya Marks or the JINYA Ramen Bar System either during the Term or after this Agreement terminates or expires.

7.2 **Limitations on Use.** Area Developer shall not use any JINYA Ramen Bar Mark: (i) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed to Area Developer under this Agreement); (ii) in connection with unauthorized services or products; (iii) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any

other similar proprietary or common carrier electronic delivery system; or (iv) in any other manner not expressly authorized in writing by Franchisor. Area Developer shall give all notices of trademark and service mark registration as Franchisor specifies and shall use and obtain all fictitious or assumed name registrations required by Franchisor or under applicable law. Area Developer further agrees that no service mark other than “**JINYA Ramen Bar**” or other Jinya Marks specified by Franchisor shall be used in marketing, promoting, or operating the JINYA Ramen Bars.

7.3 **Internet.** Area Developer shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, web site, domain name, bulletin board, newsgroup or other Internet-related medium or activity) which in any way uses or displays, in whole or part, the Jinya Marks, or any of them, or any words, symbols or terms confusingly similar to them without Franchisor’s prior written consent, and then only in the manner and in accordance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Area Developer shall not separately register any domain name or any portion of any domain name containing the Jinya Marks or participate or market on any web site or other form of electronic media (including, without limitation, through the use of social technology, social media, social networking platforms or other forms of electronic media not yet developed) using the Jinya Marks without Franchisor’s prior written consent. Area Developer’s general conduct on the Internet and in the use of other forms of electronic media is subject to the terms and conditions of this Agreement and all other rules, requirements or policies that Franchisor may identify from time to time. Franchisor may, at any time after Area Developer commences use of any approved electronic media, prohibit further use, effective upon receipt of written notice by Area Developer.

8. **CONFIDENTIAL INFORMATION**

8.1 **Confidential Information.** Area Developer acknowledges and agrees that the JINYA Ramen Bar System is comprised of confidential information that has been developed by Franchisor and the Operating Companies by the investment of time, skill, effort and money and is widely recognized by the public, is of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor and the Operating Companies and their Affiliates, and includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor’s business operations, products and services, recipes, cooking and preparation techniques and methods, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories, prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees of Franchisor and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, Persons or Entities, knowledge or know-how concerning the methods of operation of the JINYA Ramen Bar which may be communicated to Area Developer, or of which Area Developer may be apprised under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor or its Affiliates and which is the subject of efforts by Franchisor that

are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential (collectively, the “**Confidential Information**”). Confidential Information does not include any information that: (i) was in the lawful and unrestricted possession of Area Developer prior to its disclosure by Franchisor; (ii) is or becomes generally available to the public by acts other than those of Area Developer after receiving it; (iii) has been received lawfully and in good faith by Area Developer from a third party who did not derive it from Franchisor or Area Developer; or (iv) is shown by acceptable evidence to have been independently developed by Area Developer.

8.2 **Value.** Area Developer acknowledges and agrees the Confidential Information is not generally known by the public or parties other than Franchisor, its Affiliates, its franchisees and Area Developer; derives independent economic value (actual or potential) from not being generally known to the public or Persons unaffiliated with Franchisor, its franchisees or Area Developer; and is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information, including, without limitation: (i) not revealing the Confidential Information to unauthorized parties; (ii) requiring its franchisees to acknowledge and agree in writing that the Confidential Information is confidential; (iii) requiring its franchisees to agree in writing to maintain the confidentiality of the Confidential Information; (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the termination or expiration of their Franchise Agreements.

8.3 **Maintain Confidentiality.** Area Developer shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of anyone else, any information that Franchisor considers its trade secrets and/or Confidential Information. Area Developer shall divulge such Confidential Information only to its supervisory or managerial personnel who must have access to it in order to perform their employment responsibilities.

8.4 **Irreparable Injury from Disclosure of Confidential Information.** Area Developer acknowledges that failure to comply with the requirements of this Section 8 will result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Area Developer consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Article 8.

8.5 **Confidentiality Covenants from Individuals Associated with Area Developer.** Area Developer shall require any supervisory or managerial personnel who may have access to any Confidential Information of Franchisor to execute covenants that they will maintain the confidentiality of the Confidential Information they receive in connection with their association with Area Developer. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

8.6 **No Restriction.** Nothing in this Article 8 is intended to prohibit or restrict any activity which prohibition or restriction violates Area Developer's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

9. **TRANSFER OF INTEREST**

9.1 **Transfer by Franchisor.** Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any Person or Entity without the consent or approval of Area Developer. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume

and agree to perform such obligations, and shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisor and or its Affiliates may sell their assets, the Jinya Marks, or the JINYA Ramen Bar System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (collectively, a “**Capital Event**”), all without the consent or approval of Area Developer.

9.2 **Assignment by Area Developer.** Area Developer acknowledges and agrees that the rights granted to Area Developer under this Agreement are personal and are granted in reliance upon, among other considerations, the individual or collective character, skill, aptitude, attitude, experience, business ability and financial condition and capacity of Area Developer and, if Area Developer is an Entity, that of the Owners. Area Developer acknowledges and agrees that Area Developer has no right, by operation of law or otherwise, to sell, assign, transfer, pledge, donate, encumber or otherwise deal with, directly or indirectly (i) any interest in this Agreement; or (ii) the right to use the JINYA Ramen Bar System or the Jinya Marks granted pursuant to this Agreement (an “**Assignment**”) without Franchisor’s prior written consent. Franchisor shall not unreasonably withhold its consent to an Assignment if, in Franchisor’s judgment, Area Developer satisfies the conditions to the Assignment identified in this Agreement.

9.2.1 Further, without Franchisor’s prior written consent, which may be withheld by Franchisor in its discretion: (i) Area Developer shall not offer for sale or transfer at public or private auction any of the rights of Area Developer under this Agreement; and (ii) Area Developer shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever. To the extent that the foregoing prohibition may be ineffective under Applicable Law, Area Developer shall provide not less than ten (10) days’ prior written notice (which notice shall contain the name and address of the secured party and the terms of such pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

9.2.2 For purposes of this Agreement, each of the following events is an Assignment subject to the conditions to Assignment identified in this Agreement: (i) the death or incapacity of any Owner; (ii) the offer or sale of securities of Area Developer pursuant to a transaction subject to registration under applicable securities laws or by private placement pursuant to a written offering memorandum; (iii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of any Equity or voting power of Area Developer, by operation of law or otherwise or any other events or transactions which, directly or indirectly, effectively changes control of Area Developer; (iv) the issuance of any securities by Area Developer; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Area Developer, however effected. Area Developer shall promptly provide Franchisor with written notice (stating such information as Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Area Developer Owner of any direct or indirect Equity or voting rights in Area Developer, notwithstanding that such transfer, assignment, or encumbrance may not constitute an “**Assignment**” as defined under this Article 9.

9.2.3 Neither Franchisor’s right of first refusal nor the other conditions of Assignment shall apply to a transfer by Area Developer of all of Area Developer’s rights under this Agreement to a newly-formed corporation, limited liability company or other business Entity provided all of the Equity or voting interests of the new business Entity are owned by the same Owners (a “**Qualified Assignment**”). Any attempted or purported Assignment which fails to comply with the requirements of this Article 9 shall be null and void and shall constitute a Default under this Agreement.

9.3. **Right of First Refusal.** Except with respect to a “**Qualified Assignment**”, if Area Developer or an Owner receives a bona fide written offer (“**Third Party Offer**”) from a third party (the “**Proposed Buyer**”) to purchase or otherwise acquire any interest in Area Developer which will result in an Assignment within the meaning of this Agreement, Area Developer or the Proposed Buyer, shall, within five (5) days after receiving the Third Party Offer and before accepting it, apply to Franchisor in writing for Franchisor’s consent to the proposed Assignment. To constitute a bona fide written offer, the Third Party Offer must also apply to all of the JINYA Ramen Bars then owned and operated by Area Developer in the Development Area.

9.3.1 Area Developer, or the Proposed Buyer, shall attach to its application for consent to complete the transfer a copy of the Third Party Offer together with: (i) information relating to the proposed transferee’s experience and qualifications; (ii) a copy of the proposed transferee’s current financial statement; and (iii) any other information material to the Third Party Offer, proposed transferee and proposed assignment or that Franchisor requests.

9.3.2 Franchisor or its nominee shall have the right, exercisable by written notice (“**Purchase Notice**”) given to Area Developer or the Proposed Buyer, within thirty (30) days following receipt of the Third Party Offer, all supporting information, and the application for consent, to notify Area Developer or the Proposed Buyer that it will purchase or acquire the rights, assets, Equity or interests proposed to be assigned on the same terms and conditions set forth in the Third Party Offer, except that Franchisor may (i) substitute cash for any form of payment proposed in the offer discounted to present value based upon the rate of interest stated in the Third Party Offer, and (ii) deduct from the purchase price the amount of all amounts then due and owing from Area Developer to Franchisor under this Agreement or otherwise.

9.3.3 If Franchisor or its nominee elects to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing shall take no later than sixty (60) days following the date that the Purchase Notice was issued by Franchisor.

9.3.4 If Franchisor does not elect to purchase or acquire the rights, assets, Equity or interests proposed to be assigned to the Proposed Buyer, the closing of the sale to the Proposed Buyer shall take no later than ninety (90) days following the date that the Third Party Offer was received by Area Developer. If there is any material change in the terms of the Third Party Offer before the closing of the sale, Franchisor shall have a right of first refusal to accept the new terms subject to the conditions stated in this Section 9.3.

9.4 **Conditions of Assignment to Third Party.** As a condition to obtaining Franchisor’s consent to an Assignment, all of the following conditions must be satisfied:

9.4.1 The Proposed Buyer must submit a completed franchise application to Franchisor and meet Franchisor’s then-current qualifications for new JINYA Ramen Bar Area Developers, including qualifications pertaining to financial condition, credit rating, experience, moral character and reputation.

9.4.2 Area Developer must be in Good Standing on the date consent is requested and until the date of closing of the Assignment.

9.4.3 The sales price of the interest to be conveyed must not be so high, or the terms of the sale so onerous, that, in the judgment of Franchisor, the Proposed Buyer will be unlikely to meet the Proposed Buyer’s financial and other obligations to Franchisor, third party suppliers and creditors following the closing. Franchisor shall have no liability to either Area Developer or the Proposed Buyer if Franchisor approves the Assignment and the Proposed Buyer thereafter experiences financial difficulties.

9.4.4 The Proposed Buyer must sign Franchisor's then-current form of Area Development Agreement, the terms of which may differ materially from any and all of the terms contained in this Agreement, and which shall supersede this Agreement in all respects. In exchange for signing the then-current Area Development Agreement, the Proposed Buyer shall receive the rights provided for in this Agreement, as modified by the terms of the then-current form of Area Development Agreement. If Franchisor is not offering new area development franchises, is in the process of revising, amending or renewing Franchisor's form of Area Development Agreement or Disclosure Document or is not lawfully able to offer Franchisor's then-current form of Area Development Agreement at the time of an Assignment, Franchisor may offer to amend this Agreement, upon terms and conditions that will be established by Franchisor and the Proposed Buyer at that time, or may offer to amend the term of this Agreement on substantially the terms and conditions set forth in this Agreement on a month-to-month basis for as long as Franchisor deems necessary or appropriate so that Franchisor may subsequently offer and utilize a then-current form of Area Development Agreement.

9.4.5 Area Developer will remain subject to all obligations stated in this Agreement that expressly, or by implication due to their nature, survive the Assignment, termination or expiration of this Agreement, including, without limitation, the provisions prohibiting competition, non-interference and non-disclosure of Confidential Information.

9.4.6 Area Developer and the Proposed Buyer shall execute a General Release in a form acceptable to Franchisor.

9.4.7 Area Developer shall pay Franchisor the Transfer Fee to apply against Franchisor's administrative and other costs to process the Assignment.

9.4.8 Area Developer must simultaneously transfer its rights in all contracts for which continuation is necessary for operation of the JINYA Ramen Bars to the Proposed Buyer and satisfy any separate conditions to obtain any third party consents required for the transfer of Area Developer's rights to the Proposed Buyer. The Proposed Buyer must execute all other documents and agreements required by Franchisor to consummate the Assignment. All required third party consents to the Assignment must be obtained. If the Proposed Buyer is a corporation, limited liability company or other business Entity, each Person who at the time of the Assignment, or later, owns or acquires, either legally or beneficially, twenty percent (20%) or more of the Equity or voting interests of the Proposed Buyer must execute a Guarantee in a form acceptable to Franchisor.

9.4.9 Area Developer's right to receive the sales proceeds from the Proposed Buyer in consideration of the Assignment shall be subordinate to the obligations of the Proposed Buyer owed to Franchisor and its Affiliates under, or pursuant to, this Agreement or any other agreement. All contracts by and between Area Developer and the Proposed Buyer shall expressly include a subordination provision permitting payment of the sales proceeds to Area Developer only after any outstanding obligations owed to Franchisor and its Affiliates are fully satisfied.

9.4.10 Except when the transferee is an existing Area Developer or franchisee of Franchisor, the Proposed Buyer, and a supervisory or managerial employee of the Proposed Buyer who will have general management and supervisory responsibilities for the JINYA Ramen Bars who is acceptable to Franchisor, must complete to Franchisor's sole satisfaction Franchisor's Initial Training Program prior to the effective date of the Assignment.

9.4.11 The Proposed Buyer must conform the JINYA Ramen Bars with Franchisor's then-current appearance and design standards and equipment specifications applicable to new JINYA Ramen Bars.

9.5 **Death or Incapacity.** In the event of the death or incapacity of an Owner, the spouse, heirs or personal representative of the deceased or incapacitated Person, or the remaining shareholders, members, partners or owners (the “**Successor**”) shall have one hundred eighty (180) days from the date of death or incapacity in which to (i) purchase the interest of the deceased or incapacitated Person; or (ii) complete an Assignment of the interest of the deceased or incapacitated Person to a qualified, approved third party, subject to the provisions of this Article 9. If a Successor has not purchased the interest of the deceased or incapacitated Person or completed an Assignment of the interest of the deceased or incapacitated Person to a qualified, approved third party within one hundred eighty (180) days from the date of death or incapacity, Franchisor may terminate this Agreement.

10. **TRANSFER BY AREA DEVELOPER IN BANKRUPTCY; FRANCHISOR’S RIGHTS.**

If, for any reason, this Agreement is not terminated pursuant to Section 11.1 and instead the Assignment and assumption of this Agreement to and by any Person or Entity who has made a bona fide offer to accept an Assignment of it is contemplated, pursuant to the United States Bankruptcy Code, then notice of the proposed Assignment or assumption, which shall set forth (a) the name and address of the proposed assignee, and (b) all of the terms and conditions of the proposed Assignment and assumption, shall be given to Franchisor within twenty (20) days after receipt of the proposed assignee's offer to accept Assignment of this Agreement. Further, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into the Assignment and assumption, Franchisor shall have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed Assignment and assumption, to accept an Assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, which consideration shall be reduced by the amount of any brokerage commissions which may be payable by Area Developer out of the consideration to be paid by the assignee for the Assignment of this Agreement.

11. **DEFAULT AND TERMINATION.**

11.1 **Termination on Area Developer's Bankruptcy or Insolvency.** Area Developer shall be deemed to be in Default under this Agreement, and all rights granted to Area Developer of this Agreement shall automatically terminate without notice to Area Developer if: (i) Area Developer becomes insolvent or makes a general assignment for the benefit of creditors; (ii) a petition in bankruptcy is filed under the United States Bankruptcy Act by Area Developer or such a petition is filed against and not opposed by Area Developer; (iii) Area Developer is adjudicated as bankrupt or insolvent; (iv) a bill in equity or other proceeding for the appointment of a receiver of Area Developer or other custodian for any JINYA Ramen Bar is filed and consented to by Area Developer; (v) a receiver or other custodian (permanent or temporary) of Area Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) proceedings for a composition with creditors under any Applicable Law is instituted by or against Area Developer; (vii) a final judgment in excess of \$100,000 against any JINYA Ramen Bars remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); (viii) Area Developer admits Area Developer is unable to generally pay Area Developer's debts as they become due; (ix) execution is levied against any JINYA Ramen Bar or property; (x) suit to foreclose any lien or mortgage against any JINYA Ramen Bar or the equipment of any JINYA Ramen Bar is instituted against Area Developer and not dismissed within thirty (30) days; or (xi) any JINYA Ramen Bar shall be sold after levy thereupon by any sheriff, marshal, or constable.

11.2 **Termination with Notice and Without Opportunity to Cure.** Area Developer shall be in Default under this Agreement, and Franchisor may, at its option, terminate this Agreement and all rights granted under this Agreement, without affording Area Developer any opportunity to cure the Default, effective immediately upon receipt of notice by Area Developer if: (i) Area Developer or an Owner is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor

believes is reasonably likely to have an adverse effect on the JINYA Ramen Bar System, the Jinya Marks, the goodwill associated with them, or Franchisor's interest in them; (ii) Area Developer fails to comply with the Development Schedule; (iii) any of the Franchise Agreements or any other agreement between Area Developer and Franchisor or its Affiliates are terminated due to a Default by Area Developer; (iv) any purported assignment or transfer of any direct or indirect interest in this Agreement, in the JINYA Ramen Bars, or in all or substantially all of Area Developer's assets is made to any third party by Area Developer or an Owner without Franchisor's prior written consent; (v) any Assignment of the Equity ownership interests of Area Developer or an Owner is made to any third party without Franchisor's prior written consent; (vi) Area Developer or an Owner discloses or divulges the contents of Franchisor's Manuals, JINYA Ramen Bar Trade Secrets or other Confidential Information provided to Area Developer by Franchisor; (vii) an approved Assignment, as required by Section 9.5, is not effected within the time provided following death or incapacity of an Owner; (viii) Area Developer or an Owner fails to comply with the covenants in Article 13 or fails to obtain execution of and deliver the covenants required under Section 13.7; (ix) Area Developer or an Owner has made any material misrepresentations in connection with their application to Franchisor for the development rights granted by this Agreement; (x) Area Developer or an Owner, after curing a Default pursuant to Section 11.3, commits the same, similar, or different Default, whether or not cured after notice; (xi) any Owner fails or refuses to deliver to Franchisor, within ten (10) days after Franchisor's written request, a Guarantee in substantially the form attached to this Agreement as Exhibit C and current financial statements as may from time to time be requested by Franchisor; (xii) Area Developer, an Owner or an Affiliate fails to comply with any or all of the terms of this Agreement, or any other agreement between Franchisor, or its Affiliates, and Area Developer or an Owner beyond the applicable cure period; or (xiii) Area Developer commits a Default of Area Developer's obligations under this Agreement or any other agreement between Area Developer and Franchisor, which Default by its nature is not capable of being cured by Area Developer.

11.3 Termination with Notice and Opportunity to Cure. Except as provided in Section 11.1 and Section 11.2, Area Developer shall have thirty (30) days after its receipt of written notice from Franchisor within which to remedy any Default under this Agreement and to provide evidence thereof to Franchisor. If any such Default is not cured within the specified time, or such longer period as Applicable Law may require, this Agreement shall terminate without further notice to Area Developer effective immediately upon expiration of the thirty (30) day period or such longer period as Applicable Law may require. Area Developer shall be in Default pursuant to this Section 11.3 for failure to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be modified or supplemented by the Manuals, or for failure to carry out the terms of this Agreement in good faith.

11.4 Options at Termination. Upon any Default under Section 11.2 or Section 11.3, Franchisor may immediately take any one or more of the following actions, by written notice to Area Developer: (i) terminate this Agreement and all rights granted to Area Developer under this Agreement; (ii) accelerate or decelerate the Development Schedule; (iii) reduce the Minimum Development Obligation; (iv) eliminate or diminish Area Developer's rights with respect to the Development Area or the size of the Development Area; or (v) increase the fees to be paid by Area Developer to Franchisor.

11.5 Cross-Default. Franchisor has the right to treat a default under any other agreement that Area Developer or an affiliate has with Franchisor as a default under this Agreement, subject to any applicable provisions for notice and cure set forth in the other agreement. For purposes of this section,

“affiliate” means a person or business entity controlling, controlled by, or under common control with Area Developer.

12. **OBLIGATIONS UPON TERMINATION OR EXPIRATION**

Upon termination or expiration of this Agreement, all rights granted under this Agreement to Area Developer shall forthwith terminate, and the following provisions shall apply:

12.1 **No Right to Open Additional JINYA Ramen Bars.** Upon termination or expiration of this Agreement: (i) Area Developer shall have no further right to develop any JINYA Ramen Bars; (ii) Area Developer shall have no further rights or obligations under this Agreement or the Franchise Agreements that were terminated; (iii) Area Developer shall have the right to continue to own and operate all JINYA Ramen Bars Opened by Area Developer prior to the termination date under Franchise Agreements with Franchisor that remain in full force and effect on the termination date; and (iv) Franchisor may thereafter develop, own and operate, and grant franchises to third parties to develop, own and operate JINYA Ramen Bars at any location within or outside of the Development Area, without restriction.

12.2 **Payment of Monies Due.** Upon termination or expiration of this Agreement, Area Developer shall promptly pay all sums owing to Franchisor and its Affiliates. If this Agreement is terminated because of a Default by Area Developer, such sums also shall include all damages, costs, and expenses, including attorneys' fees, incurred by Franchisor as a result of the Default. Franchisor shall have the right to set off any amounts which Franchisor deems are payable to Franchisor by Area Developer.

12.3 **Return of Materials and Information.** Upon termination or expiration of this Agreement, Area Developer shall immediately deliver to Franchisor the Manuals and all other records, files, and any instructions containing Confidential Information which are in Area Developer's possession and all copies thereof (all of which are acknowledged to be the property of Franchisor).

13. **COVENANTS.**

13.1 **No Prior Experience, Information or Knowledge.** Area Developer specifically acknowledges and agrees that prior to becoming an area developer of Franchisor, Area Developer had no experience, information or knowledge whatsoever about operating a restaurant that offers and sells ramen as its primary menu item or a JINYA Ramen Bar and that Area Developer's knowledge of the Confidential Information was obtained solely from Franchisor, following Area Developer's training by Franchisor and Area Developer's subsequent operation of the JINYA Ramen Bar under the Franchise Agreement. Area Developer specifically acknowledges that, pursuant to this Agreement, Area Developer will receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the JINYA Ramen Bar System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

13.2 **Non-Competition during Term of Agreement.** Area Developer and each Restricted Person covenants that during the Term, except as otherwise approved in writing by Franchisor, Area Developer and each Restricted Person shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any Person, or Entity: (i) divert or attempt to divert any present or prospective JINYA Ramen Bar customer to any Competitive Business, 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 Jinya Marks and the JINYA Ramen Bar System; or (ii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business, provided, however, the restrictions

stated in this Section 13.2 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Area Developer.

13.3 Non-Competition after Transfer, Expiration or Termination of Agreement. Except as Franchisor otherwise approves in writing, commencing upon the date of: (i) an Assignment permitted under Article 9; (ii) the Expiration Date of this Agreement; (iii) the termination of this Agreement (regardless of the cause for termination); or (iv) a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 13.3, and continuing for an uninterrupted period of two (2) years thereafter, Area Developer and each Restricted Person shall not, own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any Competitive Business within a four (4) mile radius of any Franchised Location or other JINYA Ramen Bar; provided, however, the restrictions stated in this Section 13.3 shall not apply to any Restricted Person after two (2) years from the date the Restricted Person ceases to be an officer, director, shareholder, member, manager, trustee, owner, general partner, employee or otherwise associated in any capacity with Area Developer in the Development Area.

13.4 Exceptions to Non-Compete Covenants. Section 13.2 and Section 13.3 shall not apply to ownership by Area Developer or a Restricted Person of a less than five percent (5%) beneficial interest in the outstanding equity securities of any Competitive Business registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

13.5 Reducing Scope of Covenants. Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 13.2 and Section 13.3, or any portion thereof, without Area Developer's consent, effective immediately upon receipt by Area Developer of written notice thereof, and Area Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable. Further, none of the provisions in this Article 13 are intended to prohibit or restrict any activity which prohibition or restriction violates Area Developer's employees' rights to engage in protected concerted activity under the National Labor Relations Act.

13.6 Enforceability of Covenants Not Affected by Area Developer Claims. The existence of any claims Area Developer 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 Article 13. Area Developer shall pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 13.

13.7 Covenants from Individuals. Area Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 13 (including covenants applicable upon the termination of a Person's relationship with Area Developer) from all Restricted Persons. Every covenant required by this Section 13.7 shall be in a form acceptable to Franchisor, and shall include, without limitation, a designation of Franchisor as a third party beneficiary of the covenants with the independent right to enforce them.

13.8 Breach of Covenants Causes Irreparable Injury. Area Developer acknowledges that the violation of any covenant in this Article 13 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Area Developer consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

13.9 Effect of Applicable Law. In the event any portion of the covenants in this Article 13 violates laws affecting Area Developer, or is held invalid or unenforceable in a final judgment to which Franchisor

and Area Developer are parties, then the maximum legally allowable restriction permitted by Applicable Law shall control and bind Area Developer. The provisions of this Article 13 shall be in addition to and not in lieu of any other confidentiality obligation of Area Developer, or any other Person, whether pursuant to another agreement or pursuant to Applicable Law.

13.10 **Survival**. The provisions of this Article 13 shall survive the expiration and termination of this Agreement and shall not limit, restrain or otherwise affect any right or cause of action which may accrue to Franchisor for any infringement of, violation of, or interference with, this Agreement, or the Jinya Marks, the JINYA Ramen Bar System, the Confidential Information, the JINYA Ramen Bar Trade Secrets, or any other proprietary aspects of Franchisor's business.

14. **INDEPENDENT CONTRACTOR AND INDEMNIFICATION**.

14.1 **No Fiduciary Relationship**. This Agreement does not create a fiduciary relationship between the Parties. Area Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute or appoint either Party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

14.2 **Public Notice of Independent Status**. Area Developer shall conspicuously identify itself in all dealings with its customers, contractors, suppliers, public officials, and others, as an independent Area Developer of Franchisor, and shall place such notice of independent ownership on all forms. Franchisor shall have the right to specify the language of any such notice.

14.3 **Independent Contractor**. Area Developer acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligations in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, nor shall Franchisor be liable by reason of any act or omission of Area Developer in its conduct of the operation of the JINYA Ramen Bars or for any claim or judgment arising therefrom against Area Developer or Franchisor.

14.4 **Indemnification**. Area Developer and its Owners and Affiliates (collectively, the "**Indemnitors**") shall indemnify, defend and hold harmless to the fullest extent permitted by Applicable Law, Franchisor, its Affiliates and their respective directors, officers, employees, shareholders and agents (collectively, the "**Indemnitees**"), from any and all "**Losses and Expenses**" incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof (collectively, an "**Indemnifiable Claim**") which arises directly or indirectly from, as a result of, or in connection with Area Developer's operation of a JINYA Ramen Bar and regardless of whether the Indemnifiable Claim or the Losses and Expenses resulted from any strict or vicarious liability imposed by law on Area Developer; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Franchisor (except to the extent that joint liability is involved, in which event the indemnification provided for in this Section 14.4 shall extend to any finding of comparative negligence or contributory negligence attributable to Area Developer). For the purpose of this Section 14.4, the term "**Losses and Expenses**" means and include compensatory, exemplary, or punitive damages, fines and penalties, attorneys' fees, experts' fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to a Party's reputation and goodwill, and all other costs associated with any of the foregoing Losses and Expenses.

14.4.1 The Indemnitees shall give the Indemnitors prompt notice of any Indemnifiable Claim of which the Indemnitees are aware for which indemnification is required under this Section 14.4. The notice shall specify whether the Indemnifiable Claim arises as a result of an Indemnifiable Claim by a third party against the Indemnitees (a "**Third Party Claim**") or whether the Indemnifiable Claim does not result from an Indemnifiable Claim by a third party against the Indemnitees (a "**Direct Claim**"), and

shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Indemnifiable Claim and the amount of the Indemnifiable Claim, if known. If, through the fault of the Indemnitees, the Indemnitors do not receive notice of any Indemnifiable Claim in time to effectively contest the determination of any Losses and Expenses susceptible of being contested, the Indemnitors shall be entitled to set off against the amount claimed by the Indemnitees the amount of any Losses and Expenses incurred by the Indemnitors resulting from the Indemnitees' failure to give such notice on a timely basis.

14.4.2 With respect to Third Party Claims, the Indemnitors shall have the right, at their expense and at their election, to assume control of the negotiation, settlement and defense of Third Party Claims through counsel of their choice. The election of the Indemnitors to assume such control shall be made within thirty (30) days after the Indemnitors' receipt of notice of a Third Party Claim. If the Indemnitors elect to assume control, the Indemnitors shall do so at the Indemnitors' sole expense. The Indemnitees shall have the right to be informed and consulted with respect to the negotiation, settlement or defenses of the Third Party Claim and to retain counsel to act on the Indemnitees' behalf, at the Indemnitees' sole expense, unless the Indemnitors consent to the retention of the Indemnitees' counsel at the Indemnitors' expense or unless the Indemnitors and the Indemnitees are both named in any action or proceeding and the representation of both the Indemnitors and the Indemnitees by the same counsel would be appropriate because of the absence of any actual or potential differing interests between them (such as the availability of different defenses).

14.4.3 If the Indemnitors elect to assume control, but thereafter fail to defend the Third Party Claim within a reasonable time, the Indemnitees shall be entitled to assume control and the Indemnitors shall be bound by the results obtained by the Indemnitees with respect to the Third Party Claim. If any Third Party Claim is of a nature that the Indemnitees are required by Applicable Law to make a payment to any claimant with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnitees may make such payment and the Indemnitors shall, within thirty (30) days after demand by the Indemnitees, reimburse the Indemnitees for the amount of the payment. If the Indemnitees' liability under the Third Party Claim, as finally determined, is less than the amount paid by the Indemnitors to the Indemnitees, the Indemnitees shall, within thirty (30) days after receipt of the difference from the claimant, pay the difference to the Indemnitors.

14.4.4 If the Indemnitors fail to assume control of the defense of any Third Party Claim, the Indemnitees shall have the exclusive right to consent, settle or pay the amount claimed. Whether or not the Indemnitors assume control of the negotiation, settlement or defenses of any Third Party Claim, the Indemnitors shall not settle any Third Party Claim without the written consent of the Indemnitees, which consent shall not be unreasonably withheld or delayed. The Indemnitees and the Indemnitors shall cooperate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect to Third Party Claims (including supplying copies of all relevant documentation promptly as they become available).

14.4.5 With respect to Direct Claims, following receipt of notice from the Indemnitees of the Direct Claim, the Indemnitors shall have thirty (30) days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of the investigation, the Indemnitees shall make available to the Indemnitors the information relied upon by the Indemnitees to substantiate the Direct Claim, together with all other information that the Indemnitors may reasonably request. If the Indemnitors and the Indemnitees agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of a Direct Claim, the Indemnitors shall immediately pay the Indemnitees the full agreed upon amount of the Direct Claim. If the Indemnitors fails to pay the Direct Claim, the matter shall be resolved in the manner described in Article 15.

14.4.6 The Indemnitees shall exert commercially reasonable efforts to mitigate the Losses and Expenses upon and after becoming aware of any Indemnifiable Claim which could reasonably be expected to give rise to the payment of Losses and Expenses.

15. **DISPUTE RESOLUTION**

15.1 **Mediation.** The Parties pledge to attempt first to resolve any Dispute pursuant to mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association unless the Parties agree on alternative rules and a mediator within fifteen (15) days after either Party first gives notice of mediation. Mediation shall be conducted in the county where our headquarters is located at the time the mediation is commenced, and shall be conducted and completed within forty-five (45) days following the date either Party first gives notice of mediation unless otherwise agreed to in writing by the Parties. The fees and expenses of the mediator shall be shared equally by the Parties. The mediator shall be disqualified as a witness, expert or counsel for any Party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under California and other Applicable Laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the Parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. Notwithstanding anything to the contrary set forth in this Agreement, any Party that fails to reasonably cooperate in scheduling and completing a mediation within forty-five (45) days after giving or receiving notice thereof shall be precluded from recovering costs, expenses, and/or prevailing Party attorneys' fees in any subsequent legal action. If any dispute remains unresolved ninety (90) days after a demand for mediation by either Party, the Parties shall each be free to pursue their respective legal remedies under Section 15.2.

15.2 **Litigation Venue.** The Parties irrevocably select the venue of and submit themselves to the exclusive jurisdiction of the state or federal courts having jurisdiction where our principal business offices are located at the time suit is filed and hereby waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision, provided, however, with respect to any action which includes injunctive relief or other extraordinary relief, we may bring such action against you in any court in any state which has jurisdiction. You and we agree that service of process may be made upon each party in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by California or federal law.

15.3 **Governing Law.** California law shall govern the construction, interpretation, validity and enforcement of this Agreement, except to the extent the subject matter of the dispute arises exclusively under federal law, in which event federal law shall govern. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the JINYA Ramen Bars are located outside of California and such provision would be enforceable under the laws of the state in which the JINYA Ramen Bars are located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 15.2 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

15.4 **Waivers.** The Parties agree, to the extent permitted by Applicable Law, that any legal action of any kind by either Party arising out of or relating to this Agreement or a Default under this Agreement must be commenced by no later than the last to occur of the following: (i) one hundred eighty (180) days after obtaining knowledge of the facts which constituted or gave rise to the alleged violation or liability; or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability. the Parties, for themselves, and for and on behalf of the Owners, hereby

waive to the fullest extent permitted by Applicable Law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the Parties shall each be limited to recovering only the actual damages proven to have been sustained by that Party, except as provided in Section 15.6.

15.5 **Specific Performance**. The Parties acknowledge that each Party would be irreparably damaged if the provisions of this Agreement were not capable of being specifically enforced, and for this reason, the Parties agree that the provisions of this Agreement shall be specifically enforceable. The Parties further agree that any act or failure to act which does not strictly comply with the provisions and conditions of this Agreement may be specifically restrained, and that the equitable relief provided for in this Agreement shall not in any way limit or deny any other remedy at law or in equity that either Franchisor or Area Developer might otherwise have.

15.6 **Attorneys' Fees**. In any legal action or proceeding brought to enforce any provision of this Agreement or arising out of, or in connection with, this Agreement, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs in addition to any other relief that may be awarded by a Court.

15.7 **Exclusive Remedy**. In no event shall either Party make or have any claim for money damages based on any claim or assertion that the other Party has unreasonably withheld, conditioned or delayed any consent, approval or authorization required under this Agreement. Each Party waives any such claim for damages. Neither Party may claim any such damages by way of setoff, counterclaim or defense. Each Party's sole remedy for such a claim shall be an action or proceeding to enforce the provisions of this Agreement, for specific performance or for declaratory judgment.

15.8 **Exceptions to Mediation**. The mediation provision in Section 15.1 shall not apply to any action for injunctive or other provisional relief, including, without limitation, enforcement of liens, security agreements, or attachment, as Franchisor deems to be necessary or appropriate to compel Area Developer to comply with Area Developer's obligations to Franchisor and/or to protect the Jinya Marks. Any claim or dispute involving or contesting the validity of any of the Jinya Marks shall not be subject to mediation.

16. **ANTI-TERRORISM LAWS**.

Area Developer shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Executive Order 13224 issued by the President of the United States, the USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"). In connection with its compliance, Area Developer certifies, represents and warrants that none of Area Developer's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Area Developer is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Area Developer or Area Developer's employees or any "blocking" of Area Developer's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Area Developer has entered into with Franchisor or any of its Affiliates, in accordance with the provisions of Section 11.2.

17. **NOTICES**.

All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery with a guaranteed tracking facility, by certified mail, or by electronic transmission (email). Service shall be deemed conclusively made (i) at the time of service, if personally served; (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if

by air courier with a guaranteed tracking facility; (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid; or (iv) on the day of electronic transmission to the email address given below if telephonic confirmation of receipt is obtained by the sender promptly after completion of electronic transmission. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

JINYA Franchise Inc.
21045 Erwin Street,
Suite 1A.
Woodland Hills, California 91367
Attention: President
franchisesales@jinyaholdings.com

Notices to Area Developer:

See **Exhibit A**

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

18. **ACKNOWLEDGMENTS.**

18.1 **Waiver and Delay.** No waiver by Franchisor of any Default, or series of Defaults in performance by Area Developer, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it under this Agreement or under any agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, or to insist upon strict compliance with or performance of Area Developer's obligations under this Agreement or any Franchise Agreement or other agreement between the Parties, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

18.2 **Survival of Covenants.** The covenants contained in this Agreement which, by their nature or terms, require performance by the Parties after the termination or expiration of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

18.3 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Area Developer and its or their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained in this Agreement.

18.4 **Joint and Several Liability.** If Area Developer consists of more than one Owner, the obligations and liabilities of each Person or Entity to Franchisor are joint and several.

18.5 **Entire Agreement.** This Agreement and the Exhibits contain all of the terms and conditions agreed upon by the Parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, shall be deemed to exist or to bind either of the Parties and all prior agreements, understandings and representations are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Franchisor has any authority to make any representation or promise not included in this Agreement and Area Developer agrees that it has executed this Agreement without reliance upon any representation or promise not included in this Agreement. This Agreement cannot be modified or changed except by written

instrument signed by both of the Parties. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations made in the franchise disclosure document previously furnished to Area Developer.

18.6 **Titles and Recitals.** Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement. The Recitals set forth in Recitals A and B of this Agreement are true and correct and are hereby incorporated by reference into the body of this Agreement.

18.7 **Gender and Construction.** The terms of all Exhibits attached to this Agreement are hereby incorporated into and made a part of this Agreement as if they had been set forth in full in this Agreement. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section in this Agreement may require. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided in this Agreement to the contrary, any consent, approval, acceptance or authorization of Franchisor or Area Developer that may be required under this Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed by the Party whose consent, approval, acceptance or authorization has been requested. On any occasion where Franchisor is required or permitted to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Franchisor’s standards or satisfaction, Franchisor may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of both Parties. The Parties intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

18.8 **Severability; Modification.** Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in that event, the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

18.9 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by any means shall constitute and be deemed originals of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

18.10 **Time of the Essence.** Time is of the essence of this Agreement with respect to each and every provision of this Agreement in which time is a factor.

18.11 **Atypical Arrangements.** Area Developer acknowledges and agrees that Franchisor may modify the offer of its franchises to other JINYA Ramen Bar area developers and franchisees in any manner and at any time, which offers have or may have terms, conditions and obligations which may differ from the terms, conditions, and obligations in this Agreement. Area Developer further

acknowledges and agrees that Franchisor has made no warranty or representation that area development agreements or franchise agreements previously issued or issued after this Agreement by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Franchisor may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Agreements previously executed or executed after the date of this Agreement with other JINYA Ramen Bar area developers and franchisees in a non-uniform manner.

[SIGNATURES ON NEXT PAGE]

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

FRANCHISOR:

JINYA FRANCHISE INC.,
A California corporation

By:

Name:

Title:

Date:

AREA DEVELOPER:

**(IF AREA DEVELOPER IS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Area Developer Entity]

By:

Name:

Title:

Date:

OR

(IF AREA DEVELOPER IS AN INDIVIDUAL):

Print Name

Signature

Date

**JINYA FRANCHISE INC.
AREA DEVELOPMENT AGREEMENT**

**EXHIBIT A
DEVELOPMENT INFORMATION**

EFFECTIVE DATE: _____

AREA DEVELOPER: _____

DEVELOPMENT AREA is defined as the territory within the boundaries described below:

If the Development Area is defined by streets, highways, freeways or other roadways then the boundary of the Development Area shall extend to the center line of each street, highway, freeway or other roadway.

NUMBER OF / MINIMUM DEVELOPMENT OBLIGATION:

_____ Standard JINYA Ramen Bars
_____ bushi by JINYAs

Area Developer may ONLY develop the type of JINYA Ramen Bar in the Development Area noted above. Development of any other type of JINYA Ramen Bar shall not count towards this Development Agreement or the total number of development obligations noted above; Franchisor has the right to develop or grant third parties the right to develop other types of JINYA Ramen Bars in the Development Area.

DEVELOPMENT FEE: \$_____ (@ \$20,000 for each JINYA Ramen Bar).

DEVELOPMENT SCHEDULE: _____ JINYA Ramen Bars must be Opened as follows:

NUMBER OF NEW OUTLETS TO BE OPENED	DATE BY WHICH LEASE(S) FOR ADDITIONAL OUTLET(S) MUST BE SIGNED	DATE BY WHICH ADDITIONAL OUTLET(S) MUST BE OPENED	CUMULATIVE NUMBER OF EXISTING AND NEW OUTLETS TO BE OPEN AND OPERATING IN THE DEVELOPMENT AREA ON THE REQUIRED OPENING DATE, INCLUDING THE NEW OUTLET TO BE ESTABLISHED
TOTAL			

INITIAL FRANCHISE FEE: \$40,000 for each JINYA Ramen Bar.

NOTICE ADDRESS FOR AREA DEVELOPER:

Email Address:

EXHIBIT B
ENTITY INFORMATION DISCLOSURE

Area Developer represents and warrants that the following information is accurate and complete in all material respects:

(1) Area Developer is a (check as applicable):

☐ corporation

☐ limited liability company

☐ general partnership

☐ limited partnership

☐ Other (specify): _____

State of incorporation/organization: _____

Entity name: _____

Federal Tax ID Number: _____

(3) The name and address of each Owner is:

NAME	HOME ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(4) The names, addresses and titles of the Owners who will be devoting their full time to the development of the JINYA Ramen Bars are:

NAME	HOME ADDRESS	TITLE

(5) The Principal Owner is _____

EXHIBIT C
GUARANTEE OF AREA DEVELOPMENT AGREEMENT

The undersigned ("**Guarantors**") have requested **JINYA FRANCHISE INC.**, a California corporation ("**Franchisor**"), to enter into that certain Area Development Agreement dated _____ (the "**Area Development Agreement**") with _____, a _____ ("**Area Developer**"). In consideration for, and as an inducement to, Franchisor's execution of the Area Development Agreement, Guarantors hereby agree as follows:

1. "**Obligations**" means and includes any and all obligations of Area Developer arising under or pursuant to the Area Development Agreement and all other obligations, whether now existing or hereafter arising, of Area Developer to Franchisor of whatever nature.
2. Guarantors irrevocably and unconditionally, fully guarantee to Franchisor the prompt, full and complete payment of any and all Obligations of Area Developer to Franchisor and the performance of any and all obligations of Area Developer including, without limitation, obligations under the Area Development Agreement or any other agreement, instrument or document relating to, evidencing or securing any Obligations.
3. If Area Developer fails to pay any of the Obligations, Guarantors shall, within five (5) days after a written demand therefore has been given to Guarantors by Franchisor, pay all of the Obligations in like manner as if the Obligations constituted the direct and primary obligation of Guarantors. Guarantors agree that if any obligation, covenant or agreement contained in the Area Development Agreement is not observed, performed or discharged as required by the Area Development Agreement (taking into consideration any applicable cure periods), Guarantors shall, within five (5) days after a written demand therefor has been given to Guarantors by Franchisor, observe, perform or discharge such obligation, covenant or agreement in like manner as if the same constituted the direct and primary obligation of Guarantors.
4. No exercise or non-exercise by Franchisor of any right under this guarantee (this "**Guarantee**"), no dealing by Franchisor with Area Developer or any other Person and no change, impairment or suspension of any right or remedy of Franchisor shall in any way affect any Obligations of Guarantors under this Guarantee or give Guarantors any recourse against Area Developer. Without limiting the generality of the foregoing, Guarantors agree that, regardless of whether Franchisor gives notice thereof or obtains the consent of Guarantors thereto, Guarantors' liability under this Guarantee shall not be released, extinguished or otherwise reduced in any way by reason of: (i) any amendment, modification, renewal, extension, substitution or replacement of the Area Development Agreement or of any of the Obligations, in whole or in part; (ii) any acceptance, enforcement or release by Franchisor of any security for the Area Development Agreement or of any of the Obligations, any addition, substitution or release of any of the Guarantors, or any enforcement, waiver, surrender, impairment, release, compromise or settlement of any matter with respect to the Area Development Agreement or the Obligations or any security therefore; (iii) any assignment of this Guarantee, in whole or in part by Franchisor, or any assignment or transfer of the Area Development Agreement (or any of them) by Franchisor or Area Developer; (iv) the invalidity or unenforceability of any provision of the Area Development Agreement or any of the Obligations; or (v) any failure, omission or delay of Franchisor in enforcing the Area Development Agreement, the Obligations or this Guarantee.

5. Guarantors waive and agree not to assert or take advantage of: (i) any right to require Franchisor to proceed against Area Developer or any other Person, firm or corporation or to proceed against or exhaust any security held by Franchisor at any time or to pursue any other remedy in Franchisor's power; (ii) any statute of limitations in any action under this Guarantee to collect any Obligations guaranteed hereby; (iii) any defense that may arise by reason of Area Developer's incapacity, lack of authority, insolvency or bankruptcy or Franchisor's failure to file or enforce a claim against the estate (either in bankruptcy or other proceeding) of Area Developer, any other or others; (iv) any defense arising out of any alteration of the Area Development Agreement or the Obligations; (v) notice of Area Developer's Default in the payment or performance of any of the Obligations; (vi) demand, protest and notice of any kind including, without limitation, notice of acceptance, notice of the existence, creation or incurring of new or additional Obligations or obligations or of any action or non-action on the part of Area Developer, Franchisor, any endorser, creditor of Area Developer or Guarantors under this or any other instrument, or any other Person, in connection with any obligation or evidence of Obligations held by Franchisor or in connection with any Obligations hereby guaranteed; (vii) all rights and defenses arising out of an election of remedies by Franchisor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantors' rights of subrogation and reimbursement against Area Developer by operation of Applicable Law or otherwise; (viii) any duty of Franchisor to disclose to Guarantors any facts that Franchisor may now or hereafter know about Area Developer, regardless of whether Franchisor has reason to believe that any such facts materially increase the risk beyond that which Guarantors intends to assume or has reason to believe that such facts are unknown to Guarantors or has a reasonable opportunity to communicate such facts to Guarantors, it being understood and agreed that Guarantors is responsible to be and to keep informed of Area Developer's financial condition and of all circumstances bearing on the risk of nonpayment of any Obligations hereby guaranteed; or (ix) any right to the benefit of or to direct the application of any security held by Franchisor.

6. Until all Obligations to Franchisor are paid in full and fully performed, Guarantors shall have no right of subrogation and waive any right to enforce any remedy that Franchisor now has or may hereafter have against Area Developer. All existing or future indebtedness of Area Developer to Guarantors and any right to withdraw capital invested in Area Developer by Guarantors are hereby subordinated to all Obligations.

7. Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and such rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law. Without limiting the generality of anything contained in this Agreement, Guarantors waive and agree not to assert or take advantage of (i) all rights described in California Civil Code Sections 2856(a)(1) through 2856(a)(3), inclusive, including, without limitation, any rights or defenses which are or may become available to Guarantors by reason of California Civil Code Sections 2787 through 2855, inclusive; and (ii) California Civil Code Section 2899.

8. The liability of Guarantors under this Guarantee shall be an absolute, direct, immediate and unconditional continuing guarantee of payment and performance and not of collection. Guarantors' obligations under this Guarantee are independent of Area Developer's obligations. This is a continuing Guarantee. It shall be irrevocable during the term and through any extensions, amendments, modifications, substitutions or replacements of the Area Development Agreement and until all Obligations has been fully paid and the Obligations have been fully performed. In the event of any default under this Guarantee, a separate action and/or successive actions may be brought and prosecuted against Guarantors regardless of whether action is brought against Area Developer or whether Area Developer is joined in any such action or actions. Franchisor may maintain successive

actions for other defaults. Franchisor's rights under this Guarantee shall not be exhausted by Franchisor's exercise of any rights or remedies or by any such action or by any number of successive actions until and unless all Obligations have fully been paid and performed. The obligations of Guarantors shall be primary and are independent of the obligations of Area Developer and Franchisor may directly enforce its rights under this Guarantee without proceeding against or joining Area Developer or any other Person or Entity, or applying or enforcing any security of the Area Development Agreement. Guarantors acknowledge and agree that Guarantors shall, and hereby are, bound by each and all of the confidentiality and non-competition provisions of the Area Development Agreement.

9. Neither any provision of this Guarantee nor right of Franchisor under this Guarantee can be waived, nor can Guarantors be released from Guarantors' obligations under this Guarantee except by a written agreement executed by Franchisor. If any provision or portion of any provision of this Guarantee is found by a court of competent jurisdiction to be illegal or unenforceable, all other provisions shall, nevertheless, remain enforceable and effective. This Guarantee constitutes the entire agreement of Guarantors and Franchisor with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall bind Franchisor unless expressed in this Guarantee.

10. All written notices permitted or required under this Guarantee shall be deemed given and delivered in accordance with Article 17 of the Area Development Agreement. Notices to Guarantors shall be sent to the address set forth below each Guarantor's signature below.

11. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Guarantee with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Guarantee for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Guarantee. In addition, this Guarantee may be signed electronically by Guarantors and electronic signatures appearing on this Guarantee shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Guarantee.

12. This Guarantee shall be governed by and construed in accordance with the laws of the State of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. Nothing in this Section 12 is intended by the Parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject. Venue for purposes of any legal proceedings brought in connection with or arising out of this Guarantee shall be conclusively presumed to be in the State of California, County of Los Angeles. Guarantors hereby submit to the jurisdiction of the United States District Court for the Central District of California.

Executed by or on behalf of Guarantors on the date set forth below.

Name

Date

Address

Name

Date

Address

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**NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT FOR MANAGEMENT
EMPLOYEES OF FRANCHISEE**

JINYA FRANCHISE, INC.
NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

(to be signed by Franchisee's supervisory and managerial personnel)

THIS NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this ____ day of _____, 20____ (the "**Effective Date**"), by and between _____ ("**Franchisee**"), on the one hand, and _____ ("**Recipient**"), on the other hand, who are individually referred to in this Agreement as a "**Party**", and collectively referred to in this Agreement as "**Parties**", with reference to the following facts:

A. Franchisor and Franchisor's Affiliates, La Brea Dining California, Inc., a California corporation, Ventura 77 Dining, Inc., a California corporation (collectively, the "**Operating Companies**"), have developed the "**JINYA Ramen Bar System**" for the establishment and operation of casual dining restaurants and fast casual restaurants that offer freshly prepared ramen (Japanese style noodle) dishes with a diverse selection of broths, noodles, proteins, sauces and garnishes as well as sushi, rice bowls, Japanese appetizers and other food and beverage products for on-premises and off-premises consumption and catering events under the trade name and service mark "**JINYA Ramen Bar**" and other related trademarks, service marks, logos and commercial symbols (collectively, the "**JINYA Ramen Bar Marks**").

B. The "**JINYA Ramen Bar System**" includes, without limitation, the operations and training manuals and any other written directives related to the JINYA Ramen Bar System (the "**Manuals**"), the system developed by Franchisor and the Operating Companies that includes operating methods and business practices related to JINYA Ramen Bars, the relationship between Franchisor and its franchisees, interior and exterior JINYA Ramen Bar design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, recipes and unique cooking and preparation techniques and methods, specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor's website, all as Franchisor may modify the same from time to time, and may be disclosed to Recipient by Franchisee.

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

D. Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor has granted Franchisee the right to own and operate a JINYA Ramen Bar (the "**JINYA Ramen Bar**") and to use the JINYA Ramen Bar System, the JINYA Ramen Bar Marks, the Manuals, and the Confidential Information in the operation of the JINYA Ramen Bar.

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

NOW, THEREFORE, IT IS AGREED:

1. ACKNOWLEDGMENTS OF RECIPIENT.

1.1 **No Prior Experience, Information or Knowledge.** Prior to his or her employment or engagement by Franchisee, Recipient had no experience, information or knowledge about operating a JINYA Ramen Bar that offers and sells ramen as its primary menu item or a JINYA Ramen Bar. Recipient's knowledge of the Confidential Information was obtained only from Franchisee following the Effective Date and only in the course of Recipient's employment or engagement by Franchisee.

1.2 **Confidential Information.** The Confidential Information includes all of the items included elsewhere in this Agreement and, in addition, without limitation, all tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, styles, products and services, recipes, cooking and preparation techniques and methods, sources of materials and equipment, customer management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, the JINYA Ramen Bar System, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above described items may be combined with any other information or products or synthesized or used by Recipient. Confidential Information does not include any information that was in the lawful and unrestricted possession of Recipient prior to its disclosure by Franchisee to Recipient; is or becomes generally available to the public by acts

other than those of Recipient after receiving it; has been received lawfully and in good faith by Recipient from a third party who did not derive it from Franchisor, Franchisee or Recipient; or is shown by acceptable evidence to have been independently developed by Recipient.

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

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

2. **COVENANTS OF RECIPIENT.**

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

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

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

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

primary menu item or a JINYA Ramen Bar or any business that looks like, copies, imitates, or operates with similar trade dress or décor to JINYA Ramen Bars.

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

2.5 **No Restriction.** Nothing in this Article 2 is intended to prohibit or restrict any activity which prohibition or restriction violates Recipient's rights to engage in protected concerted activity under the National Labor Relations Act.

3. **GENERAL TERMS.**

3.1 **Injunction.** Recipient recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the JINYA Ramen Bar System and agrees that Recipient's noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information by Recipient will cause irreparable damage to Franchisor and its franchisees. Recipient therefore agrees that if Recipient should engage in any unauthorized or improper use or disclosure of the Confidential Information, Franchisor and Franchisee, independently, will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, to prevent any unauthorized or improper use or disclosure of the Confidential Information in addition to any other remedies prescribed by law. Due to the irreparable damage that would result to Franchisor and Franchisee from any violation of this Agreement, Recipient acknowledges and agrees that any claim Recipient believes he or she may have against Franchisor or Franchisee will be deemed to be a matter separate and apart from Recipient's obligations under this Agreement and will not entitle Recipient to violate or justify any violation of the provisions of this Agreement.

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

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

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

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

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

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

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

Any notice or demand to Franchisee shall be given to:

With a copy to:

JINYA Franchise, Inc.
21045 Erwin Street,
Suite 1A.
Woodland Hills, California 91367
Attention: President

Any notice or demand to Recipient shall be given to:

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

3.9 **Counterparts and Electronic Transmission; Electronic Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

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

FRANCHISEE:

RECIPIENT:

a(n) _____

By: _____

Name: _____

Title: _____

EXHIBIT E

GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____ by _____ ("Franchisee") and/or _____ ("Guarantors") as a condition of (1) the transfer of the JINYA Franchise, Inc. Franchise Agreement dated _____ between JINYA Franchise, Inc. ("JFI") and Franchisee ("Franchise Agreement") or the JINYA Franchise, Inc. Development Agreement dated _____ between JFI and Franchisee ("Development Agreement"); or (2) the execution of a renewal Franchise Agreement by Franchisee and JFI.

1. Release by Franchisee and Guarantors. If Franchisee is an entity, Franchisee (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) or, if Franchisee is an individual, Franchisee (on behalf of himself/herself and his/her heirs, representatives, successors and assigns) (collectively, "Releasors") freely and without any influence forever release JFI, its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively, "Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "Claims"), which any Releasor ever owned or held, now owns or holds or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to, the Development Agreement and/or Franchise Agreement and all other agreements between any Releasor and any Release arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law. This general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Risk of Changed Facts. Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. Waiver of Section 1542. Further, Releasors expressly waive all right, protection, privilege and benefit under Section 1542 of the Civil Code of the State of California, which provides:

1542 A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

By signing this Release of All Claims, Releasors are giving up all rights under Section 1542 and any similar provision of any state.

4. No Prior Assignment. Franchisee and Guarantors represent and warrant that the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1.

5. Covenant Not to Sue. Franchisee and Guarantors (on behalf of Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

6. Complete Defense. Franchisee and Guarantors: **(a)** acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and **(b)** consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

7. Successors and Assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of JFI and each Releasor.

8. Third Party Beneficiary. JFI and its parent, affiliates and subsidiaries shall be third party beneficiaries under this Release.

9. Representation by Counsel. Franchisee and Guarantors acknowledge and agree that they have been represented by independent counsel of their own choice throughout all negotiations which preceded the execution of this Release, and that they have executed this Release with the consent and upon the advice of said independent counsel.

10. Enforcement. This Release and all claims relating to this Release shall be governed by and construed under the law of the state of California. Franchisee and Guarantors shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where JFI's principal offices are located. JFI may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where its principal offices are located, where Franchisee resides or does business, or where the claim arose.

11. Confidentiality. The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders or regulations.

12. Construction. Any capitalized terms that are not defined in this Release shall have the meaning given them in the Development Agreement and Franchise Agreement, as the context requires. The masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular to refer to and include the plural, and vice versa.

13. Applicability. This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder; and the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201 – 14-233, or the rules adopted thereunder.

IN WITNESS WHEREOF, Franchisee and Guarantors have executed this Release as of the date shown above.

ATTEST:

By: _____

Print Name: _____

Title _____

WITNESS:

Print Name: _____

**FOR ENTITY:
FRANCHISEE:**

By: _____

Print Name: _____

Title _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

**FOR INDIVIDUAL:
FRANCHISEE:**

Print Name: _____

Date: _____

EXHIBIT F

STATE SPECIFIC ADDENDA

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

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

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

OUR WEBSITE, www.jinyaramenbar.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in that association or exchange.

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

The highest rate of interest that can be charged in California is 10% annually.

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

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

California Business and Professions Code Sections 20000 through 20043 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.

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.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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

The Franchise Agreement requires mediation. The mediation will occur in Los Angeles County, California, with the costs being borne equally by Franchisor and Franchisee.

4. The following paragraph is added at the end of Item 19 of the Disclosure Document:

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

5. The following paragraphs are added to the Disclosure Document:

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- A. Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- B. Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- C. Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- D. Violations of any provision of this division.

HAWAII

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
3. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “**Act**”), the Disclosure Document is amended as follows:

1. Illinois law governs the agreements between the parties to the Franchise Agreement.
2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration outside of Illinois.
3. Section 41 of the Illinois Franchise Disclosure Protection Act provides that any condition, stipulation or provision that purports to bind a person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
4. Your rights upon termination and non-renewal of the Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”), and _____, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. Illinois law governs the agreements between the parties to the Franchise Agreement.
2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a Franchise Agreement may provide for arbitration outside of Illinois.
3. Section 41 of the Illinois Franchise Disclosure Protection Act provides that any condition, stipulation or provision that purports to bind a person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
4. Your rights upon termination and non-renewal of the Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

a(n), _____

By: _____

Name: _____

Title: _____

ILLINOIS

ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the “**Area Development Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”), and _____, as area developer (“**Area Developer**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

1. Illinois law governs the agreements between the parties to the Area Development Agreement.
2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Area Development Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, an Area Development Agreement may provide for arbitration outside of Illinois.
3. Section 41 of the Illinois Franchise Disclosure Protection Act provides that any condition, stipulation or provision that purports to bind a person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
4. Your rights upon termination and non-renewal of the Area Development Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California corporation

By: _____

Name: _____

Title: _____

AREA DEVELOPER:

a(n), _____

By: _____

Name: _____

Title: _____

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. The Summary section of Item 17(c) entitled “**Requirements for you to Renew or Extend**” and the Summary section of Item 17(l) entitled “**Our Approval of Transfer**” are amended by adding the following:

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

2. The Summary section of Item 17(v) entitled “**Choice of Forum**” are amended by adding the following:

“You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

3. The Summary section of Item 17(h) entitled “**Cause Defined Non-curable Defaults**” is amended by adding the following:

“Termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.).”

4. Item 22 “Contracts” is amended by adding the following:

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

5. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions of the Franchise Agreement or Franchise Compliance Certificate which require a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MARYLAND

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between _____, as franchisor (“**Franchisor**”) and _____, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

1. Notwithstanding any provision of the Franchise Agreement to the contrary, any general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law (the “**Maryland Franchise Law**”).
2. Any provision requiring Franchisee to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Law. Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Law. All claims arising under the Maryland Franchise Law must be brought within 3 years after the grant of a franchise.
3. The Maryland Franchise Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions of the Franchise Agreement which require a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Law in order to purchase a franchise are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.
4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
5. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

a(n), _____

By: _____

Name: _____

Title: _____

MARYLAND

ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the “**Area Development Agreement**”) dated _____, by and between _____, as franchisor (“**Franchisor**”), and _____, as area developer (“**Area Developer**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

1. Notwithstanding any provision of the Area Development Agreement to the contrary, any general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law (the “**Maryland Franchise Law**”).
2. Any provision requiring Area Developer to bring an action against Franchisor in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Law. Area Developer may bring an action in Maryland for claims arising under the Maryland Franchise Law. All claims arising under the Maryland Franchise Law must be brought within 3 years after the grant of a franchise.
3. The Maryland Franchise Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions of the Area Development Agreement which require a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Law in order to purchase a franchise are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.
4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
5. In the event of any conflict between the terms of this Addendum and the terms of the Area Development Agreement, the terms of this Addendum shall prevail.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California corporation

By: _____

Name: _____

Title: _____

AREA DEVELOPER:

a(n), _____

By: _____

Name: _____

Title: _____

MICHIGAN

ADDENDUM TO DISCLOSURE DOCUMENT

The following disclosures are required by the State of Michigan:

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

Each of the following provisions is void and unenforceable if contained in any documents related to a franchise:

- A. A prohibition on the right of a franchisee to join an association of franchises.
- B. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- C. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- D. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.
- E. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- F. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- G. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a

franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- 1) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- 2) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- 3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- 4) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

2. If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00 the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

3. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL OF THE FRANCHISE OFFERING. Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Corporate Oversight Division, Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 335-7567

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. Item 13 “Trademarks” is amended by adding the following:

“As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. Item 17 “Renewal, Termination, Transfer and Dispute Resolution” is amended by adding the following:

A. Renewal and Termination

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Agreement.

B. Choice of Forum

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

C. Releases

A general release shall not relieve any person from liability imposed by Minn. Stat. Sec. 80C.22.

3. Item 22 “Contracts” is amended by adding the following:

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.

4. Minn. Stat. Sec. 80C.21 and Minnesota Rules 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, or judgment notes.

5. Minnesota law prohibits us from requiring you to consent to us obtaining injunctive relief. However, we may seek injunctive relief. In addition, a court will determine if a bond is required.
6. Any provisions that pertain to a limitation of claims must comply with Minn. Stat. Sec. 80C.17, Subd. 5.

MINNESOTA

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”) and _____, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The Franchise Agreement is specifically amended as follows:

In recognition of Minnesota Statutes 1984, Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq. (collectively, the “**Minnesota Franchise Law**”), the parties to the Franchise Agreement agree as follows:

1. Notwithstanding any provision in the Franchise Agreement to the contrary, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Franchise Agreement.
2. Notwithstanding any provision in the Franchise Agreement to the contrary, as required by Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee’s right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
3. Notwithstanding any provision in the Franchise Agreement that requires Franchisee to execute a general release as a condition for Franchisee to assign the franchise to a third party, such a general release shall not relieve any person from liability imposed by Minn. Stat., Sec. 80C.22.
4. Notwithstanding any provision in the Franchise Agreement to the contrary, neither Franchisee’s rights as provided for in Minnesota Franchise Law, nor Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, may be abrogated or reduced.
5. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.

6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

a(n), _____

By: _____

Name: _____

Title: _____

MINNESOTA

ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the “**Area Development Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”), and _____, as area developer (“**Area Developer**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

The Area Development Agreement is specifically amended as follows:

In recognition of Minnesota Statutes 1984, Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq. (collectively, the “**Minnesota Franchise Law**”), the parties to the Area Development Agreement agree as follows:

1. Notwithstanding any provision in the Area Development Agreement to the contrary, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Area Developer be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Area Development Agreement.
2. Notwithstanding any provision in the Area Development Agreement to the contrary, as required by Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Area Developer for any costs incurred by Area Developer in the defense of Area Developer’s right to use the Marks, so long as Area Developer was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
3. Notwithstanding any provision in the Area Development Agreement that requires Area Developer to execute a general release as a condition for Area Developer to assign the franchise to a third party, such a general release shall not relieve any person from liability imposed by Minn. Stat., Sec. 80C.22.
4. Notwithstanding any provision in the Area Development Agreement to the contrary, neither Area Developer’s rights as provided for in Minnesota Franchise Law, nor Area Developer’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, may be abrogated or reduced.
5. In the event of any conflict between the terms of this Addendum and the terms of the Area Development Agreement, the terms of this Addendum shall prevail.

7. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

AREA DEVELOPER:

a(n), _____

By: _____

Name: _____

Title: _____

NEW YORK

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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 proviso 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.

NEW YORK

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”) and _____, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The parties to the Franchise Agreement hereby acknowledge and agree that:

1. Irrespective of any requirements for the franchisee to renew or extend the Franchise Agreement and any conditions that must be met for the franchisor to approve a transfer of the franchise, to the extent required by applicable law, all rights the franchisee enjoys and any causes of action arising in the franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.
2. The franchisee may terminate the Franchise Agreement on any grounds available by law.
3. Irrespective of any rights granted to the franchisor to assign the Franchise Agreement, 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.
4. No choice of law or choice of forum provision in the Franchise Agreement should 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.
5. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

[SIGNATURES ON NEXT PAGE]

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

a(n), _____

By: _____

Name: _____

Title: _____

NEW YORK

ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the “**Area Development Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”), and _____, as area developer (“**Area Developer**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

The parties to the Area Development Agreement hereby acknowledge and agree that:

1. Irrespective of any requirements for the area developer to renew or extend the Area Development Agreement and any conditions that must be met for the franchisor to approve a transfer of the franchise, to the extent required by applicable law, all rights the area developer enjoys and any causes of action arising in the area developer’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.
2. The area developer may terminate the Area Development Agreement on any grounds available by law.
3. Irrespective of any rights granted to the franchisor to assign the Area Development Agreement, 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 Area Development Agreement.
4. No choice of law or choice of forum provision in the Area Development Agreement should be considered a waiver of any right conferred upon the franchisor or upon the area developer by Article 33 of the General Business Law of the State of New York.
5. In the event of any conflict between the terms of this Addendum and the terms of the Area Development Agreement, the terms of this Addendum shall prevail.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Addendum.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

AREA DEVELOPER:

a(n), _____

By: _____

Name: _____

Title: _____

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. Any references in Items 5 and 17 of the Disclosure Document which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.
2. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or other agreements does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

VIRGINIA

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”) and _____, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The undersigned hereby acknowledge and agree that:

1. Any references in the Franchise Agreement which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.
2. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.
3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise
4. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

a(n), _____

By: _____

Name: _____

Title: _____

VIRGINIA

ADDENDUM TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the “**Area Development Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”) and _____, as area developer (“**Area Developer**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

The undersigned hereby acknowledge and agree that:

1. Any references in the Area Development Agreement which provide that the Area Development Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.
2. In the event of any conflict between the terms of this Addendum and the terms of the Area Development Agreement, the terms of this Addendum shall prevail.
3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise
4. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

AREA DEVELOPER:

a(n), _____

By: _____

Name: _____

Title: _____

WASHINGTON

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each JINYA Ramen Bar the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each JINYA Ramen Bar.

Franchisees and Area Developers may terminate the Franchise Agreement and/or Area Development Agreement under any grounds permitted by state law.

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

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

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

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

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

WASHINGTON

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”) and _____, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

In recognition of the requirements of the Washington Franchise Investment Protection Act, RCW 19.100.180, the parties to the Area Development Agreement agree as follows:

The collection of the Initial Franchise Fee and Initial Training Fee will be deferred until Franchisor has fulfilled its initial pre-opening obligations and the Franchised Location is open for business.

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

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

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

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

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

a(n), _____

By: _____

Name: _____

Title: _____

WASHINGTON

WASHINGTON ADDENDUM TO AREA DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Area Development Agreement (the “**Area Development Agreement**”) dated _____, by and between **JINYA FRANCHISE, INC.**, as franchisor (“**Franchisor**”) and _____, as Area Developer (“**Area Developer**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Area Development Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Area Development Agreement shall have the identical meanings in this Addendum.

In recognition of the requirements of the Washington Franchise Investment Protection Act, RCW 19.100.180, the parties to the Area Development Agreement agree as follows:

Because the Franchisor has material pre-opening obligations with respect to each JINYA Ramen Bar the Area Developer opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each JINYA Ramen Bar.

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.

The undersigned does hereby acknowledge receipt of this addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

FRANCHISOR:

JINYA FRANCHISE, INC.,
A California Corporation

By: _____

Name: _____

Title: _____

AREA DEVELOPER:

a(n), _____

By: _____

Name: _____

Title: _____

EXHIBIT G
FINANCIAL STATEMENTS

Jinya Franchise, Inc

Financial Statements

December 31, 2023, 2022 and 2021

Jinya Franchise, Inc

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December 31, 2023, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of
Jinya Franchise, Inc.

Opinion

We have audited the financial statements of Jinya Franchise, Inc. (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and retained earnings (accumulated deficit) and cash flows for the years ended December 31, 2023, 2022 and 2021, 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 the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years ended December 31, 2023, 2022 and 2021 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 (GAAS). 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 the Company 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 GAAS, 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 the Company'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 the Company'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.

Baker Tilly US, LLP

Los Angeles, California
April 26, 2024

Jinya Franchise, Inc.

Balance Sheets

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,901,574	\$ 1,727,123
Restricted cash	485,882	287,594
Accounts receivable	649,283	645,933
Note receivable	-	5,600
Due from affiliates, net	5,011,228	2,508,501
Prepaid expenses	<u>622,374</u>	<u>437,097</u>
Total current assets	8,670,341	5,611,848
Property and Equipment, Net	27,938	41,221
Deferred Tax Asset, Net	706,860	279,979
Other Assets	<u>10,500</u>	<u>10,500</u>
Total assets	<u><u>\$ 9,415,639</u></u>	<u><u>\$ 5,943,548</u></u>
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	\$ 145,693	\$ 111,525
Accrued expenses	1,346,899	634,976
Deferred franchise fees, current	162,143	380,000
Deferred gift card liability	<u>503,003</u>	<u>294,351</u>
Total current liabilities	2,157,738	1,420,852
Deferred Franchise Fees, Net of Current Portion	3,754,714	2,469,000
Economic Injury Disaster Note Payable	<u>500,000</u>	<u>500,000</u>
Total liabilities	<u>6,412,452</u>	<u>4,389,852</u>
Commitments and Contingencies (Note 9)		
Stockholder's Equity		
Common stock, no par value; authorized 10,000 shares; issued and outstanding 5,000 shares	75,000	75,000
Retained earnings	<u>2,928,187</u>	<u>1,478,696</u>
Total stockholder's equity	<u>3,003,187</u>	<u>1,553,696</u>
Total liabilities and stockholder's equity	<u><u>\$ 9,415,639</u></u>	<u><u>\$ 5,943,548</u></u>

See notes to financial statements

Jinya Franchise, Inc.**Statements of Operations and Retained Earnings (Accumulated Deficit)**

Years Ended December 31, 2023, 2022 and 2021

	2023	2022	2021
Revenues			
Royalty income	\$ 6,823,631	\$ 5,564,460	\$ 4,551,687
Marketing fees	1,565,195	1,315,636	1,062,106
Franchise fees	397,143	242,000	235,000
Rebate income	29,487	15,031	-
Other	17,008	6,460	65,572
Total revenues	8,832,464	7,143,587	5,914,365
Cost of Revenues	2,436,445	1,896,373	1,327,081
Gross profit	6,396,019	5,247,214	4,587,284
Selling, General and Administrative Expenses	4,392,303	3,999,125	3,344,488
Operating Income	2,003,716	1,248,089	1,242,796
Other (Expense) Income			
Gain on forgiveness of Paycheck Protection Program note payable	-	-	430,947
Interest expense	(20,242)	(18,747)	(3,909)
Other income	4,942	2,907	15,145
Total other (expense) income, net	(15,300)	(15,840)	442,183
Income Before Income Tax Expense	1,988,416	1,232,249	1,684,979
Income Tax Expense	(538,925)	(377,172)	(331,288)
Net Income	1,449,491	855,077	1,353,691
Retained Earnings (Accumulated Deficit), Beginning	1,478,696	623,619	(730,072)
Retained Earnings (Accumulated Deficit), Ending	\$ 2,928,187	\$ 1,478,696	\$ 623,619

See notes to financial statements

Jinya Franchise, Inc.

Statements of Cash Flows

Years Ended December 31, 2023, 2022 and 2021

	2023	2022	2021
Cash Flows From Operating Activities			
Net income	\$ 1,449,491	\$ 855,077	\$ 1,353,691
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on forgiveness of Paycheck Protection Program note payable	-	-	(430,947)
Depreciation and amortization	27,594	29,111	45,764
Deferred taxes	(426,881)	54,086	88,929
Gain on sale of property and equipment	(5,000)	-	-
Changes in operating assets and liabilities:			
Accounts receivable	(3,350)	19,314	(278,499)
Prepaid expenses	(185,277)	173,092	(101,250)
Accounts payable	34,168	(3,340)	(517,959)
Deferred franchise fees	1,067,857	1,573,000	-
Deferred gift card liability	208,652	111,087	77,207
Accrued expenses	711,923	(92,304)	211,932
Net cash provided by operating activities	2,879,177	2,719,123	448,868
Cash Flows From Investing Activities			
Purchase of property and equipment	(14,311)	(18,206)	(8,199)
Proceeds from sale of property and equipment	5,000	-	-
Due from affiliates	(2,502,727)	(1,957,027)	186,756
Proceeds from payments on note receivable	5,600	42,541	58,272
Net cash (used in) provided by investing activities	(2,506,438)	(1,932,692)	236,829
Cash Flows From Financing Activities			
Payments on loan payable	-	-	(5,692)
Proceeds from Economic Injury Disaster note payable	-	-	350,000
Due to affiliates	-	-	(427,552)
Net cash used in financing activities	-	-	(83,244)
Net increase in cash, cash equivalents and restricted cash	372,739	786,431	602,453
Cash, Cash Equivalents and Restricted Cash, Beginning	2,014,717	1,228,286	625,833
Cash, Cash Equivalents and Restricted Cash, Ending	<u>\$ 2,387,456</u>	<u>\$ 2,014,717</u>	<u>\$ 1,228,286</u>
Supplemental Disclosure of Cash Flow Information			
Cash paid for interest	<u>\$ 32,267</u>	<u>\$ 3,122</u>	<u>\$ 92</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

1. Organization and Nature of Business**Organization**

Jinya Franchise, Inc. (the Company) was incorporated under the laws of the State of California on February 2, 2012. The Company is 100% owned by a single shareholder, who is also the director and officer of the Company. The Company is engaged in the franchising business of Japanese noodle restaurants throughout the United States and Canada. As of December 31, 2023 and 2022, the Company had 59 and 47 open franchise restaurants, respectively.

2. Summary of Significant Accounting Policies**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented on the accrual basis of accounting.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Company maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Restricted Cash

Restricted cash represents funds held by a bank designated for use by outstanding gift cards. Restricted cash totaled \$485,882 and \$287,594 at December 31, 2023 and 2022, respectively.

Accounts Receivable

Accounts receivable includes open accounts representing claims for royalty and marketing revenues. The Company receives these payments from US franchisees either by ACH at specific dates throughout each month, check, or other methods of payment. Foreign franchisees remit payment by check or wire based on the previous month's net sales. The general payment terms are net seven or fifteen days for all franchisees.

The Company continuously monitors collections and payments from the franchisees and has determined that no allowance was necessary for balances at December 31, 2023 and 2022.

Note Receivable

Notes receivable are created when an agreement is reached to settle franchisee receivable account, and are made for the shortest time frame negotiable. In October 2021, the Company entered into an agreement with one franchisee to finance franchise fees of \$120,000. The agreement calls for 24 monthly installments of principal and interest of \$5,600. The note receivable was paid in full in February 2023.

Due From Affiliates

The Company has advanced funds to related parties. The Company does not charge interest or require collateral for the loan, but the loans are due at the Company's discretion. The loans are stated at their principal amounts outstanding.

Concentration of Credit Risk

For the year ended December 31, 2023, two franchisees comprised approximately 27% of the Company's revenues. For the years ended December 31, 2022, and 2021, the Company's largest franchisee comprised 19% and 17% of royalty income received, respectively. As of December 31, 2023 and 2022, one franchisee accounted for 10% and 25% of accounts receivable, respectively. The loss of either of these customers could have a material adverse effect on the future operations of the Company.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided on a straight-line basis to the salvage value, where appropriate, over the estimated useful lives of the assets. Estimated useful lives range from five to ten years. Leasehold improvements are amortized over their estimated useful lives or the life of the lease. When items are sold or retired, the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statements of operations. Maintenance and repairs are charged to expense when incurred.

Revenue Recognition

Franchise fees are collected at the commencement of a franchise agreement and are initially recorded as deferred franchise fee revenue. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2022-02, the Company has elected to treat certain pre-opening services related to these initial franchise fees as a single performance obligation. The Company has determined that store opening date is the appropriate date to aggregate the pre-opening services as the single performance obligation, and therefore certain franchise fee revenue is recognized upon opening of the franchise location. Amounts not allocated to pre-opening services, if any, would be amortized over the life of the franchise agreement. The Company has determined that the standalone values of the pre-opening performance obligations are typically greater than the total initial franchise fee, so generally the fee is fully recognized at location opening. In the event a franchisee does not comply with their development timeline for opening restaurant location, the franchise rights may be terminated, and franchise fee revenue is recognized for non-refundable deposits. The franchise fee is nonrefundable, and the standard amount is \$30,000 with an additional \$15,000 for training fee per license. Additional licenses are \$30,000 under a Multi-Outlet franchise agreement. If the franchisee signs additional franchise agreements, the training fee may be waived.

Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration.

Royalty and marketing revenues are recognized based on retail sales of the franchise stores. Royalties range from 4% to 5% and marketing is 1% of net sales amounts, and those revenues are accrued at the end of every month.

The Company receives funds from vendors for various programs related to purchases by franchisees at rates based on sales, volume, etc. and priced according to the specific vendor rebate contract. The Company recognizes these amounts at a point in time once the period for which the rebate is earned has ended.

Cost of Revenues

The Company's cost of revenues consists primarily of expenses related to providing franchise services and consist mainly of salaries and benefits of operations and support personnel.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred tax assets, which relate to the temporary differences between financial and tax reporting.

The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered and settled, respectively. Whenever applicable, deferred taxes are also recognized for operating losses that are available to offset reasonably expected future taxable income.

The Company accounts for uncertain tax positions pursuant to ASC No. 740, *Income Taxes*. ASC No. 740 requires the Company to recognize the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year in order to conform to the current year's financial statement presentation.

Fair Value of Financial Instruments

Cash and cash equivalents, restricted cash, accounts receivable and accounts payable are reflected in the financial statements at fair value because of the short-term maturity of these instruments. Fair value of the due to/from affiliates is not determinable since repayment dates are unknown.

Recently Adopted Accounting Standards

On January 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade accounts receivable. The Company adopted ASC 326 using the modified retrospective method for its trade accounts receivable and noted no reserve was necessary during the current or prior year periods. Accordingly, there was no impact to the financial statements.

Jinya Franchise, Inc

Notes to Financial Statements
December 31, 2023, 2022 and 2021

In January 2022, the FASB issued ASU No. 2022-02, *Franchisors-Revenue From Contracts With Customers (Subtopic 952-606): Practical Expedient*. The amendments in ASU No. 2022-02 provide a practical expedient related to FASB Accounting Standards Codification (FASB ASC) No. 606, *Revenue From Contracts With Customers*, that permits franchisors that are not public business entities (PBEs) to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Additionally, amendments in ASU No. 2022-02 provide an accounting policy election to recognize the pre-opening services as a single performance obligation. If an entity has not yet adopted FASB ASC No. 606, the amendments in ASU No. 2022-02 are effective in annual periods beginning after December 15, 2020, and interim reporting periods within annual reporting periods after December 15, 2021. Early application is permitted. The Company elected to use the practical expedient and adopted this ASU on January 1, 2021 when Topic 606 was adopted. The adoption of this ASU did not have a material impact on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. This update requires lessees to recognize at the lease commencement date a lease liability which is the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use assets, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Lessees will no longer be provided with a source of off-balance sheet financing. In June 2021, the FASB issued ASU No. 2021-05, which deferred the effective date for private entities by one year, making this change effective January 1, 2022. Early adoption is permitted. Lessees and lessors must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Applying a full retrospective transition approach is not allowed. The adoption of this ASU did not have a material impact on the Company's financial statements as the Company did not have any leases.

Marketing Fees

Marketing fees obtained from franchisees are designated for use as stipulated by the franchise agreements. Fees are expensed in the period in which they are incurred. Total marketing fees collected during the years ended December 31, 2023, 2022 and 2021 were approximately \$1,565,000, \$1,316,000 and \$1,062,000, respectively. Total marketing fees utilized during the years December 31, 2023, 2022 and 2021 were approximately \$1,888,000, \$1,309,000 and \$617,000, respectively.

Subsequent Events

The Company has evaluated subsequent events through April 26, 2024, the date on which the financial statements were available to be issued, noting no other items for financial statement disclosure.

3. Summary of Franchise Outlets

As of December 31, 2023, 2022 and 2021, franchise outlets consisted of the following:

	2023	2022	2021
Franchise locations (domestic)			
in operation, beginning of year	44	39	34
Opened during the year	13	6	5
Closed during the year	(1)	(1)	-
In operation, end of year	56	44	39

Jinya Franchise, Inc

Notes to Financial Statements
December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Franchise locations (foreign) in operation, beginning of year	3	2	2
Opened during the year	-	1	-
Closed during the year	-	-	-
In operation, end of year	<u>3</u>	<u>3</u>	<u>2</u>

4. Property and Equipment

Property and equipment are valued at cost at December 31, 2023 and 2022, as follows:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 35,146	\$ 91,824
Furniture	63,418	25,358
Software	<u>110,973</u>	<u>106,449</u>
	209,537	223,631
Less accumulated depreciation and amortization	<u>(181,599)</u>	<u>(182,410)</u>
	<u>\$ 27,938</u>	<u>\$ 41,221</u>

For the years ended December 31, 2023, 2022 and 2021, the Company's depreciation and amortization expense was \$27,594, \$29,111 and \$45,764, respectively.

5. Accrued Expenses

Accrued expenses consist of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Payroll and vacation	\$ 221,667	\$ 221,631
Accrued interest	15,832	27,707
Income taxes payable	982,700	323,088
Other	<u>126,700</u>	<u>62,550</u>
Total	<u>\$ 1,346,899</u>	<u>\$ 634,976</u>

Jinya Franchise, Inc

Notes to Financial Statements
December 31, 2023, 2022 and 2021

6. Related-Party Transactions

Throughout 2023, 2022 and 2021, the Company engaged in transactions with affiliate companies owned by the same parent company, Jinya Holdings, Inc. Related-party transactions are summarized as follows as of and for the years ended December 31, 2023 and 2022:

	2023	2022
Due from affiliates:		
Tomo Foods, Inc.	\$ 117,548	\$ 121,048
Jinya Holdings, Inc.	4,570,000	1,370,000
Ventura 77 Dining, Inc.	220,800	220,000
Jinya California, Inc.	91,000	91,000
Jinya Encino, Inc.	163,461	163,461
Jinya Hawaii, Inc.	(14,865)	28,309
La Brea Dining, Inc.	(232,094)	419,305
Due from officer	95,378	95,378
Total	<u>\$ 5,011,228</u>	<u>\$ 2,508,501</u>

In addition to the assets and liabilities as denoted above, the Company paid rent expense to related parties of approximately \$29,000 for the years ended December 31, 2023, 2022 and 2021. These amounts are included in selling, general and administrative expenses on the accompanying statements of operations and retained earnings (accumulated deficit).

7. CARES Act

On April 20, 2021, the Company received loan proceeds in the amount of \$430,947 under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a covered period (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion is payable over two years at an interest rate of 1% with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender or, if the borrower does not apply for forgiveness, ten months after the end of the covered period. PPP loan terms provide for customary events of default, including payment defaults, breaches of representations and warranties and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, PPP loan terms do not include prepayment penalties.

In August 2021, the Company received approval for the forgiveness of the principal and accrued interest related to the PPP loan. Accordingly, the Company recognized approximately \$431,000 in gain on forgiveness of Paycheck Protection Program note payable on the accompany statement of operations and retained earnings (accumulated deficit) for the year ended December 31, 2021.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

Jinya Franchise, Inc

Notes to Financial Statements
December 31, 2023, 2022 and 2021

On May 28, 2021, the Company received loan proceeds in the amount of \$150,000 under the Economic Injury Disaster Loan (EIDL). The EIDL, established as part of the CARES Act, provides for loans to qualifying businesses for working capital and normal operating expenses. Collateral requirements apply to loans over the amount of \$25,000 secured by all tangible and intangible personal property. The EIDL is payable in monthly installments of \$731 over 30 years at an interest rate of 3.75% per annum, with a deferral of payments until May 2022. On March 16, 2022, the U.S. Small Business Administration announced extended deferment periods from 12 to 24 months for all disaster loans, including EIDL, made in the calendar year 2021. As a result, the EIDL payments are deferred until May 2022.

On July 27, 2021, the Company received an amended EIDL loan agreement which increased borrowings by an additional \$350,000 for an aggregate of \$500,000 total outstanding as of December 31, 2022. Interest rate remained at 3.75% per annum, the monthly installments increased to \$2,517, with payment due on the total loan amount May 28, 2050. Per EIDL loan agreement, each monthly payment will be applied first to the interest accrued to the date of receipt of each payment, and the balance, if any will be applied to principal. As of December 31, 2023, the Company has made approximately \$36,000 in payments which were applied to accrued interest.

Future maturities of CARES Act related notes payable are as follows:

Years ending December 31:	
2024	\$ -
2025	7,112
2026	11,927
2027	12,382
2028	12,854
Thereafter	455,725
Total	<u>\$ 500,000</u>

8. Income Taxes

The provision for income taxes for the years ended December 31, 2023, 2022 and 2021, consists of the following:

	2023	2022	2021
Current provision:			
Federal	\$ 665,222	\$ 240,664	\$ 105,154
State	300,584	82,422	137,205
	965,806	323,086	242,359
Deferred provision:			
Federal	(306,510)	23,618	148,072
State	(120,371)	30,468	(59,143)
Total provision	<u>\$ 538,925</u>	<u>\$ 377,172</u>	<u>\$ 331,288</u>

The provision for income taxes differs from applying federal statutory rates to income before income taxes because of state income taxes, certain nondeductible amounts and permanent differences between the financial accounting and tax basis treatment of certain items.

Jinya Franchise, Inc

Notes to Financial Statements
December 31, 2023, 2022 and 2021

Deferred tax assets are as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Unearned franchise fees	\$ 657,929	\$ 239,317
Other accruals	31,700	45,587
State tax	19,213	-
Total deferred tax assets	<u>\$ 708,842</u>	<u>\$ 284,904</u>

Deferred tax liabilities are as follows for the years ended December 31, 2023 and 2022:

	2023	2022
State tax	\$ -	\$ (1,109)
Depreciation	(1,982)	(3,816)
Total deferred tax liabilities	<u>(1,982)</u>	<u>(4,925)</u>
Total deferred tax assets, net	<u>\$ 706,860</u>	<u>\$ 279,979</u>

The Company establishes a valuation allowance when it is more likely than not that the Company's recorded net deferred tax asset will not be realized. In determining whether a valuation allowance is required, the Company must take into account all positive and negative evidence with regard to the utilization of a deferred tax asset. As of December 31, 2023 and 2022, the Company did not believe a valuation allowance was required.

As of December 31, 2023 and 2022, the Company had net operating loss carryforwards for federal and state income tax purposes of \$0 for Federal and \$0 for California, respectively. As of the date of this report, the Company has not filed their tax returns for the year ended December 31, 2023. The utilization of net operating loss carryforwards may be limited under the provisions of Internal Revenue Code Section 382 and similar state provisions due to a change in ownership.

The Company has not recognized any liability for unrecognized tax benefits. The Company expects any resolution of unrecognized tax benefits, if created, would occur while the full valuation allowance of deferred tax assets is maintained; therefore, the Company does not expect to have any unrecognized tax benefits that, if recognized, would affect the effective tax rate. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion of all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax assets, projected future taxable income and tax planning strategies in making this assessment.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. There are currently no pending tax examinations. As of the date these financial statements are issued, the Company is no longer subject to U.S. federal tax examination for tax years prior to 2020, or to state income tax examination for tax years prior to 2019. Earlier years may be examined to the extent that credit or loss carry-forwards are used in future periods. The resolution of tax matters is not expected to have a material effect on the Company's financial statements. The Company's policy is to record interest and penalties related to income taxes as part of the tax provision.

9. Commitments and Contingencies

Legal

The Company may be involved from time to time in various other claims, lawsuits, disputes with third parties, and actions incidental in the normal operations of the business. The Company is not currently involved in any other such litigation which management believes could have a material adverse effect on the Company's financial position or results of operations.

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

3/31/2024

ASSETS

Current Assets

Cash and Cash Equivalents	1,996,867.13
Restricted Cash	492,031.02
Accounts Receivable	702,480.85
Due From Affiliates, Net	5,345,124.24
Prep 1400 - Prepaid Expenses	802,367.61
Total Current Assets	9,338,870.85

Fixed Assets, Net	21,716.33
Deferred Tax Asset, Net	263,085.00

TOTAL ASSETS	9,623,672.18
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LIABILITIES & EQUITY

Current Liabilities

Accounts Payable	303,269.51
Accrued Expenses	261,084.11
Deferred Franchise Fees, net	162,143.00
Deferred Giftcard Liability	499,230.06
Total Current Liabilities	1,225,726.68

Deferred Franchise Fees, Net of Current portion	3,844,714.00
Economic Injury Disaster Note Payable	500,000.00

TOTAL LIABILITIES	5,570,440.68
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Stockholder's Equity

Common Stock	75,000.00
Retained Earnings	3,432,298.15
Net Net Income	545,933.35
Total Equity	4,053,231.50

TOTAL LIABILITIES & EQUITY	9,623,672.18
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Jinya Franchise
Income Statement
January through March 2024

Ordinary Income/Expense		
Total Income	2,261,319.35	
Cost of Goods Sold	395.62	
Gross Profit	2,260,923.73	
 Selling, General and Administrative Expenses	 1,710,367.08	
 Net Income Before Income Tax	 550,556.65	
 Interest Expense	 4,623.30	
 Net Income	 545,933.35	

EXHIBIT H

STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051

MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733

MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Director of Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT I
FRANCHISEE LISTS AS OF DECEMBER 31, 2023

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

Franchised JINYA Ramen Bars Open As Of December 31, 2023

Location Name	Entity/Franchisee Name	Location Address	City	State	Phone
Calgary [†]	1884264 Alberta Ltd	1800 4 St SW, Suite 180	Calgary	AB	(587) 356-0721
Chandler [†]	Twelve30 Properties, LLC	130 S. Arizona Ave Suite 102	Chandler	AZ	(480) 758-5198
Central Phoenix [†]	Twelve30 Central, LLC	5120 N Central Ave #1	Phoenix	AZ	(602) 612-3796
Burbank [†]	Burbank Ramen	4011 W Riverside Dr	Burbank	CA	(818) 238-9867
Eastvale [†]	Precision Partners Restaurant	12768 Limonite Ave	Eastvale	CA	(951) 736-5469
2nd and PCH	BLN Partners	6480 E. Pacific Coast Hwy, Suite 130	Long Beach	CA	(562) 354-4813
Hollywood and Highland***	Bezel America, Inc	6801 Hollywood Blvd, Ste 317	Los Angeles	CA	(626) 566-5365
Downtown LA	Super Green Investment	700 Wilshire Blvd, Suite B	Los Angeles	CA	(213) 628-3736 (213) 628-3101
Rancho Cucamonga*	SANJ Restaurant, Inc.	8443 Haven Ave Unit 131	Rancho Cucamonga	CA	(714) 305-3789
San Jose	Toki Ramen Corp	925 Blossom Hill Rd #1637	San Jose	CA	(408) 281-9888
Santa Monica	Xiaoging Wei	2400 Main Street Suite D	Santa Monica	CA	(310) 392-4466
Ameristar Black Hawk**	Raymond Briggs	111 Richman Street	Black Hawk	CO	(720) 946-4228
Union Station [†]	CO Ramen 1, LLC	1710 Wynkoop St	Denver	CO	(720) 826-8262
Logan Circle (DC 14th) [†]	Harvest Eats DC	1336 14th Street. NW	DC	DC	(202) 588-8560
The Parks at Walter Reed [†]	Sam Shoja	1155 Dahlia St NW	DC	DC	(202) 794-9641
Thornton Park [†]	ESEVN, LLC	8 N Summerlin Ave	Orlando	FL	(407) 704-1825
Oviedo [†]	Sichuan ETC, LLC	234 E Mitchell Hammock Rd. #1160	Oviedo	FL	(321) 765-7077
Alpharetta [†]	Yummy Kings	401 S Broad St. Space 4A	Alpharetta	GA	(770) 609-8238
Athens [†]	XIAO Can	351 E Broad St	Athens	GA	(706) 478-0880
Poncey Highland [†]	Yummy Grubs, Inc	676 North Highland Avenue Suite #3-ABC	Atlanta	GA	(404) 748-4520 (404) 748-4313
Buckhead [†]	Yummy Times	3714 Roswell Rd, Unit 35	Atlanta	GA	(404) 254-4770
Buford [†]	XIAO CAN 2	2925 Buford Dr, Building1205	Buford	GA	(770) 573-4988
Duluth [†]	Yummy Spots, Inc	2200 Duluth Hwy	Duluth	GA	(678) 691-3101

Location Name	Entity/Franchisee Name	Location Address	City	State	Phone
Sandy Springs [†]	Yummy Eats	5975 Roswell Rd, Suite B217	Sandy Springs	GA	(404) 600-6974
Fishers	Chuen T. Lam	9711 E.116th St, Unit 310	Fishers	IN	(317) 436-8635
Overland Park [†]	Umami Kanza, LLC	7761 W 159th St	Overland Park	KS	(913) 261-9598
Downtown Wichita	Ramen Wichita, LLC	124 South Broadway	Wichita	KS	(316) 932-9949
Baton Rouge [†]	LA Ramen 1, LLC	10000 Perkins Rowe Suite 160	Baton Rouge	LA	(225) 256-4004
North Bethesda [†]	Ramen PR	910 Prose Street	North Bethesda	MD	(301) 816-3029
SouthPark [†]	Small Castles Southpark, LLC	4401 Barclay Downs Dr. Suite 134	Charlotte	NC	(704) 595-3808
Ally Charlotte Center [†]	Small Castles, LLC	601 S Tryon St, Unit 132	Charlotte	NC	(980) 859-2019
Omaha	Y&H Ramen	7010 Dodge Street, Suite 106	Omaha	NE	(402) 991-2088
Rainbow [†]	LVR, LLC	7240 South Rainbow Blvd. Suite #A	Las Vegas	NV	(702) 476-0583 (702) 462-5689
Flamingo [†]	So Cal Ramen, LLC	4860 W. Flamingo Rd	Las Vegas	NV	(702) 868-8877
OKC - Nichols Hills [†]	Umami Thunder, LLC	6800 N Western Ave	Oklahoma City	OK	(405) 242-3499
Tulsa [†]	Umami Concepts, LLC	416 E 2nd Street	Tulsa	OK	(918) 861-4100
Hilton Head Island [†]	KHT Group, Inc	95 Mathew Dr. Suite F3	Hilton Head	SC	(843) 715-0691
Austin	Domain Ramen	3210 Esperanza Crossing	Austin	TX	(512) 829-7779
Cypress [†]	FU Ching Ramen Cypress	11930 Barker Cypress Rd. Suite 100	Cypress	TX	(832) 653-6722
Victory Park	Food Explorers	625 High Market St., Suite 185	Dallas	TX	(469) 248-0150
Preston Hollow [†]	Jim Wang	7949 Walnut Hill Ln. #160	Dallas	TX	(214) 272-7578
Nasa [†]	FU Ching Ramen & Lobster Rolls, LP	18299 Egret Bay Blvd	Houston	TX	(281) 549-6609
FM 1960 [†]	FU Ching Ramen FM 1960, LP	5050 FM1960 Rd. W. Suite 121	Houston	TX	(832) 666-2178
Heights Waterworks [†]	FU Ching Ramen Heights Waterworks	449 W.19th St. Suite C200	Houston	TX	(832) 742-9698
Midto [†] wn	FU Ching Ramen, LP	3201 Louisiana St	Houston	TX	(832) 925-8596
Spring Branch [†]	Keith Huang	8139 Long Point Rd	Houston	TX	(281) 888-5199
Katy [†]	FU Ching Ramen & Lobster Roll, LP	21788 Katy Fwy	Katy	TX	(832) 321-3087
San Antonio [†]	Fu Ching Ramen South Rim, LLC	5311 N Loop 1604 W #101	San Antonio	TX	(210) 251-2519

Location Name	Entity/Franchisee Name	Location Address	City	State	Phone
Woodlands [†]	FU Ching Ramen Springwoods Village	2174 Spring Stuebner Road Suite 390	Spring	TX	(832) 458-2354
Sugar Land [†]	JRB Sugarland	13509 University Blvd., Suite A291	Sugar Land	TX	(281) 903-7459
Lehi [†]	Sky Moon Lehi	3725 Thanksgiving Way Suite B	Lehi	UT	(385) 287-7836
Murray [†]	Sky Moon, LLC	5905 South State St	Murray	UT	(385) 474-6818
Sugarhouse [†]	Sky Moon Sugarhouse, LLC	675 East 2100 South	Salt Lake City	UT	(801) 883-9466
Arlington [†]	Ramen Arlington	4238 Wilson Blvd Unit 150	Arlington	VA	(571) 312-8584
Fairfax [†]	Washington Food Concepts	2911 District Ave, Suite 170	Fairfax	VA	(571) 327-2256
Reston [†]	Ramen Reston	11964 Market St	Reston	VA	(571) 926-9282
Bellevue [†]	J&L Foods Corporation	15600 NE 8th St, Suite O-11,	Bellevue	WA	(425) 590-9548

[†] The Franchisee is also an Area Developer.

*This unit operated in California is a bushi by JINYA.

**This unit operated in Colorado is not included in total in Item 20 because terms are different.

*** This unit operated in California is not included in total in Item 20 because terms are different.

Franchisees Who Signed Franchise Agreements But Have Not Opened as of December 31, 2023

Location Name	Owner(s)	Location Address	City	State	Zip Code	Contact Info
Queen Creek	Brian Glass	22431 E Pecan Lane	Queen Creek	AZ	85142	(951) 203-8296
Culver City	Wei Zhang	Cumulus District, Cumulus Drive	Culver City	CA	90016	(631) 759-1786
Colorado Springs	Brad Smith, Antonio Avila [†]	402 South Nevada Ave	Colorado Springs	CO	80903	225-328-7717
Foothills	Brad Smith, Tony Avila [†]	3280 S College Ave, Suite 120	Fort Collins	CO	80525	(225) 328-7717
Union Market	Sam Shoja [†]	1259 4th Street NE	Washington	DC	20002	(703) 608-1006
George Town	Sam Shoja [†]	1525 Wisconsin Avenue, NW	Washington	DC	20007	(703) 608-1006
Pensacola	Brad Phelps [†]	S. Jefferson & E Garden	Pensacola	FL	32502	(850) 377-7170
Centennial Yards	William Chen, Xiao Yi Mei, Li Cheng [†]	TBD	Atlanta	GA	20002	(678) 362-3383

Location Name	Owner(s)	Location Address	City	State	Zip Code	Contact Info
Kennesaw	William Chen, Xiao Yi Mei, Li Cheng†	440 Ernest Barrett Pkwy NW Suite 30	Kennesaw	GA	30144	(678) 362-3383
Roswell	William Chen, Xiao Yi Mei, Li Cheng†	1013 Alpharetta St	Roswell	GA	30075	(678) 362-3383
South Bend	Habibi 9 South Bend, LLC	1145 North Eddy St, Ste 140	South Bend	IN	46617	Not Given
Royal Oak	Mike Bailey, Kent Word†	129 S. Main St	Royal Oak	MI	48067	Not Given
Totowa	Apple Food Service of Totowa, Inc.†	465 US-46	Totowa	NJ	07512	Not Given
	Doherty Ramen Holding LLC	TBD	TBD	NY	TBD	TBD
Charleston-Morrison Yard	William Chen, Xiao Yi Mei, Li Cheng†	850 Morrison drive suite C	Charleston	SC	29403	(678) 362-3383
Greenville	William Chen, Xiao Yi Mei, Li Cheng††	1025 Woodruff Rd	Greenville	SC	29607	(678) 362-3383
Carrollton	Jim Wang†	2451 Old Denton Rd. Suite 150	Carrollton	TX	75056	(650) 906-6308
	Jim Wang†	7949 Walnut Hill Ln. #160	Dallas	TX	75230	(650) 906-6308
	Jim Wang†	8141 Long Point Rd., #8139A	Houston	TX	77055	(281) 888-5199
Spring Branch	Jim Wang†	8141 Long Point Rd., #8139A	Houston	TX	77055	(281) 888-5199
Pearland	Jim Wang†	FM 18 & Smith Rd	Pearland	TX	77584	(650) 906-6308
Culebra	Jim Wang†	7010 W Loop 1604 N.	San Antonio	TX	78254	(650) 906-6308

† The Franchisee is also an Area Developer.

Franchisees that have had their Franchise Agreements terminated, canceled or not renewed by us or who otherwise voluntarily or involuntarily ceased to do business under its agreement with us.

Name	City	State	Phone Number
Kris Parikh	Henderson	NV	(702) 867-4240

Franchisees who have not communicated with us within ten weeks before the issuance date of this disclosure document

None.

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

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	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If JINYA Franchise Inc. offers you a franchise, JINYA Franchise Inc. must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that JINYA Franchise Inc. gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If JINYA Franchise Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency.

The franchisor is JINYA Franchise Inc., located at 21045 Erwin Street, Suite 1A., Woodland Hills, California 91367, Telephone: 323-930-2477.

The issuance date of this Franchise Disclosure Document is May 17, 2024.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Tomonori Takahashi and Kazuya Takebe at JINYA Franchise Inc., 21045 Erwin Street, Suite 1A., Woodland Hills, California 91367, Telephone: 323-930-2477.

I have received a Franchise Disclosure Document dated May 17, 2024 that included the following Exhibits.

Exhibit A: Franchise Agreement
Exhibit B: Area Development Agreement
Exhibit C: Manual Table of Contents
Exhibit D: Non-Disclosure and Confidentiality Agreement for Management Employees of Franchisee
Exhibit E : General Release
Exhibit F: State Specific Addenda
Exhibit G: Financial Statements

Exhibit H: State Administrators and Agents for Service of Process
Exhibit I: List of Franchised Locations, Franchise Agreements Signed but Units Not Yet Open, and Former Franchisees
Exhibit J: Receipts

Date Received

Prospective Franchisee

Name (please print)

Address:

Please sign this copy of the Receipt, date your signature, and return it to: Franchise Sales Administrator, JINYA Franchise Inc., 21045 Erwin Street, Suite 1A., Woodland Hills, California 91367, Telephone: 323-930-2477; Email: franchisesales@jinyaholdings.com.

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If JINYA Franchise Inc. offers you a franchise, JINYA Franchise Inc. must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that JINYA Franchise Inc. gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If JINYA Franchise Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency.

The franchisor is JINYA Franchise Inc., located at 21045 Erwin Street, Suite 1A., Woodland Hills, California 91367, Telephone: 323-930-2477.

The issuance date of this Franchise Disclosure Document is May 17, 2024.

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Tomonori Takahashi and Kazuya Takebe at JINYA Franchise Inc., 21045 Erwin Street, Suite 1A., Woodland Hills, California 91367, Telephone: 323-930-2477.

I have received a Franchise Disclosure Document dated May 17, 2024 that included the following Exhibits.

Exhibit A: Franchise Agreement
Exhibit B: Area Development Agreement
Exhibit C: Manual Table of Contents
Exhibit D: Non-Disclosure and Confidentiality Agreement for Management Employees of Franchisee
Exhibit E : General Release
Exhibit F: State Specific Addenda
Exhibit G: Financial Statements

Exhibit H: State Administrators and Agents for Service of Process
Exhibit I: List of Franchised Locations, Franchise Agreements Signed but Units Not Yet Open, and Former Franchisees
Exhibit J: Receipts

Date Received

Prospective Franchisee

Name (please print)

Address:

Keep this copy for your records. This Disclosure Document may be available in several formats including on paper, on a CD, in pdf format or on our website: www.jinya-ramenbar.com