FRANCHISE DISCLOSURE DOCUMENT

MARUFUKU RAMEN

Marufuku Franchising, LLC
A California limited liability company
1236 West Winton Avenue, Unit 11
Hayward, CA 94545
(650) 553-0007
cherrador@marufukuramen.com
www.marufukuramen.com

We offer franchises for sit down restaurants with table service that offer authentic Hakata-style Tonkotsu ramen and other Japanese dishes, beer, and sake, and operate under the Marufuku Ramen trademarks and restaurant operating system (each an "**Marufuku Ramen restaurant**" or "**Restaurant**").

The total investment necessary to begin operation of a Marufuku Ramen restaurant ranges from $1,029,000 to $1,540,000. This includes $45,000 to $45,500 that is payable to us. The total investment necessary to begin operation under an Area Development Agreement (for the anticipated minimum of 2 restaurants) ranges from $23,000 to $25,000. This includes $20,000 that must be paid to us.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure 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 Carlos Herrador our Executive Vice President of Franchise Operations at 1236 West Winton Avenue, Unit 11. Hayward, CA 94545, cherrador@marufukuramen.com, (650) 553-0007.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

The issuance date of this Franchise Disclosure Document is August 26, 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 G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D 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 Marufuku 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 Marufuku franchisee?	Item 20 or Exhibit G 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 E.

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 and development agreements 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 your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This disclosure document describes Marufuku Ramen restaurant franchises. In this disclosure document, "**we**," "**us**," "**our**" and **"Marufuku Franchising**" means Marufuku Franchising, LLC, the franchisor, and "**you**" or "**you**r" means the purchaser of the franchise. If the purchaser of the franchise is a corporation, partnership, or limited liability company, "you" means both the purchaser and the persons who own the business entity.

<u>The Franchisor</u>

Marufuku Franchising, LLC is a California limited liability company formed on November 6, 2018. We do business under our corporate name and the name Marufuku Ramen. We do not conduct business under any other name. Our principal place of business is 1236 West Winton Avenue, Unit 11, Hayward, California 94545. Our agents for service of process are listed in Exhibit E. As of December 31, 2023, our parent company operates 6 Marufuku Ramen Restaurants. We began offering franchises for Marufuku Ramen restaurants in 2019. As of December 31, 2023, there were 3 franchised Marufuku Ramen Restaurants. We have never offered franchises in any other line of business and we do not conduct any other business.

<u>Our Parent, Affiliates and Predecessors</u>

Our parent, EK Food Services Inc. ("**EKFS**"), is a California corporation formed in October 2003 that shares our principal address. EKFS opened the first Marufuku Ramen restaurant in San Francisco, California in February 2017. EKFS has not offered franchises in any line of business. EKFS also operates the following businesses: SHABUWAY (Mountain View), SHABUWAY (San Jose), Men Oh Tokushima Ramen, Ramen Dining Waraku, SHABUSEN, Ramen Izakaya Goku, Udon Mugizo, and Men Oh Tokushima Ramen. Other than as noted, EKFS does not operate any other businesses.

Our affiliate, Shabuway Franchising, Inc. a California corporation formed in March 2010, offered franchises for Shabuway franchised restaurants from 2010 to 2013. As of December 31, 2023, there was 1 franchised Shabuway restaurant. Shabuway Franchising, Inc. shares our principal address.

We do not have any predecessors. Except as noted in this Item 1, we do not have (1) any other parent companies; or (2) any other affiliates that offer franchises in any line of business or (3) any affiliates that offer products or services to our franchisees.

<u>The Marufuku Ramen Restaurant Franchise</u>

Marufuku Ramen restaurants are sit down restaurants with table service. Marufuku Ramen restaurants offer freshly prepared authentic Hakata-style Tonkotsu ramen dishes with a diverse selection of broths, noodles, proteins, and sauces as well as Japanese side dishes, Authentic Japanese style dishes, rice bowls, chicken Paitan, izakaya appetizers and premium beer and sake. Marufuku Ramen restaurants will have a standard and recognizable signature color scheme and décor.

We offer qualified persons and entities the right to develop multiple Marufuku Ramen restaurants within a specified geographic area ("**Development Area**") according to a mandatory development schedule ("**Development Schedule**") under the Area Development Agreement ("**Development Agreement**"). Our current form of Development Agreement appears in <u>Exhibit A</u> to this disclosure document. When you sign the Development Agreement, you will pay the development fee (see Item 5) and you will receive the right and the obligation to develop a specified number of Marufuku Ramen restaurants by certain deadlines set forth in the Development Schedule. You will negotiate both the number of Marufuku Ramen restaurants and the Development Schedule with us. We anticipate that the minimum development commitments under Development Agreement will be two Marufuku Ramen restaurants.

We will grant Marufuku Ramen restaurant franchises under the Development Agreement only to you or to a corporation, limited liability company or other entity of which you or one or more of your owners owns more than 50% of the total authorized ownership interests, as long as you or such owner(s) have the right to control the entity's management and policies. You (or your affiliate) will sign our then-current form of Franchise Agreement for each Marufuku Ramen restaurant that you develop under the Development Agreement. Our then-current form of Franchise Agreement may differ from the version of Franchise Agreement attached to this disclosure document. You or your affiliates must sign Franchise Agreements for, open, and begin operating each Marufuku Ramen restaurant on or before the dates listed in the Development Schedule.

Under the Franchise Agreement, you will be licensed to use the "Marufuku Ramen" trademark and logo, as well as related trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "**Proprietary Marks**") and certain copyrights and copyrighted materials (the "**Works**") for the operation of Marufuku Ramen restaurants. We may modify the Proprietary Marks and the Works from time to time.

Marufuku Ramen restaurants operate according to a distinctive format, appearance, and set specifications and operating procedures ("**System**"). You will be licensed to utilize our System under the Franchise Agreement. Our mandatory and recommended standards, policies and procedures are represented in our confidential and proprietary operations manual (the "**Manual**"), which we will make available to you during the term of your Franchise Agreement. We have the right to change the Manual and the elements of the System at any time without consultation with you.

You will establish your Restaurant in a well-established urban or suburban market. We expect franchised Marufuku Ramen restaurants will between 1800 to 3000 square feet of interior spaces. Marufuku Ramen restaurants that have less square footage may have limited or no bar area; Marufuku Ramen restaurants that have more square footage are likely to have a full bar area with seating. We will consider on a case-by-case basis a franchisee's request to convert an existing facility to a Marufuku Ramen restaurant, as well as sites that may be larger or smaller than our standard size, provided that the site can be transformed to meet the standards and specifications of the System.

You will have the right to sell food and beverage items at retail to the public for carry-out and/or consumption on the premises of the Marufuku Ramen restaurant ("**Premises**"). In addition, you may engage in delivery, catering and/or wholesaling of food and beverage items if we establish programs for one or more of those activities ("**Off-Premises Programs**"). Off-Premises Programs may be mandatory or optional for franchisees and may include online, telephone, or other ordering features. If we establish a mandatory Off-Premises Program or you choose to participate in a voluntary Off-Premises Program, you must pay any fees and costs associated with participating and comply with all other rules and procedures that we specify for the program. You may have to purchase equipment, which may include a delivery vehicle in order to participate in an Off-Premises Program. We may define designated service areas for Off-Premises Programs.

Although we carefully evaluate persons who wish to become our franchisees, no screening process that we implement can conclusively determine whether you will succeed as a Marufuku Ramen restaurant operator. Similarly, completion of our management training program (as described in item 11) does not provide any assurance of success. You must rely on your own assessment of your suitability (in terms of energy, business skill, desire, temperament, people skills, and financial capability, among other things) and your own advisors in deciding whether to become a Marufuku Ramen franchisee.

<u>Industry-Specific Laws</u>

Certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally. The U.S. Food and Drug Administration ("**FDA**"), the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. The FDA and some states and municipalities regulate food labeling, nutrition, and health claims relating to food products. However, we are not aware of any laws applicable to a Marufuku Ramen restaurant that would not apply to restaurant businesses generally.

You will be required to comply with all federal, state and local laws and regulations that generally apply to restaurants. These include the Americans with Disabilities Act; Affordable Care Act, Fair Labor Standards Act; EEOC; OSHA; Gramm-Leach-Bliley Act; The Patriot Act; Federal Truth in Lending and other laws dealing with credit transactions and collections; Digital Millennium Copyright Act; regulations governing MMS, SMS, emails and telemarketing; the payment of license fees; general restaurant rules and regulations; privacy and data protection; health, sanitation, menu-labeling, no smoking, liquor, discrimination, employment and sexual harassment laws, and any advertising or content-related rules and regulations. You must obtain real estate permits and licenses and operational licenses (including permits to serve alcohol if you plan to serve wine and beer at your Restaurant). It is your responsibility to investigate, satisfy and stay current on all local, state, and federal laws and regulations since they vary from place to place and can change over time. You should consult with your attorney concerning these and other laws and ordinances that may affect your operations.

Market and Competition

The market for restaurant services is well-established. Marufuku Ramen restaurants primarily attract young professionals; however, the concept appeals to men and women of all ages looking for high quality, unique and fresh, sit down food offerings. The sit down restaurant market is highly competitive, generally mature and well developed. However, the unique segment of the restaurant market targeted by Marufuku Ramen restaurants is still emerging and rapidly growing. You will compete with a variety of restaurants, ramen restaurants, sushi restaurants, other Japanese food restaurants, caterers, grocery stores, take-out restaurants and convenience stores. The restaurant business is highly competitive based on price, service, restaurant location and food quality and is subject to fluctuations in consumer tastes, economic conditions, population, and traffic patterns. In each market, you will compete with locally owned restaurants, as well as national and regional restaurant chains. Some of our competitors have longer operating histories, larger and better financial resources, and better name recognition than Marufuku Ramen. You may also compete with other Company-Owned and franchised Marufuku Ramen restaurants. The ability of each Marufuku Ramen restaurant to compete depends on its location, ingress and egress, signage, parking, quality service, employee attitudes, overhead, changing local market and economic conditions, and many other factors both within and outside your control.

ITEM 2
BUSINESS EXPERIENCE

Eiichi Mochizuki, Chief Executive Officer

Mr. Mochizuki has been our Chief Executive Officer since November 2018, and is co-founder of EFKS and has been its Chief Executive Officer since October 2003 in South San Francisco, California.

Carlos Herrador, Executive Vice President Franchise Operations

Mr. Herrador has been our Executive Vice President Franchise Operations since November 2018. He was Executive Vice President Franchise Operations with La Brea Dining/Jinya Ramen Bar in Burbank, California from July 2015 to September 2018.

ITEM 3
LITIGATION

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

Development Fee

If you sign a Development Agreement to develop Marufuku Ramen restaurants, you must pay us a lump sum development fee in the amount of $10,000 multiplied by the number of Restaurants you agree to develop under the Development Agreement. We anticipate that the minimum development commitments under Development Agreement will be two Marufuku Ramen restaurants. We will insert the amount of the development fee in the Development Agreement before signing it. We will apply increments of $10,000 of the development fee to the initial franchise fees owed under each Franchise Agreement that you sign pursuant to the Development Agreement.

Initial Franchise Fee

You must pay us an initial franchise fee of $30,000 for your Restaurant when you sign the Franchise Agreement.

Site Review Fee

We do not charge any fees to conduct one market visit for your Restaurant. You must pay the site review fee in the amount of $500 and reimburse us for our travel expenses if we require or you request additional market visits.

Training Fee

You must pay us a training fee of up to $15,000 for your Restaurant when you sign the Franchise Agreement. The fee amount is determined in our discretion based on the number of Restaurants you operate and number of individuals to be trained.

* * * *

The initial franchise fee, development fee, and other fees and expenses we describe in this Item 5 are fully earned when paid and are not refundable. These fees are uniform for all new franchisees in the system; however, in certain circumstances, we may reduce or waive a fee.

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Date Due	Remarks
Royalty	5% of Gross Sales[2]	Twice a Month[3]	See Note 2 for the definition of “Gross Sales”; see Note 3 for an explanation of our electronic funds transfer process.

Type of Fee[1]	Amount	Date Due	Remarks
Marketing Fund Contribution	Currently 1% of Gross Sales	Twice a Month[3]	We can increase your Marketing Fund Contribution to a maximum of 3% of Gross Sales upon notice to you. Please see Item 11 for further details.
Local Store Marketing Expenditures	None currently	Ongoing	We can require that you spend up to an amount we determine monthly on Local Store Marketing Expenditures. If Local Store Marketing is required by us, you must report your local store marketing expenditures to us on a quarterly basis. If you don't spend the required amount on an annual basis, then you must contribute any deficiency in the amount owed to the Marketing Fund. Please see Item 11 for further details.
Cooperative Contributions	Anticipated to be a maximum of one-half of your local store marketing requirements	Weekly	We have the right to establish cooperative marketing programs ("**Cooperatives**") in your region. You can reduce your local store marketing obligation by the amount that that you contribute to a cooperative. Please see Item 11 for further details.
Collection Costs and Expenses	Amount incurred	Upon demand	You must pay our collection costs and expenses, which include collection agency fees, costs incurred in creating reports demonstrating Gross Sales, attorney's fees, and related expenses we incur in enforcing the terms of the Franchise Agreement.
Convention Registration	Currently, we do not charge this fee; and we can't predict the amount, but expect that it could range from $500 - $1,500	As incurred	Your Operating Principal and one other management person we approve must attend our Annual Convention and pay any registration fee and costs of travel and accommodations.
Customer Complaints	Our reasonable costs and expenses	Upon demand	You must reimburse us for our reasonable costs and expenses incurred in resolving customer complaints at your Restaurant.

Type of Fee[1]	Amount	Date Due	Remarks
Enforcement Expenses	Reasonable cost of our attorneys' fees and expenses	Upon demand	Payable if we obtain injunctive or other relief for the enforcement of any term of the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of the operation of your Restaurant.
Interest	1.5% per month or the maximum rate permitted by applicable law, whichever is less.	With payment of overdue amount	We calculate interest from the date the payment was due until paid in full.
Insufficient Funds Fee	$250 and any bank fees incurred (or the maximum amount permitted under applicable law)	With payment of overdue amount	Payable if you deliver a check which does not clear your bank account or where we are not able to complete an electronic funds transfer due to insufficient funds.
Management Fee	20% of Gross Sales	Weekly	Due when we or a third party manage the Restaurant upon the Operating Principal's death or disability, if we have the right to terminate the Franchise Agreement or have placed you in formal default, or if the Franchise Agreement is terminated or expires and we are deciding whether to exercise our option to purchase the Restaurant.
Off-Premises Programs	Currently, $0	As incurred	If we establish an Off-Premises Program, we may charge you fees and costs associated with participating in the program.
Quality Assurance Programs	Our out of pocket costs (typically $1,000 - $1,500)	As incurred	You must pay costs that we incur to third parties to carry out quality assurance programs at your Restaurant if you don't pay third parties directly for their services.
Reimbursement for Examination or Audit	Actual cost of audit, including travel, lodging, wages and reasonable accounting and legal costs	Upon demand	Payable only if an examination or audit reveals an understatement of the Gross Sales of the Restaurant by you of 2% or more. This is in addition to applicable interest and late fees.

Type of Fee[1]	Amount	Date Due	Remarks
Reimbursement of our Expenses	Amount we pay on your behalf	Upon demand	Payable only if we pay, or become obligated to pay, monies on your behalf by consent or otherwise under the Franchise Agreement including amounts we pay to obtain insurance for the Restaurant on your behalf if you fail to maintain the required insurance policies.
Relocation Fee	35% of our then-current initial franchise fees	Upon demand	Payable if you make a request and we approve your relocation of the Restaurant.
Renewal Franchise Fee	$10,000	Upon execution of a renewal franchise agreement	If you choose to and are approved to continue operating the Restaurant for the renewal term you must sign our then current form of renewal franchise agreement.
Securities Offering	$10,000 or such greater amount as is necessary to reimburse us and our outside advisors for our expenses	With submission of offering materials for our review	Payable if you intend to offer securities to investors. This is in addition to the regular transfer fee. You also must reimburse us on an annual basis for our costs associated with providing information for your annual reports.
Supplier Evaluation	Reasonable costs of evaluation, which currently are expected to range between $1,000 and $1,500 although costs could be less than or exceed these amounts depending on the product and the supplier	Upon demand	Payable whether or not we approve the supplier. Please see item 8 for additional details.
Taxes	Amount imposed on us	Upon demand	You must reimburse us for any taxes, fees or assessments imposed on us for acting as a franchisor or licensing the Proprietary Marks to you.
Training – Additional Programs	Reasonable tuition fees	Upon demand	We have the right to charge you reasonable training fees for additional training programs that we administer during the term of your Franchise Agreement.

Type of Fee[1]	Amount	Date Due	Remarks
Training – Additional Training Required	$300 per person per day and travel and living and other expenses	Upon demand	If any person you send to training requires more training that our standard training program, you must pay this fee.
Training – On Site	$400 per representative per day and travel expenses	Upon demand	If we send a representative to your Restaurant to provide training for your staff.
Transfer Fee – Franchise Agreement	$5,000 plus any costs or expenses we incur for the transfer	Upon demand	Payable if you propose to sell or transfer your business (or a partial ownership interest). We will not charge a transfer fee if you transfer the agreement to a corporation or limited liability wholly owned by you.

NOTES TO CHART:

(1) Unless otherwise noted, all of the fees or charges described in this Item derive from the Franchise Agreement. Unless otherwise noted, all fees are non-refundable, payable to us, and uniformly imposed on all franchisees receiving this offering.

(2) "**Gross Sales**" means the aggregate amount of all revenues generated from the sale of all products and services sold and all other income of every kind related to the Restaurant, whether for cash or credit (and regardless of collection in the case of credit), whether from sales on the Premises, by delivery, from catering, or at wholesale (whether the sales method is permitted or not). You may not reduce Gross Sales by the amount of any discounts provided to employees, family members and other businesses that you control.

The following are not included in Gross Sales: (1) sales taxes or other taxes collected from customers for transmittal to the appropriate taxing authority (2) proceeds from the sale of gift cards or stored value cards; and (3) customer refunds made in good faith. We may modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change

(3) You must designate an account at a commercial bank of your choice (**"Account"**) for the payment of amounts due to us and/or our affiliates, including but not limited to Royalty Fees and Marketing Fund Contributions. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer. On de date specified by us, we will transfer from the Account an amount equal to the Royalty Fees and Marketing Fund Contributions due from you as reported to us in your sales report or determined by us based on the records contained in the point of sales terminals of the Restaurant, as well as any other fees due to us and/or our affiliates. We will obtain payment by electronic debit to your Account each week.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
FRANCHISE AGREEMENT (1)

Type of Expenditure	1700 SF	2000 SF	2500 SF	Payment Method	When Due	Payment To
	LOW	MID	HIGH			
Initial Franchise Fee[2]	$30,000	$30,000	$30,000	Lump Sum	At execution of Franchise Agreement	Us
Training Fee[3]	$15,000	$15,000	$15,000	Lump sum	At signing of Franchise Agreement	Us
Lease Deposit,[4] Lease,[5] Utility Deposits[6]	$50,000	$62,500	$75,000	As incurred	Before and after opening	Suppliers
Licenses and Permits[7]	$15,000	$15,000	$20,000	As incurred	Before opening	Suppliers
Architects and Design[8]	$56,000	$56,000	$56,000	As incurred	Before opening	Suppliers
Construction/Leasehold Improvements[9] and Signage[10]	$550,000	$700,000	$850,000	As incurred	Before opening	Us, Suppliers
Furniture, Fixtures, and Equipment[11]	$200,000	$250,000	$325,000	As incurred	Before opening	Suppliers
Computer, POS and Security Equipment[12]	$25,000	$25,000	$30,000	As incurred	Before opening	Suppliers
Professional Fees[13]	$3,000	$5,000	$8,000	As incurred	Before opening	Suppliers
Opening Inventory and Supplies[14]	$12,000	$17,000	$20,000	As incurred	Before opening	Suppliers
Pre-Opening Labor[15]	$20,000	$30,000	$40,000	As incurred	After opening	Suppliers
Insurance[16]	$3,000	$4,500	$6,000	As incurred	Before opening	Suppliers
Training Expenses[17]	$15,000	$17,500	$20,000	As incurred	Before opening	Suppliers
Grand Opening Marketing[18]	$5,000	$5,000	$5,000	As incurred	Before opening	Suppliers
Additional Funds - 3 Months (Working Capital)[19]	$30,000	$35,000	$40,000	As incurred	After opening	Various
Total	$1,029,000	$1,267,500	$1,540,000			

YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT AGREEMENT (1)
(Minimum of 2 Restaurants)

Type of Expenditure	Amount Low Estimate	Amount High Estimate	Method of Payment[1]	When Due	To whom payment is to be made
Development Fee[20]	$20,000	$20,000	Lump sum	Upon signing Development Agreement	Us
Business Plan Preparation/ Professional Fees[21]	$3,000	$5,000	As incurred	As incurred	Third parties
Total[22]	$23,000	$25,000			

NOTES TO ITEM 7 TABLES:

(1) Amount and Method of Payment. Costs paid to us are not refundable, except as specifically described below. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your Restaurant is located. We do not provide any direct or indirect financing for the initial franchise fee, development fee, or other fees and costs paid to us or to third parties. If you meet the credit requirements determined by third party vendors, you may be able to obtain financing. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan. We do not determine the terms and conditions of any financing and we do not provide any guarantees for any financing provided to you by third parties. Your costs as noted in Item 7 may be higher due to location, size of property, inflation and instability in market arising from various factors.

(2) Initial Franchise Fee. The manner in which the initial franchise fee is paid is explained in detail in Item 5. If you develop multiple Restaurants under a Development Agreement, Item 5 explains how the development fee will be credited to the initial franchise fees you will pay for each Restaurant.

(3) Training Fee. You may bring up to 4 people for initial training, but you are responsible for costs for travel, food, and lodging, as estimated below.

(4) Lease Deposit. This range of expense assumes a prepayment of rent and deposits for a commercial lease for approximately 2 to 3 months. Pre-paid rent is generally non-refundable, while security or other deposits may be refundable either in full, or in part, depending upon the lease contract.

(5) Lease (3 months). This range of expenses includes the first three months of rent after opening for 1800 to 3000 square feet at a traditional site. Since real estate values vary dramatically from region to region, your expense for rent may be outside the low-high ranges provided.

(6) Utility Deposits. This estimate is for deposits for regular utilities, such as gas, water, and electricity. Utility deposits may be required for first time customers and a credit check may be conducted by the issuing company before beginning services. These costs will vary and are due to the type of services required for the facility and the municipality from which it is being contracted. We recommend that you check the requirements in your local area.

(7) Licenses and Permits. You are responsible for obtaining and maintaining all required permits and licenses necessary to operate the Restaurant, including a permit to operate a bar and serve alcoholic beverages if you plan to offer beer and wine at the Restaurant. You must obtain and

maintain the appropriate license and comply with all federal, state, and local laws relating to the distribution and dispensation of alcoholic beverages. The cost of obtaining liquor licenses and related permits will vary greatly from state to state. Costs associated with obtaining a license to sell wine and beer or a full liquor licenses, as applicable, include the application, background checks, fingerprinting, stakeholder disclosures, surety bonds, insurance, tax permits, other liquor control board costs, Alcohol Awareness Training, and the cost to obtain the license itself. Costs will vary based on whether you purchase the license from an existing business or from a regulatory agency. In many cases, the licenses are issued based on availability and our approval of a Premises for your Restaurant is not a guarantee that you will be able to obtain a liquor license for that location. Prior to leasing a space, you must ascertain all applicable federal, state and local laws, including requirements of the liquor control board or other entity regulating the sale, service and consumption of wine, bottled beer and, if applicable, liquor at the Restaurant Premises, and determine the feasibility of obtaining all licenses, permits and approvals necessary to operate the Restaurant. You must obtain a liquor license and all other these necessary licenses/permits/approvals prior to opening your Restaurant unless applicable laws require that you first open the Restaurant, in which case you must obtain the license promptly after opening.

(8) Architects and Design. You must use our approved designer to develop plans for the Restaurant and we must approve the final plans.

(9) Construction/Leasehold Improvements. Our site review fee of $500 is included in this estimate. Marufuku Ramen restaurants at traditional sites range in size from approximately 1800 square feet to 3000 square feet. The estimate applies to a site which has been obtained in the “vanilla box” stage, which refers to the interior condition of either a new or existing building or suite that has been prepped with heating/cooling delivery systems, lighting, electrical switches and outlets, lavatories, a finished ceiling, walls that are prepped for painting, plumbing and other utilities to stub, and a concrete slab floor. The estimated costs cover all interior improvements, millwork, electrical, flooring, HVAC (heating, ventilation, air conditioning), structural changes, and restrooms. These numbers are not inclusive of architect fees but do recognize other fees typically charged by licensed professionals, (such as project managers, general contractors and licensed tradesman), who are contracted to install electrical, plumbing, and HVAC. In some instances, landlords may provide monetary allowances for materials or work, or rent credits during the time of construction, however such allowances or credits are not reflected in the expense range represented here. Your costs may be less or more than this estimate, depending upon where you are planning to open your Restaurant or if you receive the premises in any condition other than what is in the “grey shell” description above or a non-standard commercial property. We recommend that you interview several contractors and check their references before engaging a contractor. We anticipate that you will lease rather than build your Restaurant. We therefore have not included any costs for land, building construction or related costs in our estimates.

(10) Signage. This estimate includes the cost to produce signage for the Restaurant. All signage must be in compliance with our standards and your local building and other codes.

(11) Furniture, Fixtures, and Equipment. These figures represent the purchase of the furniture and fixtures needed for the operation of Restaurant, including the cash wrap, seating, décor, and other furnishings, fixtures, and merchandising. The range of cost recognizes instances where Restaurant configurations differ, and different pieces, sizes or models may be recommended by our staff.

(12) Computer and Security Equipment. This estimate covers the purchase of the computer equipment, as well as the purchase and installation of security system cameras plus monitoring service for the alarms for the first three months. This estimate also covers the purchase of a point of sale system hardware and software, back office hardware (including a computer, monitor, and printer) as well as the business management, accounting, and financial reporting software that we specify. The vendor for the POS will provide onsite installation services for two nights; if the vendor is onsite for a longer period of time the cost of installation will increase. See Item 11 for additional information.

(13) Professional Fees. These fees are representative of the costs for engagement of professionals for the start-up of a restaurant business. We also strongly recommend that you seek the assistance of attorneys and accountants to review this franchise opportunity, this disclosure document, and subsequently, the Franchise Agreement and the Development Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as a part of developing the Restaurant. It is best to ask your professional advisors for a fee schedule prior to engaging them to perform any services on your behalf.

(14) Opening Inventory and Supplies. This estimate covers initial inventory for pre-opening training and opening day; then, you will need to reorder based upon the Restaurant's anticipated customer traffic.

(15) Pre-Opening Labor. This estimate is for costs you will incur for salaries, benefits, etc. to hire a management team and staff prior to opening. All managers and staff must be trained prior to opening and must be on-site during the 10 days prior to opening for training provide by us. See Section 11 for additional information on training.

(16) Insurance. This estimate includes the cost of insurance deposits and premiums during the pre-opening phase. An insurance deposit may be required by the issuing company in order to obtain the minimum required insurance as listed in Item 8 of this disclosure document. You will need to check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your business will be located, your experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our stated minimums.

(17) Training Expenses. The estimate assumes that you will pay for the travel, meals, auto, and lodging, for up to four individuals for approximately 30 to 45 days of training at our office in South San Francisco, California (or at another site we choose). The cost you incur will vary depending upon factors such as the distance traveled, mode of transportation, per diem expenses actually incurred, and the number of persons who will attend training, as well as your chosen style of travel and accommodations. This estimate also includes estimated costs for the five day orientation for the Operating Principal.

(18) Grand Opening Marketing Program. This estimate covers the costs of the Grand Opening Marketing Program. You must spend at least the amount noted in the low range. See Item 11 for more information.

(19) Additional Funds – 3 Months (Working Capital). This is an estimate of the additional working capital you may need to operate your Restaurant during the first three months of operation and is net of any revenue you receive during this period. This estimate is based upon our parent's experience in opening and owning a Marufuku Ramen restaurant. We cannot guarantee that you will not incur additional expenses in operating the Restaurant. The estimate includes items such as pre-opening wages that you pay your staff, but does not include an owner's salary. The estimate also includes items, such as initial payroll taxes, Royalty Fees, Marketing Fund contributions, professional and accounting fees, additional advertising, insurance, health insurance and workers' compensation, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff recruiting expenses, state tax and license fees, depreciation and amortization, deposits and prepaid expenses (if applicable) and other unforeseen miscellaneous items. The expenses you incur during the initial start-up period will depend on factors such as the time of year you open, local economic and market conditions, the cost of labor in your area, the amount you pay your staff, the number of employees you hire, your experience and business acumen, competition, and the sales level you reach during this initial period.

(20) Development Fee. Your estimated initial investment under the Development Agreement will vary depending on the number of Marufuku Ramen restaurants you develop within the Development

Area. The chart reflects the anticipated minimum number of 2 development commitments. No part of this initial investment is refundable, although we will apply your development fee towards the initial franchise fees owed under the Franchise Agreements that the Development Agreement covers.

(21) Business Plan Preparation/Professional Fees. We recommend that you prepare a business plan prior to purchasing this franchise opportunity, and that you meet with legal and other business professionals to discuss this opportunity. Except for the Development Fee, and professional fees, there is no additional initial investment for training, real property, equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, decorating costs, inventory, security deposits, utility deposit, business licenses, other prepaid expenses or other costs required to begin operating under the Development Agreement.

(22) Your Estimated Initial Investment. Your costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market conditions, the time it takes to build sales of the establishment, and your skills at operating a business. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area. You should review this estimate and work with knowledgeable advisors including lawyers, accountants, restaurant advisors, local contractors, engineers, and architects before making any decision to invest in our franchise opportunity. You are responsible for the costs of developing the Restaurant even if it is substantially higher than our estimate.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

System Standards

To protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Restaurant in strict conformance with our System standards, including the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. The System standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Restaurant.

Suppliers

You must purchase your food and beverage items, ingredients, supplies, equipment, furnishings, smallwares, merchandise, promotional items, information technology services, credit card processing services, and other products and services that you purchase for operation of or sale in the Restaurant in accordance with our specifications and quality standards and, if applicable, only from suppliers we have designated or approved (which may include us or our affiliates). We and our affiliates may earn a profit on products and services sold to you and other Marufuku Ramen franchisees, and may receive rebates or other consideration from suppliers with respect to their sales of products or services to you or other Marufuku Ramen franchisees, whether or not the product or service is presently mentioned in this Item. Currently, we receive a rebate of 7.5% on certain logo'ed and trademarked products that franchisees purchase from approved suppliers. In our last fiscal year, we received approximately $141,385 in rebates from suppliers based upon franchisee purchases. Our affiliates did not receive any rebates or payments from approved suppliers on account of franchisee purchases or leases of required and approved items from those suppliers.

As of the issuance date of this disclosure document, neither we nor any of our affiliates is an approved supplier for products or services that are sold to Marufuku Ramen restaurants. However, we reserve the right to designate ourselves an approved supplier, or as the only approved supplier, for particular products and services in the future.

If we require you to use an approved supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the supplier, unless it is an item for which we have designated a particular vendor as the source for the particular product or service. We will provide our standards and specifications to you or to the proposed supplier, subject to the supplier's execution of a confidentiality agreement in a form acceptable to us. We have the right to inspect the proposed supplier's facilities and to require delivery of product samples either to us or to an independent laboratory designated by us for testing. You may be required to pay a fee, which will not exceed our reasonable costs incurred in evaluating the supplier, regardless of whether or not we approve the supplier. You may not purchase, sell, or offer for sale any products or services of the proposed supplier until you receive our written approval of the proposed supplier. We generally will give you written notice of approval or disapproval of the proposed supplier within 30 days after receiving your request and completion of evaluation and testing, if required. You may not sell or offer for sale any products or services of the proposed supplier until you receive our written approval.

We have the right to revoke approval of particular suppliers if we determine that the suppliers or their products or services no longer meet our standards. Upon receipt of written notice of revocation, you must stop buying from the disapproved supplier. In addition, if we revoke our approval of the products because they fail to meet our standards, you may be required not to use your remaining inventory of those products.

None of our officers or directors owns an interest in any suppliers of products or services to our franchisees. .

There currently are no purchasing or distribution cooperatives for the System. We and our affiliates negotiate purchase arrangements with suppliers (including price terms) for the benefit of our franchisees and our affiliates for the items and services that you may obtain only from approved suppliers. In doing so, we and our affiliates seek to promote the overall interests of the Marufuku Ramen restaurant system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Proprietary Items

Any proprietary items are offered and sold at the Restaurant are manufactured according to our secret recipes and are our proprietary products ("**Proprietary Items**"). We may designate other Proprietary Items in the future. To maintain and protect our rights in and to our Proprietary Items, you must purchase Proprietary Items only from the supplier(s) that we designate periodically. To maintain the high standards of quality and uniformity associated with food sold at all Restaurants in the System, you must not offer or sell any items that are similar to (but not the same as) Proprietary Items at or from the Restaurant.

Lease

If you lease the premises for your Restaurant, you must submit the proposed lease to us for approval before you sign it and you must use our form of Lease Addendum attached as Exhibit F to the Franchise Agreement. See Item 11 under the heading "Site Selection" for additional details.

Furnishings, Fixtures and Equipment

We have identified a specific recommended brand and model for many of the furnishings, fixtures and equipment items required to equip a Marufuku Ramen restaurant. You must purchase these items only from approved suppliers, which may include us or an affiliate. We may negotiate with vendors for the price, warrantees, guarantees, delivery costs, maintenance contracts, etc. We do not represent that we will be able to obtain for you the lowest costs or best terms available. The type and number of pieces of furnishings, fixtures and equipment you require will be based, on the size of your Restaurant.

Point-of-Sale System and Other Computer System Requirements

For each Restaurant, you must purchase, install, and use the point of sale (POS) system, inventory management system, financial reporting system, back office computer, and other computer equipment, communications devices, audio/visual equipment and software systems that we specify as they evolve over time. We currently require all franchisees to use Toast POS System and associated software. You must purchase this equipment new for our approved vendor.

Gift Cards

You must participate in programs we establish relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs. Participation includes both issuing program benefits or credits and accepting them for payment by customers, and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among Marufuku Ramen restaurants based on customer purchases and redemption of stored value. You must also participate includes both issuing program benefits or credits and accepting them for payment by customers, and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among Marufuku Restaurants in any “frequent guest” or customer loyalty programs we prescribe. You may not offer your own gift card, electronic money, or loyalty program for your Restaurant without our prior approval.

Insurance

Before undertaking any activities in connection with your franchise, you must obtain insurance policies meeting our current requirements, at your expense. This insurance must protect you, us, and our affiliates, officers, directors, shareholders and employees against all claims for personal injury, death, or property damage, or any loss, liability or expense arising from the operation of your Restaurant.

All insurance policies must be written by a carrier with an industry rating of A+ (or any similar criteria that we periodically specify). Liability policies must name us as an additional insured, and must provide us with 30 days prior written notice of termination, expiration or cancellation of the policy. You must provide us with certificates of insurance evidencing the proper types and at least the minimum amounts of coverage that we require.

Currently, we require the following insurance:

Type of Insurance Policy	Coverage Requirements
Commercial General Liability (occurrence based) including bodily injury, death, or property damage, per location	$1,000,000 per occurrence ($2,000,000 aggregate)
Employment Practices Liability Insurance or equivalent	Not less than $1,000,000
Liquor Liability Insurance	Not less than $1,000,000
Workers Compensation Insurance	As required by applicable law

We have the right to increase the amounts of coverage required and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, new risks, changes in the law or standards of liability, higher damage awards, or other relevant changes in circumstances.

All public liability and property damage policies must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors and assigns. If you fail to maintain the required coverage, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a reasonable fee for our services.

* * *

We estimate that approximately 70% to 80% of your total purchases and leases in establishing a Marufuku Ramen restaurant and approximately 70% to 80% of your total purchases and leases in operating a Marufuku Ramen restaurant will be subject to at least one of the restrictions described in this item.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement (FA) and Development Agreement (DA)	Disclosure Document Item
a. Site selection and acquisition/lease	FA: 3.2 – 3.4 DA: 3.2	5, 7, 8, 11 and 12
b. Pre-opening purchases/ leases	FA: 3.3-3.11 and 11 DA: Not Applicable	5, 7, 8 and 12
c. Site development and other pre-opening requirements	FA: 3 DA: 3	5, 6, 7, 8, 11 and 12
d. Initial and ongoing training	FA: 6 DA: 4.5	6, 7 and 11
e. Opening	FA: 3.11 and 3.12 DA: Not Applicable	11
f. Fees	FA: 3.2.3, 3.13, 4, 6.3, 6.4, 8.4, 8.7, 8.14, 8.18, 8.27, 10.3, 10.7.2, 12.3, 12.4, 16.4.10, 16.7, 18.3, 19.5 and 20.3 DA: 2 and 3.2.2	5, 6 and 7
g. Compliance with standards and policies/Operating Manual	FA: 7, 8 and 10 DA: 3	11 and 14
h. Trademarks and proprietary information	FA: 13 DA: Not Applicable	13 and 14
i. Restrictions on products/ services offered	FA: 8.2 - 8.8 DA: Not Applicable	8 and 16
j. Warranty and guest service requirements	FA: 8.14 and 8.18 DA: Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA: 2.3 DA: 1.2 - 1.4, 3.1 and Exhibit A	1 and 12
l. Ongoing product/service purchases	FA: 8.2 – 8.3 DA: Not Applicable	6, 7 and 8
m. Maintenance, appearance and remodeling requirements	FA: 8.12 and 9.3 DA: Not Applicable	11
n. Insurance	FA: 11 DA: Not Applicable	7 and 8
o. Advertising	FA: 10 DA: Not Applicable	6 and 11

Obligation	Section in Franchise Agreement (FA) and Development Agreement (DA)	Disclosure Document Item
p. Indemnification	FA: 21 DA: 8.2	Not Applicable
q. Owner's participation/ management/staffing	FA: 6, 8.19-8.20,14 and Exhibit B DA: 4 and Exhibit B	11 and 15
r. Records and reports	FA: 12 DA: Not Applicable	6
s. Inspections and audits	FA: 8.12, 8.13, 8.14 and 12.4 DA: Not Applicable	6 and 11
t. Transfer	FA: 16 DA: 6	17
u. Renewal	FA: 18 DA: Not Applicable	17
v. Post-termination obligations	FA: 20 DA: 7.5	17
w. Non-competition covenants	FA: 15 DA: 5.2	17
x. Dispute resolution	FA: 26 DA: 13	17
y. Other – Personal Guarantee	FA: Exhibit C DA: Exhibit C	15

ITEM 10
FINANCING

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

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

Except as listed below, Marufuku Franchising, LLC is not required to provide you with any assistance.

Our Obligations Prior to Opening:

Before your Restaurant opens, we will:

1. Provide site selection criteria. (Franchise Agreement, Section 3.2.1)

2. Review sites you propose for your Restaurant, as described in more detail below. (Franchise Agreement, Section 3.2.3)

3. Review the lease for your Restaurant. (Franchise Agreement, Section 3.4)

4. Provide plans (which may be proposed or as built plans for an existing plan) for Marufuku Ramen restaurant. (Franchise Agreement, Sections 3.6.1 and 5.1)

5. Review your complete set of preliminary and final drawings and specifications, and notify you of our approval or rejection within 30 days. (Franchise Agreement, Section 3.6.2

6. Provide the Manual on loan for the term of the Franchise Agreement. (Franchise Agreement, Sections 5.2 and 7) The table of contents for the Manual appears in Exhibit C of this disclosure document. As of the issuance date of this disclosure document, the Manual contains 62 pages.

7. Provide a training program for your Operating Principal and 3 management team members. See below under "Training." (Franchise Agreement, Sections 5.3 and 6)

8. Provide pre-opening and opening supervision and assistance, as we deem advisable. (Franchise Agreement, Section 5.4)

9. Review and approve in writing your proposed marketing plan and materials for use in connection with the "Grand Opening Marketing" of the Restaurant, as described below under "Advertising." (Franchise Agreement, Section 10.2)

10. We may send two representatives to the Restaurant to assist with opening for a period not to exceed 13 days.

Continuing Obligations

After your Restaurant opens, we will:

1. If established, administer the Marketing Fund and make available to you for purchase any advertising and promotional materials that we may produce independently from the Marketing Fund. (Franchise Agreement, Sections 5.6 and 10.3.4)

2. Provide advice and written materials concerning techniques of managing and operating a Marufuku Ramen restaurant. (Franchise Agreement, Section 5.7)

3. At your request, review any proposed supplier to determine whether the supplier and its products or services meet our standards. (Franchise Agreement, Section 8.4)

Site Selection and Construction

The procedure for constructing and opening a Marufuku Ramen restaurant is outlined in Section 3 of the Franchise Agreement. You must secure a site and construct your Restaurant at your own expense.

Within 30 days after you sign the Franchise Agreement, you must provide a site review kit to us including a complete site report and other materials and information we request for a suitable site located within the geographic area that you and we designate as your "**Site Selection Area**". Within 45 days after we receive your detailed site review kit, we or our designee will conduct an evaluation of the proposed site(s) and accept or reject your proposed sites. At our option, we may conduct an on-site evaluation of the proposed site(s). We do not charge any fees to conduct one market visit, however; if we require, or if you request, any additional market visits, you must pay a site review fee to us in the amount of $500 and reimburse us for our travel expenses associated with such visits. We will not unreasonably withhold our acceptance of a site that meets our site selection criteria. In evaluating your proposed site, we will consider demographic data you provide, as well as other information regarding the characteristics of the site and trade area including visibility, access, the proximity of competing businesses, traffic patterns, and the availability of parking. We also may consider the site's proximity both to the Site Selection Area's boundaries and to other existing or potential sites for Marufuku Ramen restaurants located outside the Site Selection Area.

The site that we accept will be designated as the "**Premises**" in Exhibit A to the Franchise Agreement. If we reject your proposed site, we will encourage you to submit alternative site(s). You must obtain our acceptance of a site and acquire a possessory or leasehold interest in the site for your Restaurant within 90 days after you sign the Franchise Agreement or we will have the right to terminate the Franchise Agreement.

We will furnish to you plans and specifications (which may be prototype plans or construction or as built plans for an existing restaurant) for a Marufuku Ramen restaurant, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, security, furnishings, and color scheme. It shall be your responsibility to have prepared all required construction plans and specifications to suit the shape, dimensions and utility requirements of the Premises, and you must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You shall use only registered architects, registered engineers, and professional and licensed contractors (who are reasonably acceptable to us). At our option, you must engage our designated or approved architect or our designated or approved designer.

Prior to submission to local authorities, you must submit proposed construction plans, specifications and drawings for the Restaurant ("**Plans**") to us and you must, upon our request, submit all revised or "as built" Plans during the course of such construction. We will approve or reject the Plans and notify you within 30 days after we receive the Plans. Once we have approved the Plans, no substantial change shall be made to the Plans without our prior approval. You may not begin site preparation or construction prior to receiving written notification from us that we have approved the Plans. You must construct the Restaurant in accordance with Plans approved by us and must comply in all respects with applicable laws, ordinances and local rules and regulations. You must install all furniture, fixtures, equipment and signs in accordance with the plans and specifications that we have approved. You are responsible for obtaining all zoning and health permits at your own expense.

It typically takes 60-90 days to select and lease the premises for a Marufuku Ramen restaurant from the signing of the Franchise Agreement and an additional 120 to 180 days to construct the restaurant. The actual time will vary depending on the availability of financing and the time you need to obtain the necessary permits and licenses for the construction and operation of the Restaurant. Neither of these factors is within our control. You must open the Restaurant within 270 days after signing the Franchise Agreement or we will have the right to terminate the Franchise Agreement.

POS System and Computer System Requirements

You must acquire and install in your Restaurant, at your own expense, the point of sale (POS) system, back office computers and other computer equipment, digital menu boards, communications devices, audio/visual equipment, and software systems that we specify in writing from time to time. Our specifications may evolve over time and, in some cases, required items may only be available through us and/or designated suppliers.

You must use the Toast point of sale (POS) system and associated software. You must purchase this POS equipment new from our approved vendor. You must transmit data to us at the times we specify and give us independent access to your systems (and provide us with any user names and passwords necessary for that purpose). There are no contractual limitations on our ability to access the information and data contained in your systems. We and our affiliates have the right to retain the information and to use it internally without restriction.

You also must purchase a computer for management use that uses a designated operating system and is capable of running the required software and a printer. The computer must have a high-speed interface that permits you to connect to the Internet and to transmit and receive email and access Internet websites. You must obtain the back-office software that we specify, including inventory management, on-line employee scheduling, payroll processing, accounting, payables, customer marketing, tips management, and other management and accounting software. In addition, you must obtain the software that we specify for reporting financial information to us. The type and number of computers and other hardware, software, and telecommunications equipment may vary depending on the size of your Restaurant.

The estimated cost for the computer, POS and security systems range from $25,000 to $35,000 per Restaurant; the POS system costs for purchase and two days of onsite installation / support will be approximately $11,000. There will be monthly fees charged by the vendor for the POS system which we expect will be approximately $200 to $400. We recommend, but do not require, that you purchase a support agreement in order to reduce costs associated with technical support. We estimate that the cost of a basic annual technical support contract will be approximately $100; but that amount may be higher. You must pay all amounts charged by any supplier or licensor of the systems and programs you use, including charges for use, maintenance, support and/or update of these systems or programs. You must promptly update and upgrade your computer hardware and software systems as we require, at your expense. There is no contractual limitation on the cost or frequency of this obligation.

You must honor all credit, charge, courtesy or cash cards or other credit devices that we specify. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see *www.pcisecuritystandards.org*) or successor organization.

Training

Pre-Opening Training

You or an owner approved by us must attend a five day orientation program for our System.

Training Program

Your Restaurant must have 3 management team members (1 front of the house and 2 back of the house) who have completed the training program to our satisfaction. Your Operating Principal may also attend this training if he or she chooses. Initial training may vary based upon the role of the attendee, but typically lasts approximately 30 to 45 days and includes classroom training and on-the-job training at our offices or locations and up to 13 days of support in your Restaurant.

You must pay a training fee of up to $15,000, at our discretion based on your Restaurant. We will certify any supervisory employee of yours who successfully completes the initial training program to our satisfaction as a "**Trained Manager**." We will authorize the Restaurant to open only after you have the required number of Trained Managers in the roles we require.

TRAINING PROGRAM

Back of the House ("BOH") Kitchen

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Orientation - Ops Manual review - Training Plan - Store tour & menu review	4	4	Our Corporate Restaurant Locations
Product Preparation - BOH	2	14	Our Corporate Restaurant Locations
Product Preparation - BOH - Small plates	3	29	Our Corporate Restaurant Locations
Product Preparation - BOH - Ramen	3	37	Our Corporate Restaurant Locations

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Product Preparation - BOH - Ramen soup	2	22	Our Corporate Restaurant Locations
Small Plates - Station practice	1	29	Our Corporate Restaurant Locations
BOH - Ramen station - Product preparation	1	39	Our Corporate Restaurant Locations
Ordering Products	4	14	Our Corporate Restaurant Locations
Receiving products	1	7	Our Corporate Restaurant Locations
Management of Kitchen	2	22	Our Corporate Restaurant Locations
TOTALS	**23**	**217**	**240 total**

Back of the House ("BOH") Kitchen – Front of the House

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Orientation - Ops Manual review - Training Plan - Store tour & menu review	4	4	Our Corporate Restaurant Locations
Product Preparation - BOH	2	14	Our Corporate Restaurant Locations
Product Preparation - BOH - Small plates	2	14	Our Corporate Restaurant Locations
Product Preparation - BOH - Ramen	2	14	Our Corporate Restaurant Locations
Server responsibilities - Practice	2	38	Our Corporate Restaurant Locations
Small Plates - Station practice	2	14	Our Corporate Restaurant Locations
BOH - Ramen station - Product preparation	2	14	Our Corporate Restaurant Locations
Hostess and Busser practice	2	46	Our Corporate Restaurant Locations
Ordering and Receiving products	2	14	Our Corporate Restaurant Locations
Management of Service	2	46	Our Corporate Restaurant Locations
TOTALS	**22**	**218**	**240 total**

Five Day Orientation for Operating Principal

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Orientation - Ops Manual review - Training Plan - Store tour & menu review	4		Our Corporate Restaurant Locations
Product Preparation - BOH	1	3	Our Corporate Restaurant Locations
Product Preparation & Service - Small plates	1	7	Our Corporate Restaurant Locations
Product Preparation & Service Ramen	1	7	Our Corporate Restaurant Locations
Server responsibilities - Practice	1	7	Our Corporate Restaurant Locations
Management responsibilities	1	7	Our Corporate Restaurant Locations
TOTALS	**9**	**31**	**40**

* The current locations are San Francisco, Oakland, or Redwood, California or another location that we choose.

We will schedule the initial training program as needed for new franchisees and you must complete the program at least 60 days before opening your Restaurant. The program is offered only in English. Carlos Herrador, our Executive Vice President of Franchise Operations is responsible for developing, directing, and conducting our training program. Mr. Herrador has more than 35 years of experience in restaurant operations and 30 years of experience in training. He has been with our company since November 2018.

The instructional materials may include handouts, the Manual, quizzes, and checklists, as well as online learning materials.

Opening Training

We may send a trainer to the Restaurant to assist with the Restaurant opening for a period not to exceed 13 days. This opening training will also include on-site training for your managers, and staff members and additional assistance with opening marketing and management activities. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our trainer while they provide the opening training.

You must have a full staff in place and available for training before training commences. We will authorize you to open the Restaurant only after an adequate number of your employees, as determined by us in our sole discretion, have attended and received certification in the position for which they were hired.

Training Your Employees

Periodically, you must conduct such training programs for your employees as we may require, including those training programs required for your employees to become certified for the position(s) for which each employee was hired. Your Trained Managers are responsible for fully training the Restaurant's employees within 30 days of being hired. If we determine that your Trained Managers are no longer qualified to train your employees, then at our election, you must have them attend and successfully complete the training program and be re-certified as Trained Managers or designate replacement personnel to complete the program and be certified. You will be responsible for all costs that you incur in training your employees. If we elect to send our representative to the Restaurant to provide training for your staff, you must pay a training fee in the amount of $400 per representative, per day, and all travel, living and other expenses incurred by our representative.

If any person you send to training requires more training than our standard training program, you must pay a training fee in the amount of $300 per person, per day, and all travel, living and other expenses incurred by the trainee.

Additional Training Programs

We may require you or your employees to attend and pass additional training programs at your expense. These additional training programs may include classroom training, web-based training and programs offered by third parties.

Your Operating Principal and one other management person that we approve must attend a national business meeting or annual convention of franchisees.

We will advise and consult with you periodically in connection with the operation of the Restaurant. We may provide these services through visits by our representatives to the Restaurant or your offices, the distribution of printed, filmed or electronic information, meetings or seminars, telephone communications, e-mail communications or other communications. We will periodically inspect the Restaurant and its operations to assist your operations and ensure compliance with the System. At your request, we may provide special assistance at the Restaurant for which you will be required to pay our per diem training fees and charges that we may establish.

Advertising

Grand Opening Marketing Program

You must advertise and promote the Restaurant for a 90-day period beginning 30 days prior to opening through 60 days following the opening of the Restaurant ("**Grand Opening Marketing Period**"). You will develop a marketing plan for Grand Opening Marketing Period ("**Grand Opening Marketing Plan**") and marketing materials for the Restaurant ("**Grand Opening Marketing Materials**"). We must review and approve in writing the Grand Opening Marketing Plan and the Grand Opening Marketing Materials for the Restaurant, including total expenditures. You must spend at least $5,000 during the Market Introduction Period.

Marketing Contributions and Expenditures

You must make contributions to the Marketing Fund, make Local Store Marketing expenditures and contribute to a Cooperative if a Cooperative has been established in the Designated Market Area ("**DMA**") in which your Restaurant is located.

Marketing Fund

We have established a Marketing Fund for the enhancement, promotion and protection of the System and the Proprietary Marks. We require you to contribute a percentage of your Gross Sales to the Marketing Fund. We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Marketing Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. You must participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Marketing Fund. As of the date of this disclosure document, the required contribution is 1% of Gross Sales. We have the right to increase your Marketing Fund contribution by up to a maximum of 3% of Gross Sales.

Among the programs, concepts, and expenditures for which we may utilize the Marketing Fund monies are: (1) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, apps and social media or similar promotions, door hangers, free standing inserts, brochures, logo wear, labeling, video, audio, and written materials and electronic media, and other advertising and promotional materials; (2) media placement and buying, including all associated expenses and fees; (3) administering regional and multi-regional marketing and advertising programs; (4) the creative development of, and actual production associated with, premium items, giveaways, promotions, sweepstakes, contests, public relation events, and charitable or nonprofit events; (5) creative development of signage, posters, and individual Marufuku Ramen restaurant décor items including wall graphics; (6) recognition and awards events and programs including periodic national and regional conventions and meetings; (7) design, establishment, and maintenance of websites, extranets, intranets, search rankings, social media profiles, mobile applications and other digital marketing; (8) retention and payment of personalities engaged as spokespersons, advertising and promotional agencies, endorsement contracts, and other outside advisors including retainer and management fees; (9) sponsorship of sporting, charitable, or similar events; (10) review of locally produced marketing materials; (11) list acquisition and development; (12) association dues; (13) affinity program development; (14) development of third party facilities for the development of local advertising; and (15) public relations and community involvement activities and programs.

We may sell certain advertising materials, merchandise and premium items to you that are developed by the Marketing Fund and the earnings from such sales will be deposited in the Marketing Fund. The Marketing Fund also may be used to pay our reasonable salaries and expenses of our and our affiliates' employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Marketing Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Marketing Fund (including accounting fees, legal fees, and interest on monies borrowed by the Marketing Fund). We will not use the Marketing Fund for anything whose sole purpose is the marketing of franchises, however, the System website, public relations activities, community involvement activities and other activities supported by the Marketing Fund may contain information about franchising opportunities.

We may seek the advice of Marufuku Ramen franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Marketing Fund. However, we retain final authority on all programs financed by the Marketing Fund. We do not currently have an advertising council composed of franchisees.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses within 60 days after our fiscal year end and will provide a copy of the statement to all franchisees. If there are unspent funds in the Marketing Fund at the end of any given fiscal year, those unspent funds will carry over to the next fiscal year. We retain the final authority on all programs financed by the Marketing Fund. We have the right to change or dissolve the Marketing Fund at any time. If we disband the Marketing Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Marketing Fund contributions during the preceding 12 month period.

During fiscal year 2023, the Marketing Fund was spent as follows: approximately 48.6% social media and media placement; 29.16% on design and production; and approximately 22.14% on advertising. The money in the Marketing Fund that was not spent will be held and spent by the Marketing Fund in subsequent years.

The Marketing Fund (including any earnings on unspent funds) will be used to maximize general public recognition, acceptance, and patronage of Marufuku Ramen Restaurants. We are not obligated to make Marketing Fund expenditures for you which are equivalent or proportional to your contributions, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund. The Marketing Fund is not a trust and we have no fiduciary obligation in collecting payments, maintaining the bank account, bookkeeping, or disbursement of monies from the Marketing Fund.

Marufuku Ramen restaurants operated by us and our affiliates will contribute to the Marketing Fund on the same basis as comparable franchisees.

Local Store Marketing

We may require you to develop, on an annual basis, a Marketing Plan that we have approved for you, your Restaurant, and your market area. You must comply with all requirements regarding the Marketing Plan, including the use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, search engine optimization activities, and compliance with all promotional recommendations. If we require you to conduct such local advertising and marketing in your market area (**"Local Store Marketing"**) we may require you to spend up to an amount we determine. If required within 30 days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Store Marketing expenditures during the preceding quarter. If you fail to expend on an annual basis, the required amount, then you must contribute to the Marketing Fund any amounts that you should have expended to reach the local advertising requirement within 30 days after the close of our fiscal year. We must approve all Local Store Marketing as described below.

Joint Marketing Programs and Cooperatives

We have the right to establish: (1) co-marketing programs in which we and our franchisees join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple franchised and Company-Owned Marufuku Ramen restaurants contribute to a specific ad or event; and/or (3) local or regional Cooperatives that pool funds of franchised and Company-Owned Marufuku Ramen restaurants on an ongoing basis to jointly promote the Proprietary Marks and the Marufuku Ramen restaurants of the members. You must participate in each applicable joint marketing program and comply with the rules of the program. The following provisions apply to Cooperatives:

- We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to your Restaurant, you must become a member and begin contributing. You will not have to contribute to more than one Cooperative for the same Restaurant at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a Restaurant owned by us or our affiliates.

- Each Cooperative will adopt a cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, you agree to 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. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent.

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

- You and each other member of the Cooperative must contribute weekly to the Cooperative up to 50% of your Local Store Marketing expenditure (unless a majority of the Cooperative votes to increase the amount), which amount will result in a corresponding reduction in your Local Store Marketing obligation.

- We may grant any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, 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 Store Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

Approval Requirement

All advertising and promotion by you and by any Cooperative must be in the type of media and format that we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials for our approval at least 15 days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last 12 months.

Electronic Marketing and Electronic Communications

We will host and maintain an independent webpage for the Restaurant at an Internet address that we specify. We will provide and maintain this webpage using a standard template. You may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or Internet presence that uses or displays any of the Proprietary Marks (or any derivative thereof) or that promotes any products or services of the Restaurant. The use of any electronic medium constitutes advertising and promotion subject to our approval as described above. You may not transmit or cause any other party to transmit advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VoIP, streaming media, or other electronic media without first obtaining our written consent as to: (1) the content of the advertisements or solicitations; and (2) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of the Restaurant must be in the form we prescribe. If we approve the use of an electronic medium, our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe.

Pricing and Promotional Activities

To the extent permitted by applicable law, we have the right to establish maximum and/or minimum prices that you must follow for menu items, merchandise, and other products and services sold in the Restaurant. You must participate in and comply with the terms of special promotional events and activities that we prescribe for Marufuku Ramen restaurants generally or in specific geographic areas or for specific types of venues. These events and activities may include value menu, special offer, limited time offer, coupons, and other pricing promotions and the featured price(s) may be less than your cost for the promoted item(s). If required by our agreement with a supplier, you may have to purchase a certain amount of products from the supplier in connection with a promotion and you might not be able to use or sell all of the products. You must bear your own costs of participating in these promotional events and activities. You must display promotional signs and materials and otherwise participate in the manner we specify.

ITEM 12
TERRITORY

You will not receive an exclusive territory under the Franchise or the Development Agreement. 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 will have no obligation to compensate you in connection with any such activities.

Franchise Agreement

Each Franchise Agreement is granted for the Restaurant Premises, which is a specific location that we accept. You must operate the Restaurant only at the Premises. During the term of the Franchise Agreement, we will not operate, or grant the right to any other party to operate, a Marufuku Ramen restaurant at any location within the "**Protected Territory**" designated in your Franchise Agreement. The size of the Protected Area will vary depending on, among other things, the location in which you wish to operate the Restaurant. Typically, the Protected Territory will be set as a radius around the Premises. The perimeters of the Protected Territory may be described by specific street boundaries, county lines, state lines, municipal boundaries, railroad tracks, or other similar boundary descriptions. Factors that we will use in order to determine the Protected Territory include demographics, population density and number of households in the area, the growth profile of the populations within the area, the competitive environment in that market, and other factors that we will take into account.

We and our affiliates reserve all rights that are not expressly granted to you under the Franchise Agreement. Among other things, we and our affiliates have the sole right to do any or all of the following (notwithstanding proximity to your Protected Territory or Restaurant or their actual or threatened impact on sales at your Restaurant): (1) operate or license others to operate at any location, during or after the term of the Franchise Agreement, any type of restaurant other than Marufuku Ramen restaurants; (2) operate or license others to operate, during the term of the Franchise Agreement, Marufuku Ramen restaurants at any location other than in the Protected Territory; (3) operate or license others to operate, after the Franchise Agreement terminates or expires, Marufuku Ramen restaurants at any location, including within the Protected Territory or at the Premises; (4) merchandise and distribute goods and services identified by the Proprietary Marks at any location through any other method or channel of distribution, including through e-commerce, and grocery stores, supermarkets, club stores, and similar retail outlets; (5) operate or license others to operate Marufuku Ramen restaurants at any Nontraditional or Captive Market Location inside or outside the Protected Territory; (6) develop and own other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and (7) purchase, be purchased by, merge or combine with, businesses that directly compete with Marufuku Ramen restaurants.

Continuation of your Protected Territory does not depend on the achievement of a certain sales volume, market penetration or other contingency. There are no circumstances that would permit us to modify your Protected Territory during the initial term of the Franchise Agreement.

Relocation. You may not relocate the Restaurant without our prior written approval. We will base our review of your request on a variety of factors, including population density, the proximity of other Marufuku Ramen restaurants and other relevant demographic factors. If we approve a relocation of the Restaurant, you must pay a relocation fee in the amount of 35% of our then-current initial franchise fee.

Alternative Channels of Distribution. You receive the right to sell food and beverage items at retail to the public for carry-out and/or consumption on the Premises. The Franchise Agreement does not authorize you to sell products through other channels of distribution, such as the Internet, catalog sales, or telemarketing, or other direct marketing efforts. We may permit you to advertise the Restaurant through the Internet and other electronic means, but we have the right to approve and control any electronic, mobile or Internet presence that uses or displays any of our Proprietary Marks.

Development Agreement

During the term of the Development Agreement, we and our affiliates will not operate, or license others to operate, any new Marufuku Ramen restaurants in your Development Area, provided that you are in compliance with the terms of the Development Agreement and any other agreements with us and our affiliates and you are current on all obligations due to us and our affiliates. However, we may operate, and license others to operate, Marufuku Ramen restaurants in the Development Area that are open and operating or under development when you sign the Development Agreement. We reserve the same rights in your Development Area as we do in your Protected Territory as described above.

Rights of First Refusal

We do not grant you any options, rights of first refusal, or similar rights to acquire additional franchises under either the Franchise Agreement or the Development Agreement.

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We and our affiliates do not currently have any plans to operate, or offer franchises for, a business under a different trademark that will sell goods or services similar to those that are offered at Marufuku Ramen restaurants.

ITEM 13
TRADEMARKS

We grant you a non-exclusive license to use the Proprietary Marks during the term of the Franchise Agreement. We may also authorize you to use other current or future Proprietary Marks to operate your Restaurant. By Proprietary Marks, we mean trade names, trademarks, service marks and logos we use to identify Marufuku Ramen Restaurants and the products sold in them. We have registered the following marks with the United States Patent and Trademark Office ("USPTO") on the Principal Register:

Mark	Registration Date	Registration Number
MARUFUKU RAMEN	9/24/2019	5866672

We intend to file all required affidavits and renewals for the Proprietary Marks listed above.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal mark, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the Proprietary Marks. We are not aware of any infringing uses that could materially affect your use of the Proprietary Marks. There are no agreements that limit our rights to use or license the use of the Proprietary Marks and we are not aware of any superior rights that could affect your use of the Proprietary Marks. There are no agreements that limit our right to license the Proprietary Marks to you under the Franchise Agreement.

You must notify us of any unauthorized use of the Proprietary Marks. You must also notify us of any challenge to the validity of, or the right to use, any of the Proprietary Marks. We have the right to control any administrative proceeding or litigation that involves the Proprietary Marks. This right includes the right to settle any of those disputes. We may, but are not required to, try to stop other people from using the Proprietary Marks.

We will defend you against any infringement claims that arise from your use of the Proprietary Marks or the Works (as defined in Item 14) at our expense, including the cost of any judgment or settlement, if your use of the Proprietary Marks and the Works complied with the Franchise Agreement, but at your expense if your use of the Proprietary Marks and the Works did not comply with the Franchise Agreement. You must assist us in any action we take to protect the Proprietary Marks. Unless this action results from your inappropriate use of the Proprietary Marks, we will reimburse you for your out-of-pocket costs in assisting us.

You must follow our rules when you use the Proprietary Marks. You may not use any of the Proprietary Marks as part of your corporate name, Internet domain name, or e-mail address, or with modifying words, designs or symbols. You may not use the Proprietary Marks for the sale of an unauthorized product or in any other manner not authorized by the Franchise Agreement.

We can modify the Proprietary Marks and/or substitute different marks for use in identifying Marufuku Ramen restaurants and the System. You must promptly implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of the modification or substitution.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents are material to the operation of your Restaurant.

Copyrights

We and our affiliates claim copyright protection for certain proprietary materials (the "**Works**"), which include, but are not limited to, the Manual, training materials, advertisements, promotional materials, labels, menus, posters, coupons, gift certificates, signs, websites, store designs, and prototype plans and specifications. Neither we nor our affiliates have registered the copyrights in any of the Works but we are not required to do so. You can use the Works only for the purpose of developing and operating your Restaurant. You must notify us of any unauthorized use of the Works. You must also notify us of any challenge to the validity of, or the right to use, any of the Works. We have the right to control any administrative proceeding or litigation that involves the Works. This right includes the right to settle any of those disputes. We may, but are not required to, try to stop other people from using the Works.

We claim proprietary rights in certain menu items associated with Marufuku Ramen restaurants including our proprietary recipes. We protect the recipes and manufacturing processes for these items as trade secrets.

The Manual and Confidential Information

We will loan you one copy of, or electronic access to, the Manual, which contains information and knowledge that is unique, necessary and material to the System. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for management and operation of the Restaurant. The Manual also may relate to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Restaurant; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Restaurant building, grounds, equipment, graphics, signs, interior and exterior decor items, fixtures and furnishings; employee dress attire and appearance standards; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures and operations. You must at all times to operate the Restaurant in strict conformity with the Manual; maintain the Manual at the Restaurant; not reproduce the Manual or any part of it; and treat the Manual as confidential and proprietary, and; disclose the contents of the Manual only to your employees who have signed a confidentiality agreement and who have a demonstrated need to know the information contained in the Manual.

At our request, you must require your employees, landlord, contractors, and any other person to whom you wish to disclose any of our confidential information to agree in writing not to disclose that information to others or to use it for their own benefit. We must approve these agreements.

Customer Data

We claim ownership of the customer data you obtain during the operation of your Restaurant. This includes all databases (whether in print or electronic form) including names, addresses, phone numbers, e-mail addresses and customer purchase data. We reserve the right to use or transfer these records as we deem appropriate and to provide the information to our affiliates. Furthermore, we reserve the right to contact customers of the Restaurant, as well as your employees, suppliers and other service providers, for purposes of conducting quality control, market research and for other business reasons as we deem appropriate.

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

You must designate one of your owners as your Operating Principal who will be the person with whom we communicate and who will have the authority to bind you with respect to all financial, operational and legal matters related to the Restaurant and the Franchise Agreement. You must designate a replacement within 30 days after your Operating Principal leaves his or her position.

If you or your affiliates own or control more than three Marufuku Ramen restaurant and your Operating Principal devotes less than full time to supervising the operation of the restaurants, you must designate and retain an individual to serve as your Multi-Unit Manager who will devote full time and best efforts to supervising the operation of your Marufuku Ramen Restaurants. You must obtain our approval before designating anyone to serve as a Multi-Unit Manager. You must designate a replacement within 30 days after your Multi-Unit Manager leaves his or her position. We may reject any proposed Multi-Unit Manager who does not have significant experience in the multi-unit restaurant business.

We do not require the Multi-Unit Manager to have an equity ownership interest in your company.

Each Operating Principal and Multi-Unit Manager must successfully complete our management training program (see Item 11). We may require that these employees, among others, sign an agreement with you not to compete with Marufuku Ramen restaurants for a period after their employment with you. We may also require that you have them sign an agreement not to reveal confidential information they obtain in the course of their employment with you. These agreements must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. See Items 14 and 17 for further information.

If the franchisee is a legal entity, each of the owners and the spouses of any owner must sign and personally guarantee all of the company's obligations under the Franchise Agreement. The personal guarantee includes a commitment to be bound personally by the confidentiality and non-competition provisions of the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale in each Restaurant all products and services that we designate as required items. You may also offer for sale any optional items and services that we have approved for sale in a Marufuku Ramen restaurant. You may not offer or sell any products or services not listed without obtaining our prior written consent. You must sell products only in the weights, sizes, forms, and packages that we have approved. You must cease selling or offering for sale any products or services that we disapprove at any time. We may change the types of authorized products and services, and there are no limits on our right to make changes.

You must participate in promotional activities that we require generally for Marufuku Ramen restaurants in the System. If we require that you conduct any promotional activities, you will bear your own costs of conducting these activities.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	**Section in Franchise Agreement (FA) or Development Agreement (DA)**	**Summary**
a. Length of the franchise term	FA: 2.2 DA: 7.1	FA: 10 years following the effective date of the Franchise Agreement. DA: The term expires on the earlier of the opening date or the opening deadline for the last Restaurant you commit to develop in the Development Schedule.
b. Renewal or extension of the term	FA: 18.1 DA: Not Applicable	FA: Provided we are still franchising and have not made a decision to withdraw from the geographic market of the Restaurant, and if you are in good standing, you can renew the franchise for one 5-year term.
c. Requirements for you to renew or extend	FA: 18.2 & 18.3 DA: Not Applicable	FA: Provide written notice of intent to renew; be in compliance with other agreements with us; demonstrate right to remain in possession of the Premises; agree to renovate the Restaurant; meet our standards for new franchisees; sign renewal franchise agreement, sign general release and pay $10,000 renewal franchise fee. The renewal franchise agreement may contain terms that are materially different from your expiring Franchise Agreement, such as different fee requirements, but will not include an initial franchise fee.
d. Termination by you	Not Applicable	You may not terminate either the Franchise Agreement or Development Agreement.
e. Termination by us without cause	Not Applicable	We may not terminate either the Franchise Agreement or the Development Agreement without cause.
f. Termination by us with cause	FA: 19 DA: 7.2 - 7.4	We may terminate the Franchise Agreement and the Development Agreement only if you or your owners commit any one of several violations. In addition to our right to terminate the Development Agreement, we may (1) temporarily suspend your rights to develop additional Marufuku Ramen restaurants in any part of the Development Area; (2) reduce the size of the Development Area; or (3) extend the Development Schedule.

Provision	Section in Franchise Agreement (FA) or Development Agreement (DA)	Summary
g. "Cause" defined - defaults which can be cured	FA: 19.3 DA: 7.2 – 7.6	FA: You have five days to cure non-payment of fees or non-submission of reports and 30 days to cure other defaults, except for those described in h. below. DA: You have five days to cure non-payment of fees and 30 days to cure other defaults, except for those described in h. below.
h. "Cause" defined - noncurable defaults	FA: 19.1 and 19.2 DA: 7.2 and 7.3	FA: Non-curable defaults: insolvency, bankruptcy; failure to complete training; failure to timely identify a site and open the Restaurant; abandonment; loss of possession of the Premises; default on material indebtedness; commission of felony; threat to public safety; unapproved transfers; operating a Competing Business (see q. below); disclosure of trade secrets; filing false reports; repeated defaults even if cured; default of any other agreements between you or your affiliates and us or our affiliates; and others. DA: Non-curable defaults: failure to meet your development obligations; disclosures of trade secrets; operating a Competing Business; unauthorized transfer; material misrepresentation; filing false reports; conviction of felony; termination of any franchise agreement between you or your affiliates and us or our affiliates; and others.
i. Your obligations on termination/ non-renewal	FA: 20 DA: 7.5	FA: Obligations include closing the Restaurant, de-identifying the Premises; paying amounts due and early termination damages (if applicable) in the amount of the fees owed for the past one year period multiplied by the lesser of 2 years or the remaining Initial Term of the Franchise Agreement, and return our proprietary materials (also see o. and r. below). DA: no further right to develop Restaurants.
j. Assignment of contract by us	FA: 16.1 DA: 6.1	There are no restrictions on our right to assign.
k. "Transfer" by you – definition	FA: 16.2 DA: Not applicable	FA: Restrictions apply to transfer of any direct or indirect interest in the Agreement, in you (if you are a corporation or other entity), or in substantially all of the assets of the Restaurant.
l. Our approval of transfer by you	FA: 16.2 DA: Not applicable	FA: We have the right to approve all transfers.
m. Conditions for our approval of transfer	FA: 16.4 DA: Not applicable	FA: Transferee qualified; accrued fees paid; no default exists; sales price reasonable; transferee signs new agreement; training arranged and transfer training fee paid; transferee agrees to upgrade and remodel the Restaurant; you sign release and pay transfer fee.

Provision	Section in Franchise Agreement (FA) or Development Agreement (DA)	Summary
n. Our right of first refusal to acquire your business	FA: 16.3 DA: Not Applicable	We have the right to match any offer.
o. Our option to purchase your business	FA: 20.2 DA: Not Applicable	Upon expiration or termination of the Franchise Agreement, we can take assignment of your lease, purchase your beer and liquor license, and purchase the Restaurant assets.
p. Your death or disability	FA: 16.6 DA: Not Applicable	Executor or personal representative must assign your interest to approved party within three months. If the deceased or incapacitated person is the Operating Principal, we have the right to manage operation of the Restaurant until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services.
q. Non-competition covenants during the term of the franchise	FA: 15.2 DA: 5.2	No diverting customers to a Competing Business and no involvement in a "**Competing Business**" defined as restaurant business: (1) that has Japanese noodles or specialty broth as a primary menu item (i.e., sales of Japanese noodles or specialty broth comprise at least 20% of sales or that offers any individual menu item that comprises at least 20% of sales at Marufuku Ramen restaurants; or (2) whose method of operation or trade dress is similar to that employed in the System.
r. Non-competition covenants after the franchise is terminated or expires	FA: 15.2 DA: 5.2	FA: No involvement with any Competing Business for two years within three miles of the Premises or within three miles of any other Marufuku Ramen restaurant. DA: No involvement with Competing Business for two years within the Development Area, within three miles of the border of the Development Area or within three miles of any other Marufuku Ramen restaurant.
s. Modification of the agreement	FA: 25 DA: 12	No modification generally without signed agreement, but we may modify the System and the Manual.
t. Integration/ merger clause	FA: 25 DA: 12	Only the terms of the Franchise Agreement and Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document, Franchise Agreement and Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable

Provision	Section in Franchise Agreement (FA) or Development Agreement (DA)	Summary
v. Choice of forum	FA: 26.2 DA: 13.2	Subject to state law, all claims brought by you must be filed in the judicial district where we have our principal place of business, which is currently South San Francisco, California. We may file suit in the federal or state court located in the judicial district where our principal offices are located at the time of suit, in the jurisdiction where you reside or do business, where the Restaurant is or was located, or where the claim arose.
w. Choice of law	FA: 26.1 DA: 13.1	Subject to state law, the law of the state in which we have our principal place of business (currently California).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance 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. No Marufuku Restaurants are excluded from the tables below.

"**Gross Sales**" means the aggregate amount of all revenues generated from the sale of all products and services sold and all other income of every kind related to the Restaurant, whether for cash or credit (and regardless of collection in the case of credit), whether from sales on the Premises, by delivery, from catering, or at wholesale (whether the sales method is permitted or not). You may not reduce Gross Sales by the amount of any discounts provided to employees, family members and other businesses that you control. The following are not included in Gross Sales: (1) sales taxes or other taxes collected from customers for transmittal to the appropriate taxing authority (2) proceeds from the sale of gift cards or stored value cards; and (3) customer refunds made in good faith. We may modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change

The information in Tables 2 and 3 is from Gross Sales reports submitted to us by the franchisees; the information in Table 1 is from our internal accounting records. None of the information is audited. The characteristics of the franchised Marufuku Restaurants included are similar to the franchises offered to prospective franchisees under this Disclosure Document.

TABLE 1

HISTORICAL ACTUAL GROSS SALES FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023 AT COMPANY OWNED RESTAURANTS

Location	Gross Sales	Open Date
A	$9,093,970.79	Feb-17
B	$3,835,130.66	Feb-18
C	$3,764,139.24	Oct-20
D	$1,678,317.23	Jul-21
E	$1,196,309.65	Sep-22
F	$2,232,178.45	Mar-23

TABLE 2

HISTORICAL ACTUAL GROSS SALES FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023 AT FRANCHISED RESTAURANTS

Location	Gross Sales	Open Date
A	$2,449,419.07	Dec-20
B	$2,705,712.73	Jul-21
C	$2,011,234.66	Oct-22

TABLE 3

HISTORICAL AVERAGE AND MEDIAN GROSS SALES FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023 AT FRANCHISED RESTAURANTS

NUMBER OF FRANCHISED UNITS INCLUDED	GROSS SALES	NUMBER OF FRANCHISED UNITS THAT EXCEEDED GROSS SALES LEVEL	PERCENTAGE OF FRANCHISED UNITS THAT EXCEEDED GROSS SALES LEVEL
3	Average: $2,388,788.82	2	66%
	Median: $2,449,419.07	1	33%

Some outlets 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, the franchisor 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 Carlos Herrador our Executive Vice President of Franchise Operations at 1236 West Winton Avenue, Unit 11, Hayward, CA 94545, (650) 553-0007, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2021 to 2023*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2021	2	3	*1
	2022	3	3	0
	2023	3	3	0
Company-Owned Outlets	2021	3	4	+1
	2022	4	5	+1
	2023	5	6	+1
Total Outlets	2021	5	7	+2
	2022	7	8	+1
	2023	8	9	+1

* The numbers for 2021-2023 are as of December 31, our fiscal year end.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2021 to 2023*

State	Year	Number of Transfers
Total	2021	0
	2022	0
	2023	

* The numbers for 2021-2023 are as of December 31, our fiscal year end. States not listed had no activity to report.

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023*

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

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
Texas	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	1	0	1
	2023	1	0	0	0	0	0	1
Total	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	1	0	3
	2023	3	0	0	0	0	0	3

* The numbers for 2021-2023 are as of December 31, our fiscal year end. States not listed had no activity to report.

Table No. 4
Status of Company-Owned Outlets
For Years 2021 to 2023*

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
New York	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Texas	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
Total	2021	3	1	0	0	0	4
	2022	4	0	1	0	0	5
	2023	5	1	0	0	0	6

* The numbers for 2021-2023 are as of December 31, our fiscal year end. States not listed had no activity to report.

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the next Fiscal Year
California	1	0	0
Nevada	1	0	0
Total	**2**	**0**	**0**

Attached as Exhibit G is a list of franchised locations, franchise agreements signed but not yet open and those franchisees who had an outlet terminated, transferred cancelled, not renewed, cease to operate or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who have not communicated with us within 10 weeks of 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.

We do not have any franchisees who have signed confidentiality clauses during the last three fiscal years. There are no trademark-specific franchisee organization associated with the franchise system offered in this Franchise Disclosure Document and no independent franchisee organization has asked to be included in this Franchise Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Exhibit D contains our financial statements as of December 31, 2023, December 31, 2022, and December 31, 2021, and our unaudited financial statements as of June 30, 2024. Our fiscal year ends on December 31st of each year.

ITEM 22
CONTRACTS

Attached as Exhibits to this disclosure document are the following contracts:

Exhibit A	Area Development Agreement
Exhibit B	Franchise Agreement
Exhibit H	General Release

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

AREA DEVELOPMENT AGREEMENT

MARUFUKU RAMEN AREA DEVELOPMENT AGREEMENT

Developer: ____________________

Development Area: ____________________

MARUFUKU RAMEN AREA DEVELOPMENT AGREEMENT
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MARUFUKU RAMEN AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT is entered into by and between Marufuku Franchising, LLC, a California limited liability company (**"we," "us," "our,"** or **"Franchisor"**) and the person(s) or entity identified on Exhibit A to this Agreement (**"you", "your"** or **"Developer"**) as of the Effective Date (which is the date indicated on the signature page of this Agreement).

BACKGROUND

A. We and our affiliates have developed a system (the **"System"**) relating to the establishment and operation of sit down restaurant with table service that offer freshly prepared ramen (authentic Hakata-style Tonkotsu ramen) dishes with a diverse selection of broths, noodles, proteins, and sauces as well as Japanese side dishes, Authentic Japanese style dishes, rice bowls, chicken Paitan, izakaya appetizers and premium beer and sake.

B. The distinguishing characteristics of the System include specialty dishes, beverages (including beer and wine at some locations), and other food items that are prepared in accordance with secret recipes and manufacturing processes owned by us and our affiliates; distinctive exterior and interior restaurant design, décor, color scheme, fixtures, and furnishings; standards and specifications for ingredients, food preparation, equipment, supplies, and restaurant operations; copyrights and copyrighted materials, branded products and merchandise, and advertising and promotional programs; all of which we may change, improve, and further develop from time to time.

C. We and our affiliates identify the System and the restaurants operating under it by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Marufuku Ramen" and such other trade names, service marks, and trademarks as we may in the future designate for use in connection with the System (the **"Proprietary Marks"**).

D. You desire to be granted the opportunity, and we desire to grant to you the right, to develop a specified number of franchised Marufuku Ramen restaurants (collectively, the "**Restaurants**" and individually, a "**Restaurant**") within a specified geographic area.

In recognition of all of the details noted above, the parties have decided to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and they agree as follows:

1 GRANT OF DEVELOPMENT RIGHTS

1.1 Development Rights.

1.1.1 We hereby grant to you (and/or any of your approved Controlled Affiliates as defined below), subject to the terms and conditions set forth in this Agreement, the right to develop Restaurants at specific locations to be designated in separate Marufuku Ramen Franchise Agreements (each a "**Franchise Agreement"**) pursuant to the schedule set forth in Exhibit A to this Agreement (the "**Development Schedule**"). Each Restaurant developed pursuant to this Agreement shall be located within the area designated on Exhibit A (the "**Development Area**").

1.1.2 This Agreement is not a Franchise Agreement. It does not give you the right to operate Marufuku Ramen restaurants or use the System or the Proprietary Marks.

1.1.3 A "**Controlled Affiliate**" means any corporation, limited liability company or other entity of which you or one or more of your owners owns more than fifty percent (50%) of the total authorized ownership interests, as long as you or such owner(s) have the right to control the entity's management and policies.

1.2 Limited Exclusivity. During the Term, we and our affiliates will not operate, or license others to operate, any new Marufuku Ramen restaurants in the Development Area, provided that you are in compliance with the terms of this Agreement and any other agreements with us and our affiliates and you are current on all obligations due to us and our affiliates. This Section 1.2 does not prohibit us and our affiliates, from: (1) operating, and licensing others to operate, Marufuku Ramen restaurants in the Development Area that are open and operating or under development as of the Effective Date; (2) during the Term, operating, and licensing others to operate, Marufuku Ramen restaurants at any location outside the Development Area; (3) after this Agreement terminates or expires, operating, and licensing others to operate, Marufuku Ramen restaurants at any location. You acknowledge that the development rights granted under this Agreement are non-exclusive and that, except as expressly provided in this Section 1.2, you have no exclusive territorial rights, protected territory or other right to exclude, control or impose conditions on the location or development of Marufuku Ramen restaurants under the Proprietary Marks, on any sales or distribution of products under the Proprietary Marks, or on our (and our affiliates') business activities.

1.3 Reservation of Rights. We reserve all rights to use and license the System and the Proprietary Marks other than those expressly granted under this Agreement. Nothing in this Agreement prohibits us or our affiliates from, among other things:

1.3.1 operating or licensing others to operate at any location, during or after the Term, any type of restaurant other than an Marufuku Ramen restaurant;

1.3.2 selling anywhere (within or outside the Development Area) the same or similar products that are authorized for sale at Marufuku Ramen restaurants under the Proprietary Marks or under other trademarks or trade dress and through any other channel of distribution, whether such channel of distribution is now in existence or is hereafter developed and whether at retail or wholesale including, without limitation, sales through catalogs, e-commerce, mail order, carts or kiosks, mass merchandise, supermarkets, restaurants, institutional customers, club stores and any other outlet or method of distribution, pursuant to any terms and conditions as we may deem appropriate;

1.3.3 developing and owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks;

1.3.4 purchasing, being purchased by, merging or combining with, businesses that directly compete with Marufuku Ramen restaurants; and

1.3.5 Operating or licensing others to operate Marufuku Ramen restaurants at any Non-Traditional Facility or Captive Market Location (as defined below) inside or outside the Development Area.

1.3.5.1 The term "**Captive Market Location**" includes, among other things, non-foodservice businesses of any sort within which a Marufuku Ramen restaurant or a branded facility is established and operated (including, for example, gas stations, convenience stores, hotels and resorts).

1.3.5.2 The term "**Non-Traditional Facility**" includes, among other things, college campuses, schools, hotels, casinos, airports and other travel related facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; seasonal facilities; shopping malls; theaters; and sporting event arenas and centers.

1.4 No Subfranchising Rights. This Agreement does not give you any right to franchise or subfranchise others to operate Marufuku Ramen restaurants.

2 FEES

2.1 Development Fees. When you sign this Agreement, you must pay us the development fees for each Restaurant that you agree to develop under this Agreement in the amounts identified on Exhibit A (the "**Development Fees**"). The Development Fees are fully earned by us when this Agreement is signed and are non-refundable even if you fail to develop any Restaurants.

2.2 Initial Franchise Fees. You will pay the then-current initial franchise fee under the Franchise Agreement for each Restaurant that you develop under this Agreement; provided that we will apply the pro rata portion of the Development Fees against that initial franchise fee. You and your Controlled Affiliates must pay the initial franchise fee payable under each Franchise Agreement when you or they sign the applicable Franchise Agreement.

3 DEVELOPMENT SCHEDULE

3.1 Development Schedule.

3.1.1 To maintain your rights under this Agreement, you (and/or your Controlled Affiliates) must: (1) obtain our approval of a site and sign a Franchise Agreement for each of the agreed-upon number of Restaurants by the dates specified in the Development Schedule; and (2) have open and operating within the Development Area the agreed-upon number of Restaurants by the dates specified in the Development Schedule. You (or a Controlled Affiliate) will operate each Restaurant under a separate Franchise Agreement with us, on our then current form of Franchise Agreement except that the initial franchise fee will reflect the fee structure set forth in Exhibit A. To retain your rights under this Agreement, you must operate each Restaurant that you open pursuant to this Agreement continuously throughout this Agreement's term in full compliance with the applicable Franchise Agreement.

3.1.2 Before executing any binding letter of intent, lease, purchase agreement or other document by which you would commit to occupy or acquire a location for any Restaurant that you will develop under this Agreement, you must obtain our acceptance of the site for the Restaurant in accordance with the site selection procedures set forth in Section 3.2, execute and deliver to us copies of our then-current standard form of Franchise Agreement with respect to such Restaurant, pay the initial franchise fee to us in accordance with the terms of such Franchise Agreement and we must countersign such Franchise Agreement.

3.2 Site Selection.

3.2.1 We will provide you with our site selection criteria and, as you may request, a reasonable amount of consultation with respect to the site selection process. We may change our site selection criteria, which may include population density and composition, leasing costs, parking, visibility, character of the neighborhood, competition from other restaurants in the area, proximity to other businesses (including businesses operated or franchised by us or our affiliates), the nature of other businesses in proximity to the site and other commercial characteristics, and the size, appearance, other physical characteristics and a site plan of the premises. At our option, you must engage our designated or approved supplier of real estate services to assist you in the site selection and/or lease negotiation process. You must provide a site review kit to us for each Restaurant including a complete site report and other materials and information we request for a suitable site located within the Development Area.

3.2.2 Within forty-five (45) days after we receive your detailed site review kit, we or our designee will conduct an evaluation of the proposed site(s) and accept or reject your proposed sites. At our option, we may conduct an on-site evaluation of the proposed site(s). We do not charge any fees to conduct one market visit, however; if we require, or if you request, any additional market visits, you must pay a site review fee to us in the amount of Five Hundred Dollars ($500) and reimburse us for our travel expenses associated with such visits. We will not unreasonably withhold our acceptance of a site that meets our site selection criteria. In determining whether to accept or reject a proposed site, we also may consider the site's proximity both to the Development Area's boundaries and to other existing or potential sites for Marufuku Ramen restaurants located outside the Development Area. If we do not accept a proposed site in writing in this time period, we will be deemed to have rejected the site.

3.2.3 You agree that our acceptance of a site for a Restaurant and any information communicated to you regarding our site selection criteria for Marufuku Ramen restaurants does not constitute a warranty or representation of any kind, express or implied, as to the suitability of any site for the Restaurant or for any other purpose. Our acceptance of a site is not a representation or a promise by us that the Restaurant at the site will achieve certain revenues or a certain level of profitability. Similarly, our acceptance of one or more sites and our rejection of other sites is not a representation or a promise that the accepted site will have higher revenues or be more profitable than a site that we rejected.

3.2.4 You agree that your decision to develop and operate a Restaurant at a site that we accept is based solely on your own independent investigation of the suitability of that site for a Restaurant. We assume no liability or responsibility for: (1) evaluation of the soil of the site for hazardous substances; (2) inspection of any structure at the site for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act ("**ADA**"); or (4) compliance with any other applicable law. It is your sole responsibility to obtain satisfactory evidence and/or assurances that the site and any structures on the site are free from environmental contamination and in compliance with the requirements of the ADA.

4 YOUR ORGANIZATION AND MANAGEMENT

4.1 Your Organization

4.1.1 If you are a legal entity, you make the following representations and warranties: (1) you are duly organized and validly existing under the laws of the state of your formation; (2) you are qualified to do business in the state or states in which the Development Area is located; (3) execution of this Agreement and the development and operation of the Restaurants is permitted by your governing documents; and (4) unless waived in writing by us, your articles of incorporation, articles of organization or written partnership agreement shall at all times provide that your activities are limited exclusively to the development and operation of Marufuku Ramen restaurants.

4.1.2 If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

4.2 Ownership Interests and Control Group. If you are a business entity, all interests in you are owned as set forth in attached Exhibit B. You must comply with Section 6 prior to any change in ownership interests and must sign addenda to Exhibit B as changes occur in order to ensure the information contained in Exhibit B is true, accurate and complete at all times. Exhibit B also lists those persons who comprise your "**Control Group**." The parties acknowledge and agree that it is their intent that the members of the Control Group include the Development Principal and: (1) all holders of a legal or beneficial interest of ten percent (10%) or more ("**10% Owners**") in your entity; (2) if you are a limited partnership, all 10% Owners of your general partner; and (3) all 10% Owners of a corporation or limited liability company that owns a controlling interest in your entity. In the event of any change in the Control Group or in the ownership interests of any member of the Control Group, you must sign addenda to Exhibit B to reflect the change. If you are a corporation, the Control Group shall at all times own at least fifty-one percent (51%) of your voting securities; if you are a limited liability company, the Control Group shall at all times own at least fifty-one percent (51%) of your membership interests; and if you are any other type of business entity, the Control Group shall at all times have at least a fifty-one percent (51%) interest in your operating profits and losses and hold at least fifty-one percent (51%) of your ownership interests.

4.3 Governing Documents**.** Upon request by us, you shall promptly deliver to us, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, you promptly shall provide copies to us. If you are a corporation, you shall maintain stop-transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Marufuku Ramen Area Development Agreement and Franchise Agreement(s) to which the corporation is a party." If you are a publicly held corporation, these requirements shall apply only to the stock owned by your Control Group. If you are a limited liability company, each membership or management certificate shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Marufuku Ramen Restaurant Area Development Agreement and Franchise Agreement(s) to which the limited liability company is a party." If you are a partnership, your written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

4.4 Guarantee of Performance

4.4.1 All members of the Control Group, your 10% Owners, and each of their spouses, if applicable, shall jointly and severally personally guarantee your payment and performance under this Agreement and personally bind themselves to the terms of this Agreement pursuant to the Guarantee, Indemnification and Acknowledgement ("**Guarantee**") attached as Exhibit C. Unless you are a publicly-held entity, all of your officers, directors, limited liability company managers and their spouses, if applicable, also shall jointly and severally guarantee your payment and performance under this Agreement and bind themselves to the terms of this Agreement pursuant to the Guarantee. We reserve the right to require any guarantor to provide personal financial statements to us from time to time.

4.4.2 With respect to your owners, you acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other entities) sign the Guarantee. Accordingly, if any owner is not an individual, we shall have the right to require individuals who have only an indirect ownership interest in you to sign the Guarantee. (By way of example, if an owner is a corporation, we have the right to require individuals who have an ownership interest in that corporation to sign the Guarantee.)

4.5 Development Principal. You must designate one of your owners as your Development Principal who will be the person with whom we communicate and whom will have the authority to bind you with respect to all financial, operational and legal matters related to the development of the Restaurants and this Agreement. The Development Principal must be approved by us. The Development Principal shall successfully complete our management training program and any additional training that we require. The Development Principal must devote full time and best efforts to supervising the development and operation of the Restaurants and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under this Agreement and the Franchise Agreements for the Restaurants. You must designate a replacement approved by us within thirty (30) days after your Development Principal ceases to qualify as the Development Principal.

5 COVENANTS

5.1 Confidentiality.

5.1.1 You acknowledge and agree that: (1) we own all right, title and interest in and to the System; (2) the System includes trade secrets and confidential and proprietary information and know-how that gives us a competitive advantage; (3) we have taken all measures appropriate to protect the trade secrets and the confidentiality of the proprietary information and know-how of the System; (4) all material or other information now or hereafter provided or disclosed to you regarding the System is disclosed in confidence; (5) you have no right to disclose any part of the System to anyone who is not your employee; (6) you will disclose to your employees only those parts of the System that an employee needs to know; (7) you will have a system in place to ensure that your employees keep confidential our trade secrets and confidential and proprietary information, and, if requested by us, you shall obtain from those of your employees designated by us an executed confidentiality and non-disclosure agreement in the form prescribed by us; (8) by entering into this Agreement, you do not acquire any ownership interest in the System; and (9) your use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which we would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

5.1.2 You shall not, during the term of this Agreement or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that we or our affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

5.2 Restrictions On Competition.

5.2.1 You acknowledge and agree that: (1) pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and other confidential information from us and/or our affiliates regarding the development, operation, product preparation and sale, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques owned by us and our affiliates; (2) the know-how regarding the System and the opportunities, associations and experience acquired by you pursuant to this Agreement are of substantial value; (3) in developing the System, we and our affiliates have made substantial investments of time, effort, and money; (4) we would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among developers and operators of Marufuku Ramen restaurants if developers and franchisees were permitted to engage in the activities described in this Section 5.2 or to hold interests in the businesses described in this Section 5.2; and (5) the restrictions on your right to hold interests in, or perform services for, the businesses described in this Section 5.2 will not unduly limit your activities.

5.2.2 You covenant and agree that, except as we otherwise approve in writing, during the term of this Agreement, and for a continuous period of two (2) years following the expiration, transfer or termination of this Agreement, you will not, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity:

5.2.2.1 Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to, or have any interest in, either directly or indirectly, any "**Competing Business**", which is defined as a restaurant business: (1) that has Japanese noodles or specialty broth as a primary menu item (i.e., sales of Japanese noodles or specialty broth comprise at least twenty percent (20%) of sales) or that offers any individual menu item that comprises at least twenty percent (20%) of sales at Marufuku Ramen restaurants; or (2) whose method of operation or trade dress is similar to that employed in the System. During the term of this Agreement, there is no geographical limitation on this restriction. Following the expiration, transfer or termination of this Agreement, this restriction shall apply to any Competing Business located within the Development Area, within three (3) miles of the border of the Development Area, or within a three (3) mile radius of any then-existing Marufuku Ramen restaurant; or

5.2.2.2 Divert or attempt to divert any present or prospective business or customer to any Competing 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 Proprietary Marks and the System.

5.3 Exception for Publicly Traded Stock. The restrictions contained in Section 5.2.2.1 will not apply to ownership by you of less than a five percent (5%) beneficial interest in the equity securities of any publicly-held corporation.

5.4 Owners and Employees. Your owner(s) identified in Exhibit B that sign the Guarantee attached to this Agreement as Exhibit C will agree to be bound personally by the provisions of this Section 5, provided that, as to them, the time period in Section 5.2.2 will run from the expiration, termination, or transfer of this Agreement or from the termination of the individual's relationship with you, whichever occurs first. At our request, you must obtain signed agreements similar in substance to this Section 5 (including agreements applicable upon termination of a person's relationship with you) from your officers, directors, and owners. Each agreement required by this Section 5.4 must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. Our current form of Non-disclosure and Non-competition Agreement is attached to this Agreement as Exhibit E.

5.5 Enforcement

5.5.1 We have the right, in our sole discretion, to reduce the scope of any restriction in Section 5.2 by giving you written notice and you agree to comply with any covenant so modified, which shall be fully enforceable notwithstanding the provisions of Section 12.

5.5.2 You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 5.

5.5.3 You acknowledge that your violation of the terms of this Section 5 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 5. Injunctive relief will be in addition to any other remedies we may have.

5.5.4 If you or any other person bound by this Section 5 fails or refuses to abide by any of the foregoing restrictions on competition, and we obtain enforcement in a judicial proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date the person begins to comply with the order enforcing the restriction.

6 TRANSFER

6.1 By Us. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any obligations under this Agreement. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

6.2 By You. Other than to an affiliate controlled by or under common control with you (an "**Affiliate**"), you shall not transfer, pledge or otherwise encumber: (a) this Agreement; (b) your rights and obligations under this Agreement; or (c) any material asset of yours utilized in the operation in the Development Area.

7 TERM AND TERMINATION

7.1 Term. The term of this Agreement begins on the Effective Date ("Term") and expires on the earlier of the date that you open the final Restaurant to be developed under this Agreement or the opening deadline for that Restaurant as set forth in the Development Schedule.

7.2 Termination without Notice. You will be deemed to be in default under this Agreement, and all rights granted to you in this Agreement will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or is filed against you and not opposed by you; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law are instituted by or against you; if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if you are dissolved.

7.3 Termination without Cure Period. If any of the following events of default occurs, we may terminate this Agreement without providing you any opportunity to cure the default, effective immediately upon receipt of written notice by you:

7.3.1 You fail to satisfy your development obligations under the Development Schedule.

7.3.2 Your Development Principal fails to satisfactorily complete our management training program.

7.3.3 You, your owners, your employees or your independent contractors do business with third parties in violation of The Patriot Act and/or the Foreign Corrupt Practices Act.

7.3.4 There is a material breach by you of any covenant or obligation under Section 5.

7.3.5 Any transfer that requires our prior written consent occurs without your having obtained that prior written consent.

7.3.6 We discover that you made a material misrepresentation in or omitted a material fact from the information that you provided to us in connection with our decision to enter into this Agreement.

7.3.7 You knowingly falsify any report required to be furnished to us, make any material misrepresentation in your dealings with us, or fail to disclose any material facts to us.

7.3.8 You, your Development Principal, or any of your 10% Owners are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect us, our affiliates or the System.

7.3.9 You fail to pay when due any amount owed to us or our affiliates, any lender that has provided financing under an arrangement with us, any creditor or supplier of a Restaurant or any taxing authority for federal, state or local taxes (other than amounts subject to a bona fide dispute through appropriate proceedings), and you do not correct such failure within five (5) days after written notice is delivered to you.

7.3.10 You, your Development Principal or any of your 10% Owners: (1) materially misuse or make unauthorized use of the Proprietary Marks or our copyrighted materials; (2) commit any act or take any action that impairs the goodwill of the Proprietary Marks; (3) use our copyrighted materials or other proprietary System know-how at any business owned or operated by you or your 10% Owners other than a Restaurant; or (4) fail to cure any breach or default under this Agreement that materially impairs or can be expected to impair the goodwill associated with the Proprietary Marks.

7.3.11 You, your Controlled Affiliates, your Development Principal, any member of the Control Group, or any 10% Owner: (1) remain in default beyond the applicable cure period under any other agreement with us or our affiliates (provided that, if the default is not by you, we shall provide to you written notice of the default and a fifteen (15) day period to cure the default).

7.3.12 We terminate any Franchise Agreement between us and you (or your Controlled Affiliates) for a Restaurant, regardless of where it is located, in compliance with its terms.

7.4 Termination Following Expiration of Cure Period

7.4.1 Except as otherwise provided above in Sections 7.2 and 7.3 above, if you fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement or otherwise in writing, we may only terminate this Agreement by giving you written notice of termination (in the manner set forth under Section 11 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof of the cure to us, all within the thirty (30) day period. If any such default is not cured within the specified time, then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period.

7.4.2 Notwithstanding the provisions of the preceding Section 7.4.1, if you default in the payment of any monies owed to us when such monies become due and payable and you fail to pay such monies within five (5) days after receiving written notice of default, then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the five (5) day period.

7.5 Effect of Expiration or Termination. Upon expiration or termination of this Agreement (regardless of the reason for termination):

7.5.1 Any and all rights granted to you under this Agreement will immediately terminate; however, you will not be relieved of any of your obligations, debts or liabilities under this Agreement, including, without limitation, any debts, obligations or liabilities which have accrued before such termination.

7.5.2 You and your Controlled Affiliates will have no further rights to develop and open Restaurants in the Development Area, except that you (and your Controlled Affiliates) may develop and open any Restaurants for which you (or your Controlled Affiliates) have executed Franchise Agreements prior to the date of expiration or termination of this Agreement and continue to operate Restaurants that are open and operating as of the date this Agreement expires or terminates.

7.5.3 We and our affiliates will have the right to operate, and authorize others to operate, Marufuku Ramen restaurants the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions whatsoever, subject only to your (and/or your Controlled Affiliates') rights under existing Franchise Agreements.

7.5.4 We will retain the Development Fees payable pursuant to Section 2.1 of this Agreement.

7.6 Other Remedies Upon Default.

7.6.1 In addition to and without limiting our other rights and remedies under this Agreement, upon the occurrence of any of the events that give rise to our right to terminate this Agreement, we may, at our sole option and upon delivery of written notice to you, elect to take any or all of the following actions without terminating this Agreement:

7.6.1.1 temporarily suspend your rights to develop additional Restaurants in any part of the Development Area;

7.6.1.2 temporarily or permanently reduce the size of the Development Area, in which event the restrictions on us and our affiliates under Section 1.3 will not apply in the territory which is no longer part of the Development Area and we and our affiliates may engage, and authorize third parties to engage, in any business activities we or they deem appropriate, whether under the Proprietary Marks or other trademarks, within that territory, including establishing and operating (and granting rights to others to establish and operate) Marufuku Ramen restaurants the physical premises of which are located in that territory; and/or

7.6.1.3 extend the time of the Development Schedule for any period of time that we determine.

7.6.2 Our exercise of our rights under this Section 7.6 will not be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement. Our exercise of these rights will not constitute an actual or constructive termination of this Agreement, nor will it be our sole or exclusive remedy for your default. If we exercise any of our rights under this Section 7.6, we may thereafter terminate this Agreement without providing you any additional corrective or cure period, unless the default giving rise to our right to terminate this Agreement has been cured to our reasonable satisfaction.

7.7 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section 7, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

7.8 No Waiver. Termination of this Agreement by us shall not constitute an election of remedies by us. The exercise of the rights granted under this Section 7 are in addition to, and not in lieu of, any and all other rights and remedies available to us at law, in equity or otherwise, including without limitation, the right to an injunction as set forth in Section 5.5.3, all of which are cumulative.

8 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

8.1 Independent Contractor. This Agreement does not create a fiduciary relationship between you and us. You are an independent contractor, and nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. While this Agreement is in effect, you must hold yourself out to the public as an independent contractor developing the Restaurants pursuant to an area development agreement from us. This Agreement does not authorize you to make any contract, agreement, warranty, or representation on our behalf or to incur any debt or other obligation in our name. We will not be deemed liable as a result of any such action, nor will we be liable by reason of your act or omission in the development or operation of the Restaurants, or for any claim or judgment arising therefrom against you or us.

8.2 Indemnification

8.2.1 You and your 10% Owners will defend, indemnify and hold harmless, us and our parent, affiliates, subsidiaries and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, "**Indemnified Parties**") from and against all Losses (as defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought by a third party and directly or indirectly arising out of your development and operation of the Restaurants, your conduct of business under this Agreement, your breach of this Agreement or your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. We will promptly notify you of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice will not release you from your indemnification obligations under this section except to the extent you are actually and materially prejudiced by such failure.

8.2.2 You will have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (1) the Indemnified Party will have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to you and, in the reasonable opinion of the Indemnified Party, your counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, or (2) you do not assume responsibility for such Losses in a timely manner or you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to employ counsel of its own choosing, and you will pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, will have the right to participate in such claim and to retain its own counsel at such party's own expense.

8.2.3 You or the Indemnified Party (as the case may be) will keep you or the Indemnified Party (as the case may be) reasonably apprised of, and will respond to any reasonable requests concerning, the status of the defense of any claim and will cooperate in good faith with each other with respect to the defense of any such claim. You will not, without the prior written consent of the Indemnified Party, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (2) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by you. No claim that is being defended in good faith by you in accordance with the terms of this section will be settled by the Indemnified Party without your prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Proprietary Marks, you agree that we will have the exclusive right to assume the defense of such claim, at your expense with counsel selected by us, but reasonably satisfactory to you.

8.2.4 You have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

8.2.5 For purposes of this Section 8.2, "**Losses**" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation and alternative dispute resolution.

8.2.6 Your obligations in this Section 8.2 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this Section 8.2. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 8.2.

9 APPROVALS AND WAIVERS

9.1 Approvals. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and our approval or consent must be obtained in writing and signed by one of our officers.

9.2 No Warranty. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

9.3 No Implied Waiver. No delay or failure by us to exercise any right reserved to us under this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, will constitute a waiver of our right to exercise such right or to demand exact compliance by you with any of the terms hereof. Waiver by us of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar, or a different nature. Acceptance by us of any payments due to us hereunder will not be deemed to be a waiver by us of any preceding breach by you.

10 FORCE MAJEURE

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of any natural disaster, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby ("Force Majeure") that cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Your inability to obtain financing (regardless of the reason) shall not constitute Force Majeure.

11 NOTICES

Any and all notices that are required or permitted under this Agreement shall be in writing and shall be personally delivered, mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or mailed via overnight courier, or by other means that affords the sender evidence of delivery, of rejected delivery, or attempted delivery to the respective parties at the addresses shown on the signature page of this Agreement (unless and until a different address has been designated by written notice to the other party). Any notices sent by personal delivery, next day delivery service or by electronic means shall be deemed given on the next business day after transmittal. Any notices sent by certified mail shall be deemed given on the third business day after the date of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other party. We may provide you with routine information, invoices, updates to the System standards and other System requirements and programs, including any modifications thereto, by regular mail or by e-mail, or by making such information available to you on the Internet, an extranet, or other electronic means.

12 ENTIRE AGREEMENT

This Agreement and the attachments to this Agreement, constitute the entire, full and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in our Franchise Disclosure Document that we provided to you.

13 DISPUTES

13.1 Choice of Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of California without regard to conflicts of laws principles. Notwithstanding the foregoing, Sections 5.2, 5.4, and 5.5 of this Agreement will be interpreted, governed, and construed in accordance with the laws of the state in which the Development Area is located. Nothing in this Section 13.1 is intended, or shall be deemed, to make any California law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. If any provision of this Agreement would not be enforceable under the laws of California, you are located outside of California, and such provision would be enforceable under the laws of the state in which you are located, then such provision shall be interpreted and construed under the laws of that state.

13.2 Choice of Forum. . The parties agree that, to the extent any disputes cannot be resolved directly between them, you must file any suit against us only in the federal or state court in the judicial district in which the our principal place of business is located at the time suit is filed. We must file suit in the federal or state court located in the judicial district in which our principal place of business is located at the time suit is filed, in the jurisdiction where you reside or do business, where any Restaurant is or was located, or where the claim arose. The parties consent to the personal jurisdiction of such courts and waive any questions of personal jurisdiction or venue for the purpose of carrying out this provision.

13.3 Limitations of Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement proceeding (including the offer and sale of a franchise to you)must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

13.4 Reimbursement of Costs and Expenses. If either party brings an action against the other party in a judicial proceeding, the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, during, in preparation for, or in contemplation of the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

13.5 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

13.6 **WAIVER OF JURY TRIAL. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS AND THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.**

13.7 **WAIVER OF PUNITIVE DAMAGES AND CLASS ACTION LAWSUITS. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE**

PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES, IF ANY.

13.8 Injunctive Relief. You acknowledge and agree that your failure to comply with the terms of this Agreement, including the failure to comply fully with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance to prevent the irreparable harm that you agree your failure to comply will cause without posting any bond or security. Any equitable remedies sought by us shall be in addition to, and not in lieu of, all remedies and rights that we otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

14 SEVERABILITY AND CONSTRUCTION

14.1 Severability. If any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions which remain otherwise intelligible. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this Agreement.

14.2 Counterparts. This Agreement may be signed in counterparts, signature pages may be exchanged by facsimile and any other electronic transmission (including PDF), and each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, shall be considered as one complete agreement.

14.3 Gender and Number. All references to gender and number shall be construed to include such other gender and number as the context may require.

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

14.5 Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

14.6 Survival of Obligations. All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

14.7 No Implied Third Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owner(s), us, and our affiliates.

14.8 Lesser Included Obligations. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from (1) striking any portion of a provision that a court or agency may hold to be unreasonable and unenforceable; or (2) reducing the scope of any promise or covenant to the extent required to comply with a court or agency order.

14.9 Best Interests of System. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly provided in this Agreement, we can make our decision or exercise our discretion on the basis of our judgment of what is in our best interests. "Best interests" includes what we believe to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our own financial interest; or (3) our decision or the action may apply differently to different franchisees and/or to any Marufuku Ramen restaurants that we or our affiliates operate. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

15 REPRESENTATIONS AND ACKNOWLEDGMENTS

In additional to the representations contained in the Disclosure Verification attached to this Agreement as Exhibit D, you represent, acknowledge and warrant to us (and you agree that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

15.1 Our Agreements with Third Parties. We have entered, and will continue to enter, into agreements with other franchisees to develop and operate Marufuku Ramen restaurants. The manner in which we enforce our rights and the franchisees' obligations under any of those other agreements shall not affect our ability to enforce our rights or your obligations under this Agreement.

15.2 System Modifications. We may change or modify the System, from time to time, and you will be required to make such expenditures as such changes or modifications in the System may require.

15.3 Franchise Application. All information that you provided to us in connection with your franchise application and our grant of the development rights set forth in this Agreement is truthful, complete and accurate.

15.4 Signatories to this Agreement. The persons signing this Agreement on your behalf have full authority to enter into this Agreement and the other agreements contemplated by the parties. Your execution of this Agreement or such other agreements does not and will not conflict or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which you or any owner is a party.

15.5 No Actual or Apparent Authority. Even though this Agreement contains provisions requiring you to develop the Restaurants in compliance with the System, we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or employment decisions.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

MARUFUKU FRANCHISING, LLC
a California limited liability company

By:_______________________________________

Print Name:________________________________

Title:______________________________________

Notice Address: 1236 West Winton Avenue
Unit 11
Hayward, CA 94545

EFFECTIVE DATE: ________________

DEVELOPER: If a corporation, partnership, or limited liability company, print name of business entity on the line below:

____

By:_______________________________________

Print Name:________________________________

Title:______________________________________

Date: ______________________________________

Notice Address: ____________________________
____

If Developer is one or more individuals:

____

(Print Name)_______________________________

Date: ______________________________________

____

(Print Name) _______________________________

Date: ______________________________________

Notice Address: ____________________________
____

EXHIBIT A TO MARUFUKU RAMEN RESTAURANT AREA DEVELOPMENT AGREEMENT

DEVELOPMENT INFORMATION

1. **Developer**: ____

2. **Development Area**: ____

____

3. **Development Schedule**: As of the Effective Date, you operated ___ Marufuku Restaurants in the Development Area. You agree to sign Franchise Agreements for and to open ____________ (__) new Restaurants within the Development Area according to the following Schedule:

SITE ACCEPTED BY FRANCHISOR AND FRANCHISE AGREEMENTS TO BE EXECUTED BY (DATE)	RESTAURANT OPENING DEADLINE	CUMULATIVE MINIMUM NUMBER OF NEW RESTAURANTS TO BE OPEN AND OPERATING NO LATER THAN THE RESTAURANT OPENING DEADLINE (IN PREVIOUS COLUMN)
		1
		2
		3

4. **Development Fee.** You must pay a Development Fee of $____________ (which is $10,000 for each Restaurant you agree to develop under this Agreement.

EXHIBIT B TO MARUFUKU RAMEN RESTAURANT AREA DEVELOPMENT AGREEMENT

OWNERSHIP INTERESTS

Developer: ____

Corporate Developer. If Developer is a corporation, the number of authorized shares of Developer that have been issued is _____________ and the name, address, number of shares owned (legally or beneficially) and office held by each shareholder is as follows:

Name	Home Address	No. of Shares	Office Held

Limited Liability Company Developer. If Developer is a limited liability company, the name, address and percentage interest of each member is as follows:

Name	Home Address	Percentage Interest

Other Business Entity Developer. If Developer is some other business entity, the type of business entity and the name, address and ownership interest (including for a limited partnership, whether a general or limited partner) of each owner is as follows:

Type of Business Entity: ____

Name	Home Address	Ownership Interest

Control Group. Developer's Control Group shall be comprised of the following persons: ______________
____

Development Principal. Developer's Development Principal is: ________________________________

EXHIBIT C TO MARUFUKU RAMEN RESTAURANT AREA DEVELOPMENT AGREEMENT

GUARANTEE AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Marufuku Ramen Area Development Agreement dated as of ________________ ("Agreement") that Marufuku Franchising, LLC ("**Franchisor**"), entered into with ____________________________ ("**Developer**"), and the undersigned ("**Guarantors**"), each of whom is an officer, director, member of Developer's Control Group or a 10% Owner, or the spouse thereof, hereby personally and unconditionally agree as follows:

1. Guarantee To Be Bound By Certain Obligations. Guarantors hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the covenants and restrictions contained in Section 5 (Covenants) of the Agreement.

2. Guarantee and Assumption of Developer's Obligations. Guarantors hereby: (1) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Developer and any assignee of Developer's interest under the Agreement shall: (a) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) punctually pay all other monies owed to Franchisor and/or its affiliates; (2) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Sections 5 (Covenants) and 8.2 (Indemnification); and (3) agree to be personally liable for the breach of each and every provision in the Agreement.

3. General Terms and Conditions. The following general terms and conditions shall apply to this Guarantee:

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right s/he may have to require that an action be brought against Developer or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the execution of and performance under this Guarantee by the undersigned; (6) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Developer or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Developer or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (7) any and all other notices and legal or equitable defenses to which he may be entitled; and (8) any and all right to have any legal action under this Guarantee decided by a jury.

Each of the undersigned consents and agrees that: (1) her/his direct and immediate liability under this Guarantee shall be joint and several; (2) s/he shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; (4) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Developer to Franchisor or its affiliates under the Agreement; and (5) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition, if any of the undersigned ceases to be a member of the Control Group, a 10% Owner, an officer or director of Developer or own any interest in Developer, that person (and his spouse, if the spouse is also a guarantor) agrees that the obligations under this Guarantee shall continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 5.2 (Restrictions on Competition) of the Agreement shall remain in force and effect for a period of two (2) years after any such release by Franchisor. A release by Franchisor of any of the undersigned shall not affect the obligations of any other Guarantor.

If Franchisor brings an action to enforce this Guarantee in a judicial proceeding, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

If any of the following events occur, a default ("**Default**") under this Guarantee shall exist: (1) failure of timely payment or performance of the obligations under this Guarantee; (2) breach of any agreement or representation contained or referred to in this Guarantee; (3) the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or (4) the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release the undersigned from this Guarantee.

Section 13 (Disputes) of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature, under seal.

GUARANTORS:

Date: ______________________ ____

Print Name: ____

Home Address: ____

[add signature lines]

EXHIBIT D TO MARUFUKU RAMEN AREA DEVELOPMENT AGREEMENT

DISCLOSURE VERIFICATION

You are preparing to enter into a Marufuku Ramen Area Development Agreement with Marufuku Franchising, LLC (“Franchisor”). Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Franchise Applicant ____

1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

   Yes __ No __

2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

   Yes __ No __

3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Agreement. (Attach additional pages, if necessary.)

   ____

   ____

   ____

   ____

   ____

   ____

4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more Marufuku Ramen restaurants operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

   ____

   ____

   ____

   ____

   ____

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the California Franchise Investment Law or any other state franchise registration and disclosure law.

APPLICANT: ___________________________

By: ____

Print Name: ____________________________________

Date: ____

EXHIBIT E TO MARUFUKU RAMEN AREA DEVELOPMENT AGREEMENT

FORM OF NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

(to be signed by Developer and its personnel)

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT (this "**Agreement**") is made this _____ day of _________, 20___, by and between ____________________________ ("**Developer**") and ____________________________, who is an owner, manager, supervisor, member, partner, or a person in a managerial position with, Developer (the "**Member**").

RECITALS:

WHEREAS, Marufuku Franchising, LLC ("**Franchisor**") owns a format and system (the "**System**") relating to the establishment and operation of restaurants that emphasize Japanese noodles and specialty broth (each, an "**Marufuku Ramen restaurant**");

WHEREAS, Franchisor identifies Marufuku Ramen restaurants by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Marufuku Ramen" and such other trade names, service marks, and trademarks as Franchisor may hereafter designate for use in connection with the System (the **"Proprietary Marks"**);

WHEREAS, Franchisor and Developer have executed a Marufuku Ramen Area Development Agreement ("**Development Agreement**") granting Developer the right to develop Marufuku Ramen restaurants (the "**Restaurants**") located within the Development Area described in the Development Agreement under the terms and conditions of the Development Agreement; and

WHEREAS, the Member, by virtue of his or her position with Developer, will gain access to certain of Franchisor's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Developer is bound by.

NOW THEREFORE, IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. **Confidential Information**. Member shall not, during the term of the Development Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of Developer's operation under the terms of the Development Agreement. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Member can demonstrate came to his or her attention before disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Developer, had become or later becomes a part of the public domain, through publication or communication by others.

2. **Covenants Not to Compete.**

(a) Member specifically acknowledges that, pursuant to the Development Agreement, and by virtue of his/her position with Developer, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(b) Member covenants and agrees that during the term of Member's employment with, or ownership interest in Developer, except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(1) Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any "**Competing Business**", which is defined as a restaurant business: (1) that has Japanese noodles or specialty broth as a primary menu item (i.e., sales of Japanese noodles or specialty broth comprise at least twenty percent (20%) of sales) or that offers any individual menu item that comprises at least twenty percent (20%) of sales at Marufuku Ramen restaurants; or (2) whose method of operation or trade dress is similar to that employed in the System.

(2) Divert or attempt to divert any present or prospective business or customer to any Competing 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 Proprietary Marks and the System; or

(c) During the term of Member's employment with or ownership interest in Developer, there is no geographical limitation on the restrictions contained in this Section 2. Member covenants and agrees that during the continuous uninterrupted period of two (2) years from the termination of Member's employment with and/or transfer of Member's ownership interest in Developer, except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any Competing Business which is, or is intended to be, located within the Development Area, within three (3) miles of the border of the Development Area or within a three (3) mile radius around any then-existing Marufuku Ramen restaurant operating under the System.

3. **Injunctive Relief**. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all costs (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. **Severability**. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's and/or Member's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. **Delay**. No delay or failure by Franchisor or Developer to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. **Third-Party Beneficiary**. Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Developer.

IN WITNESS WHEREOF, the Developer and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

DEVELOPER	**MEMBER**
______________________________	______________________________
By:___________________________	By:___________________________
Name:_________________________	Name:_________________________
Title:________________________	Title:________________________
Date:_________________________	Date:_________________________

EXHIBIT B

FRANCHISE AGREEMENT

MARUFUKU RAMEN

FRANCHISE AGREEMENT

Franchisee: _________________

Restaurant Premises: _________________

MARUFUKU RAMEN FRANCHISE AGREEMENT
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Exhibits

FRANCHISE AGREEMENT

THIS AGREEMENT is entered into by and between **MARUFUKU FRANCHISING, LLC**, a California limited liability company (**"we," "us," "our,"** or **"Franchisor"**) and the person(s) or entity identified on Exhibit A to this Agreement (**"you," "your,"** or **"Franchisee"**) as of the Effective Date (as defined in Section 1 and as indicated on the signature page of this Agreement).

BACKGROUND

A. We and our affiliates have developed a system (the **"System"**) relating to the establishment and operation of sit down restaurant with table service that offer freshly prepared ramen (authentic Hakata-style Tonkotsu ramen) dishes with a diverse selection of broths, noodles, proteins, and sauces as well as Japanese side dishes, Authentic Japanese style dishes, rice bowls, chicken Paitan, izakaya appetizers and premium beer and sake.

B. The distinguishing characteristics of the System include specialty dishes, beverages (including beer and wine at some locations), and other food items that are prepared in accordance with secret recipes and manufacturing processes owned by us and our affiliates; distinctive exterior and interior restaurant design, décor, color scheme, fixtures, and furnishings; standards and specifications for ingredients, food preparation, equipment, supplies, and restaurant operations; copyrights and copyrighted materials (the "**Works**"), branded products and merchandise, and advertising and promotional programs; all of which we may change, improve, and further develop from time to time.

C. We and our affiliates identify the System and the restaurants operating under it by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Marufuku Ramen" and such other trade names, service marks, and trademarks as we may in the future designate for use in connection with the System (the **"Proprietary Marks"**).

D. You wish to obtain the right to establish and operate a Marufuku Ramen restaurant at the Premises (as defined in Section 1 below).

In recognition of all of the details noted above, the parties have decided to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and they agree as follows:

1 DEFINITIONS

The terms defined in the "Background" section and this Section 1 have the meanings set forth in those Sections. Other capitalized terms used in this Agreement are defined where they appear within the text of the Agreement.

1.1 **"Designated Supplier"** means a manufacturer, wholesaler, distributor, dealer, retailer, or other vendor or source that we designate as the source for particular products or services.

1.2 **"Effective Date"** means the date entered in the space so designated on the signature page of this Agreement, which is the date that we counter-sign this Agreement.

1.3 **"Force Majeure"** means any natural disaster, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby.

1.4 **"Franchisee Affiliate"** means any business entity that controls, is controlled by, or is under common control with Franchisee.

1.5 “**Gross Sales**” means the aggregate amount of all revenues generated from the sale of all products and services sold and all other income of every kind related to the Restaurant, whether for cash or credit (and regardless of collection in the case of credit), whether from sales on the Premises, by delivery, from catering, or at wholesale (whether the sales method is permitted or not). You may not reduce Gross Sales by the amount of any discounts provided to employees, family members and other businesses that you control. Gross Sales do not include sales taxes or other taxes collected from customers for transmittal to the appropriate taxing authority, proceeds from the sale of gift cards or stored value cards, and customer refunds made in good faith. We reserve the right to modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change.

1.6 “**Including**” or “**Includes**” means “including (or includes), but not limited to,” “including (or includes) without limitation,” and similar constructions.

1.7 “**Manual**” means our confidential operations manual. The term “Manual” also includes all written correspondence from us regarding the System, other publications, materials, drawings, memoranda, videos, DVDs, CDs, and electronic media that we may provide to you.

1.8 **“Marketing Fund”** means the common pool of funds for the enhancement, advancement and protection of the System, advertising and promotion to which franchised Marufuku Ramen restaurants contribute and which we administer as provided in Section 10.

1.9 **“Marufuku Ramen restaurant”** means a restaurant operated by us, our affiliate, or an authorized franchisee using the System and the Proprietary Marks.

1.10 **“Opening Date”** means the date that you open the Restaurant for business; we may insert that date in Appendix A at any time.

1.11 **“Operating Principal”** means the individual whose role is defined in Section 14.5 and who is identified in Exhibit B.

1.12 **“Premises”** means the location that we have accepted for the Restaurant, as specified in Exhibit A.

1.13 **“Restaurant”** means the franchised Marufuku Ramen restaurant that you operate at the Premises.

2 GRANT AND INITIAL TERM

2.1 Grant. We grant you the non-exclusive right, and you undertake the obligation, on the terms and conditions set forth in this Agreement, to establish and operate the Restaurant at the Premises and a license to use the Proprietary Marks and the System solely in connection with the Restaurant in compliance with the operating standards set forth in the Manual (the “**Franchise**”). If, at the time of execution of this Agreement, you have not secured the Premises for the Restaurant that we have accepted, you must select a site for the Restaurant in accordance with Section 3.2 of this Agreement.

2.2 Initial Term. Unless terminated sooner as provided in this Agreement, the initial term of this Agreement (the **“Initial Term”**) expires on the ten (10) year anniversary of the Opening Date. Your rights to seek a renewal franchise agreement for an additional term are set forth in Section 18.

2.3 Protected Territory. During the term of this Agreement, we will not operate, or grant the right to any other party to operate, a Marufuku Ramen restaurant in the area designated in Exhibit A as your “**Protected Territory**,” except as otherwise provided in Sections 2.3.1 through 2.3.7. We and our affiliates reserve all rights that are not expressly granted to you under this Agreement. Therefore, among other things, we and our affiliates have the sole right to do any or all of the following (notwithstanding proximity to your Protected Territory or Restaurant or their actual or threatened impact on sales at your Restaurant):

2.3.1 Operate or license others to operate at any location, during or after the Initial Term, any type of restaurant other than Marufuku Ramen restaurants;

2.3.2 Operate or license others to operate, during Initial Term, Marufuku Ramen restaurants at any location other than in the Protected Territory;

2.3.3 Operate or license others to operate, after this Agreement terminates or expires, Marufuku Ramen restaurants at any location, including within the Protected Territory or at the Premises;

2.3.4 Merchandise and distribute goods and services identified by the Proprietary Marks at any location through any other method or channel of distribution, including through e-commerce, and grocery stores, supermarkets, club stores, and similar retail outlets;

2.3.5 Operate or license others to operate Marufuku Ramen restaurants at any Non-Traditional Facility or Captive Market Location (as defined below) inside or outside the Protected Territory;

2.3.5.1 The term "**Captive Market Location**" includes, among other things, non-foodservice businesses of any sort within which a Marufuku Ramen restaurant or a branded facility is established and operated (including, for example, gas stations, convenience stores, hotels and resorts).

2.3.5.2 The term "**Non-Traditional Facility**" includes, among other things, college campuses, schools, hotels, casinos, airports and other travel related facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; seasonal facilities; shopping malls; theaters; and sporting event arenas and centers.

2.3.6 Develop and own other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and

2.3.7 Purchase, be purchased by, merge or combine with, businesses that directly compete with Marufuku Ramen restaurants.

3 DEVELOPMENT OF THE RESTAURANT

3.1 Your Responsibility. You assume all cost, liability, expense, and responsibility for constructing, equipping and operating the Restaurant in accordance with our standards at the Premises. If the Premises has not been designated as of the Effective Date, then you must: (1) follow the site selection procedures set forth in Section 3.2 below; and (2) obtain our acceptance of a site and acquire a possessory or leasehold interest in the site within ninety (90) days after the Effective Date ("**Site Acceptance Deadline**"). You must open the Restaurant within two hundred and seventy (270) days after the Effective Date ("**Opening Deadline**"). Any failure by you to meet the Site Acceptance Deadline (if applicable) or the Opening Deadline shall be a default of this Agreement for which we can terminate this Agreement without providing you an opportunity to cure the default. **TIME IS OF THE ESSENCE.**

3.2 Site Selection

3.2.1 We will provide you with our site selection criteria and, as you may request, a reasonable amount of consultation with respect to the site selection process. We may change our site selection criteria, which may include population density and composition, leasing costs, parking, visibility, character of the neighborhood, competition from other restaurants in the area, proximity to other businesses (including businesses operated or franchised by us or our affiliates), the nature of other businesses in proximity to the site and other commercial characteristics, and the size, appearance, other physical characteristics and a site plan of the Premises. At our option, you must engage our designated or approved supplier of real estate services to assist you in the site selection and/or lease negotiation process.

3.2.2 Within thirty (30) days after the Effective Date you must provide a site review kit to us including a complete site report and other materials and information we request for a suitable site located within the geographic area identified on Exhibit A ("**Site Selection Area**"). You should not make any binding commitments to acquire any interest in any site for the Restaurant until we have accepted that site in writing.

3.2.3 Within forty-five (45) days after we receive your detailed site review kit, we or our designee will conduct an evaluation of the proposed site(s) and accept or reject your proposed sites. At our option, we may conduct an on-site evaluation of the proposed site(s). We do not charge any fees to conduct one (1) market visit, however; if we require, or if you request, any additional market visits, you must pay a site review fee to us in the amount of Five Hundred Dollars ($500) and reimburse us for our travel expenses associated with such visits. We will not unreasonably withhold our acceptance of a site that meets our site selection criteria. In determining whether to accept or reject a proposed site, we also may consider the site's proximity both to the Site Selection Area's boundaries and to other existing or potential sites for Marufuku Ramen restaurants located outside the Site Selection Area. If we do not accept a proposed site in writing in this time period, we will be deemed to have rejected the site.

3.2.4 You agree that our acceptance of a site for the Restaurant and any information communicated to you regarding our site selection criteria for Marufuku Ramen restaurants does not constitute a warranty or representation of any kind, express or implied, as to the suitability of any site for the Restaurant or for any other purpose. Our acceptance of a site is not a representation or a promise by us that the Restaurant at the site will achieve certain revenues or a certain level of profitability. Similarly, our acceptance of one or more sites and our rejection of other sites is not a representation or a promise that the accepted site will have higher revenues or be more profitable than a site that we rejected.

3.2.5 You agree that your decision to develop and operate the Restaurant at a site that we accept is based solely on your own independent investigation of the suitability of that site for a Restaurant. We assume no liability or responsibility for: (1) evaluation of the soil of the site for hazardous substances; (2) inspection of any structure at the site for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act ("**ADA**"); or (4) compliance with any other applicable law. It is your sole responsibility to obtain satisfactory evidence and/or assurances that the site and any structures on the site are free from environmental contamination and in compliance with the requirements of the ADA.

3.3 Site Acquisition Period. If you propose to purchase the site for the Restaurant, you must provide us with a copy of the deed or other evidence of ownership within thirty (30) days after we accept the site (the "**Site Acquisition Period**"). If you propose to lease or sublease the site, you must provide us with a copy of the fully-executed lease or sublease for the site ("**Lease**") within the Site Acquisition Period. After you secure an ownership or leasehold interest in the site, we will insert its address into Exhibit A, and it will be the Premises. You hereby authorize us to deliver to you replacements for Exhibit A identifying the Premises, and upon our delivery to you of a revised Exhibit A, that Exhibit A shall be binding upon us and you as if we and you had signed that Exhibit A.

3.4 Lease Provisions. We have the right to review the terms of the Lease for the Premises before you sign the Lease. The Lease must: (1) in form and substance, be satisfactory to us; (2) include all of the provisions set forth in the form of Addendum to Lease attached to this Agreement as Exhibit E; (3) be for an aggregate term of (at least) ten (10) years in a combination of initial and renewal terms; (4) contain terms and conditions and payments that are commercially reasonable in our opinion; and (5) include any other provisions as we may require. The Lease shall not contain any covenants or other obligations that would prevent you from performing your obligations under this Agreement. You acknowledge that our review of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Marufuku Ramen restaurant operated at the Premises. Our review will indicate only whether we believe that the terms of the Lease meet our then-acceptable criteria.

3.5 Permitting/Licensing. After acquiring a possessory interest in the Premises, you shall promptly begin the permitting, licensing and approval process to ensure that construction of the Restaurant commences within thirty (30) days after the date the Lease is fully executed or the purchase of the Premises is consummated. If permitting and licensing is anticipated to take longer than thirty (30) days, you shall advise us in writing of the date on which you anticipate obtaining such permits and licenses and the reasons for the extended time period.

3.6 Construction of the Restaurant

3.6.1 You assume all cost, liability and expense for developing, constructing and equipping the Restaurant. We will furnish to you plans and specifications (which may be prototype plans or construction or as built plans for an existing restaurant) for a Marufuku Ramen restaurant, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, security, furnishings, and color scheme. It shall be your responsibility to have prepared all required construction plans and specifications to suit the shape, dimensions and utility requirements of the Premises, and you must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You shall use only registered architects, registered engineers, and professional and licensed contractors (who are reasonably acceptable to us). At our option, you must engage our designated or approved architect or our designated or approved designer.

3.6.2 Prior to submission to local authorities, you shall submit proposed construction plans, specifications and drawings for the Restaurant ("**Plans**") to us and shall, upon our request, submit all revised or "as built" Plans during the course of such construction. We will approve or refuse to approve the Plans and notify you within thirty (30) days after we receive the Plans. Once we have approved the Plans, no substantial change shall be made to the Plans without our prior approval. If, in the course of construction, any such change in the Plans is contemplated, our approval must first be obtained before proceeding. We shall approve or reject Plan changes within ten (10) business days after receipt. We shall not unreasonably withhold our approval of the Plans or revisions to the Plans.

3.6.3 You are prohibited from beginning site preparation or construction prior to receiving written notification from us that we have approved the Plans, and you, we, and your designer and / or general contractor have met to review the proposed construction process. You must construct the Restaurant in accordance with Plans approved by us and must comply in all respects with applicable laws, ordinances and local rules and regulations. The Restaurant may not open if construction has not been performed in substantial compliance with Plans approved by us, and this Agreement may be terminated if such non-compliance is not cured within a commercially reasonable amount of time. Once construction has commenced, it shall continue uninterrupted, except for interruption by reason of events constituting Force Majeure, until completed.

3.7 Acquisition of Necessary Furnishings, Fixtures and Equipment

3.7.1 You agree to use in the development and operation of the Restaurant only the fixtures, furnishings, décor items, supplies, equipment, and signs that we have approved for Marufuku Ramen restaurants as meeting our specifications and standards for quality, design, appearance, function, and performance. You further agree to place or display at the interior and exterior of the Restaurant only those signs, décor items, emblems, lettering, logos and display materials that we approve in writing.

3.7.2 You must purchase or lease approved brands, types or models of fixtures, furnishings, equipment, supplies and signs only from suppliers designated or approved by us, which may include us or our affiliates. If you propose to purchase, lease or otherwise use any items which have not been approved by us, you must first notify us in writing and, at your sole expense, submit to us upon our request sufficient specifications, photographs, drawings and/or other information or samples for a determination as to whether those items comply with our specifications and standards. We will, in our sole discretion, approve or reject the items and notify you within thirty (30) days after we receive the request.

3.8 Reports. If requested by us, you must submit to us, on a weekly basis (or as we otherwise request), a report with photographs showing progress made in connection with the construction and equipping of the Restaurant.

3.9 Limitation of Liability. Notwithstanding our right to approve the Plans and to inspect the construction work at the Restaurant, we and our designees shall have no liability or obligation with respect to the Premises, the design or construction of the Restaurant or the furnishings, fixtures, equipment and signage to be acquired; our rights being exercised solely for the purpose of ensuring compliance with the terms and conditions of this Agreement.

3.10 Business Plan. You must develop and submit to us, simultaneously with the submission of the site review kit, a three-year business plan ("**Business Plan**") outlining the actions that you will take to ensure that your operation and management of the Restaurant are in compliance with our standards. You must revise the Business Plan on an annual basis as required by us and implement that Business Plan as approved by us.

3.11 Final Inspection and Opening Deadline

3.11.1 You must complete construction of the Restaurant within one hundred and eighty (180) days after the start of construction. The requirement to complete construction of the Restaurant includes obtaining all required construction and occupancy licenses, permits and approvals, developing the Premises, purchasing all required equipment and supplies, installing all required furnishings, fixtures, equipment and signs, and doing all other things as may be required pursuant to this Agreement or by practical necessity to have the Restaurant ready to open for business.

3.11.2 You shall notify us in writing at least thirty (30) days prior to the date you expect construction and/or renovation to be completed and a certificate of occupancy to be issued ("**Occupancy Notice**") for the Restaurant. After our receipt of the Occupancy Notice, we reserve the right to conduct a final inspection of the Restaurant to determine if you have complied with this Agreement in connection with the development of the Restaurant including the final Plans. We shall not be liable for delays or loss occasioned by our inability to complete our investigation and to make a determination within this thirty (30) day period. You must submit a copy of the certificate of occupancy to us.

3.11.3 You shall not open the Restaurant for business without our express written authorization, which will not be granted unless you have satisfied the conditions contained in Section 3.12 below. You may not open the Restaurant for at least ten (10) days after the date construction is completed so that your employees may be trained in the management and operation of the Restaurant. You must open the Restaurant before the Opening Deadline. You must provide a written report to us in a form specified by us detailing all construction and development costs and expenses for the Restaurant within thirty (30) days after the opening of the Restaurant. You acknowledge and agree that we will share these costs and expenses with other existing and prospective franchisees and developers of Marufuku Ramen restaurants.

3.12 Opening of the Restaurant. We will not authorize the opening of the Restaurant unless all of the following conditions have been met:

3.12.1 You are not in material default under this Agreement or any other agreements with us; you are not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Restaurant); you are not in default beyond the applicable cure period with any vendor or supplier to the Restaurant); and for the previous six (6) months, you have not been in material default beyond the applicable cure period under any agreement with us;

3.12.2 We have determined that the Restaurant has been constructed and/or renovated and equipped substantially in accordance with the requirements of this Agreement including the Plans;

3.12.3 You have obtained, provided copies to us, and maintain all required building, utility, sign, health, sanitation, business and other permits and licenses applicable to the Restaurant (including a permit to allow you to operate a bar and to serve alcoholic beverages if you plan to offer beer and wine at the Restaurant);

3.12.4 You have purchased or leased and installed all specified and required fixtures, equipment, furnishings and interior and exterior signs for the Restaurant;

3.12.5 You have purchased the required computer and point of sale systems and they are operational;

3.12.6 You have purchased an opening inventory of supplies for the Restaurant of only authorized and approved products and other materials and supplies;

3.12.7 Your Operating Principal or other owner approved by us has completed the orientation program, three (3) management team members (one (1) "Front of the House" team leader and two (2) "Back of the House" team leaders) have completed our training program and you have hired and trained a staff in accordance with the requirements of Section 6;

3.12.8 You have paid the Initial Franchise Fee (as defined in Section 4.1) and any other amounts then due to us;

3.12.9 You have signed this Agreement and all other agreements including the electronic funds transfer documents described in Section 4.7 as required by us;

3.12.10 You have obtained a certificate of occupancy and any other required health, safety or fire department certificates and provided copies to us; and

3.12.11 You have obtained and provided to us copies of certificates for all insurance policies required by Section 11 or such other evidence of insurance coverage and payment of premiums as we reasonably may request.

The date that we authorize you to open the Restaurant will be the Opening Date, which we may insert in Exhibit A or provide to you by written notice.

3.13 Relocation. Once the Premises is secured, you may not operate the Restaurant at any site other than the Premises and may not relocate the Restaurant without our prior written consent, which may be withheld by us in our sole discretion. If we approve a relocation of the Restaurant, you must pay a relocation fee in an amount equal to thirty-five percent (35%) of our then-current Initial Franchise Fee. Our acceptance of a location as the Premises shall not be deemed to be a guarantee or assurance by us that the Restaurant will be profitable or successful.

4 FEES

4.1 Initial Franchise Fee. In consideration of the Franchise rights granted in this Agreement, you must pay us a non-refundable initial franchise fee in the amount set forth in Exhibit A when you sign this Agreement ("**Initial Franchise Fee**").

4.2 Training Fee. You must pay us a non-refundable training fee in the amount set forth in Exhibit A when you sign this Agreement ("**Training Fee**").

4.3 Royalty Fee. You must pay us a non-refundable royalty fee for the continued use of the Franchise rights in an amount equal to five percent (5%) of the Gross Sales of the Restaurant (the "**Royalty Fee**"). If, due to federal, state or local laws, you are prohibited from receiving a percentage royalty based on alcoholic beverage revenues, you must pay us a royalty fee on all Gross Sales except alcoholic beverage revenues in the same dollar amount as would have been paid if you paid the specified royalty fee percentage on all Gross Sales. The Royalty Fee is due twice a month on the dates we specify for the period days we specify, which we may change.

4.4 Marketing Fund Contribution. You must make a non-refundable contribution to the Marketing Fund up to three percent (3.0%) of the Gross Sales of the Restaurant (the "**Marketing Fund Contribution**") at the same time and in the same manner as you pay the Royalty Fee. The Marketing Fund Contribution is described in Section 10.3.

4.5 Other Funds Due. You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any monies that we have paid, or that we have become obligated to pay, on your behalf, by consent or otherwise under this Agreement.

4.6 Taxes Imposed on Us. If any taxes, fees or assessments are imposed on us by reason of our acting as franchisor or licensing the Proprietary Marks under this Agreement, you must reimburse us for the amount of those taxes, fees or assessments within thirty (30) days after receipt of an invoice from us.

4.7 Sales Reports and Payment Method.

4.7.1 You must submit a complete and accurate report of Gross Sales for the Restaurant for the periods we designate (which we may change), on the form we require.

4.7.2 You must designate an account at a commercial bank of your choice (the **"Account"**) for the payment of amounts due to us and/or our affiliates, including Royalty Fees and Marketing Fund Contributions. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer (including the ACH Authorization Form attached as Exhibit H). On due date specified by us ("**Due Date**"), we will transfer from the Account an amount due for Royalty Fees and Marketing Fund Contributions as reported to us in your sales report or determined by us based on the records contained in the point of sale terminals of the Restaurant, as well as any other fees due to us and/or our affiliates. If you have not reported Gross Sales to us, we will transfer from the Account an amount calculated in accordance with our estimate of the Gross Sales. If, at any time, we determine that you have underreported the Gross Sales of the Restaurant, or underpaid the Royalty Fees, Marketing Fund Contributions or other amounts due to us under this Agreement or any other agreement, we shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after the parties determine that such credit is due.

4.7.3 You agree to maintain sufficient funds in the Account at all times to cover all Royalty Fees, Marketing Fund Contributions and other fees payable to us or our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our electronic funds transfer, the amount of the shortfall will be deemed overdue. You will notify us at least ninety (90) days before closing or changing the Account. If such Account is closed or ceases to be used, you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic, electronic debit (*e.g.*, by check or wire transfer) whenever we deem appropriate, and you must comply with our payment instructions. If we supply products to you, we may require pre-payment or COD depending on our then-current policies and your payment record with us.

4.7.4 Notwithstanding the provisions of this Section 4.7., we reserve the right to modify, at our option, the timing and method by which you pay the Royalty Fees and other amounts owed under this Agreement, including Marketing Fund Contributions and interest charges, which shall be effective upon receipt of written notice from us.

4.8 Interest and Insufficient Funds Charges. If any payment is overdue, you must pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less. The interest charges are in addition to any other remedies we may have. In addition to the interest charges, you must reimburse us for any bank fees incurred by us and pay us Two Hundred and Fifty Dollars ($250) (or the maximum amount permitted by applicable law, whichever is less) to cover our administrative expenses in responding each time you deliver a check to us which does not clear your bank account, or where we are not able to complete an electronic funds transfer due to insufficient funds in your Account. If you incur three (3) or more insufficient funds charges in any twelve (12) month period, we may terminate this Agreement.

4.9 Application of Payments. We have the right to apply payments from you in any way we choose, to any amounts you owe us.

4.10 No Offset. You shall not withhold or off-set any portion of any payment due to our alleged non-performance under this Agreement or any other agreement by and between you and us or our respective affiliates.

4.11 Partial Payments. No payment by you or acceptance by us of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect, and we may accept the partial payment without prejudice to any rights or remedies we may have against you. Acceptance of payments by us other than as set forth in this Agreement shall not constitute a waiver of our right to demand payment in accordance with the requirements of this Agreement or a waiver by us of any other remedies or rights available to us pursuant to this Agreement or under applicable law. Notwithstanding any designation by you, we shall have sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Marketing Fund Contributions and fees, purchases from us or our affiliates, interest or any other indebtedness. We have the right to accept payment from any other entity as payment by you. Acceptance of that payment by us will not result in that other entity being substituted for you.

4.12 Collection Costs and Expenses. You must pay to us on demand any and all collection costs and expenses (including costs and commissions due a collection agency, costs incurred in creating or replicating reports demonstrating Gross Sales of the Restaurant, reasonable legal fees, attorneys' fees, court costs, expert witness fees, discovery costs and reasonable legal fees, attorneys' fees and costs on appeal, together with interest charges on all of the foregoing) incurred by us in enforcing the terms of this Agreement, including in collecting any monies owed by you to us.

5 DUTIES OF FRANCHISOR

5.1 Plans and Specifications. We will furnish you with plans and specifications for construction of a Marufuku Ramen restaurant, including exterior and interior design and layout plans.

5.2 Manual. We will loan the Manual to you for the Initial Term.

5.3 Training. We will provide a training program for the persons that we require or permit to attend training under Section 6 of this Agreement.

5.4 Supervision. We will provide pre-opening and opening supervision and assistance as we deem advisable.

5.5 Suppliers. We will name Designated Suppliers as we deem appropriate and review suppliers that you nominate, subject to the limitations in Section 8.3.

5.6 Marketing Materials. In addition to the advertising and promotional materials produced and placed by the Marketing Fund of behalf of the System, we will make available to you for purchase certain advertising and promotional materials that you can adapt for the Restaurant.

5.7 Operational Advice. We will provide to you from time to time, as we deem appropriate, advice and written materials concerning techniques of managing and operating a Restaurant.

6 TRAINING

6.1 Pre-Opening Training

6.1.1 You, or if you are an entity an owner approved by us, must attend a five (5) day orientation program for our System.

6.1.2 At least sixty (60) days before opening the Restaurant, your Operating Principal and three (3) management team members (one (1) "Front of the House" team leader and two (2) "Back of the House" team leaders) must attend and successfully complete the Marufuku Ramen training program to our satisfaction. The training program may vary based upon the role of the attendee but will typically last thirty (30) to forty-five (45) days and may include classroom training, on the job training, web-based training and programs offered by third parties. We may increase or reduce the required training based on our assessment of an individual's prior experience.

6.1.3 We will certify any supervisory employee of yours who successfully completes the training program to our satisfaction as a "**Trained Manager**." We will authorize the Restaurant to open only after you have the required number of Trained Managers in the roles we require. We will have the right to require that your Trained Managers execute and deliver to us a Non-disclosure and Non-competition Agreement in substantially the form attached to this Agreement as Exhibit F.

6.2 Opening Training. We may send two representatives to the Restaurant to assist with the Restaurant opening for a period not to exceed thirteen (13) days. This opening training will also include on-site training for your managers and staff members and additional assistance with opening marketing and management activities. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our representatives while they provide the opening training.

6.3 Training Your Employees

6.3.1 You must have a full staff in place and available for training before training commences. We will authorize you to open the Restaurant only after an adequate number of your employees, as determined by us in our sole discretion, have attended and received certification in the position for which they were hired. Periodically, you must conduct such training programs for your employees as we may require, including those training programs required for your employees to become certified for the position(s) for which each employee was hired. Your Trained Managers are responsible for fully training the Restaurant's employees within thirty (30) days of being hired. You will be responsible for all costs that you incur in training your employees.

6.3.2 We may periodically visit the Restaurant to ensure that your managers and staff continue to meet our standards. We have the right to de-certify any of your personnel who consistently fail to maintain our System standards as set forth in the Manual. Any such employees may not return to their positions at the Restaurant until they have been successfully retrained. If we determine, in our sole discretion, that your Trained Managers are no longer qualified to train your employees (or if you do not have any Trained Managers on staff), then you, at our election, must either have the Trained Managers attend and successfully complete the Marufuku Ramen training program and be re-certified as Trained Managers or designate replacement personnel to complete the training program to be certified as your Trained Managers. If we elect to send our representative to the Restaurant to provide training for your staff, you must pay a training fee in the amount of Four Hundred Dollars ($400) per representative, per day, and all travel, living and other expenses incurred by our representative. If any person you send to training requires more training than our standard training program, you must pay a training fee in the amount of Three Hundred Dollars ($300) per person, per day, and all travel, living and other expenses incurred by the trainee.

6.4 Additional Training. After the Restaurant opens for business:

6.4.1 Your employees that we reasonably designate must attend and complete, to our satisfaction, any additional training programs that we reasonably require. These additional training programs may include classroom training, on the job training, web-based training and programs offered by third parties. We may require you to pay reasonable training fees for these programs (plus travel, meals and lodging expenses for our representatives, if we conduct the training at your Restaurant).

6.4.2 Your Operating Principal and one other management person that we approve must attend a national business meeting or our Annual Convention. You are responsible for paying any registration fee for the convention and the costs of travel and accommodations for your personnel.

6.4.3 We periodically, as we deem appropriate, will advise and consult with you in connection with the operation of the Restaurant. We may provide these services through visits by our representatives to the Restaurant or your offices, the distribution of printed, filmed or electronic information, meetings or seminars, telephone communications, e-mail communications or other communications. We will periodically inspect the Restaurant and its operations to assist your operations and ensure compliance with the System. At your request, we may provide special assistance at the Restaurant for which you will be required to pay our per diem training fees and charges that we may establish.

6.5 Delegation. We have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to our designees, whether affiliates or agents of ours or independent contractors with whom we have contracted to provide the service.

6.6 Control by Us. Notwithstanding anything to the contrary in this Section 6, you and we recognize and agree that we do not exercise any day-to-day control of the Restaurant, including control of the security at the Restaurant, the hiring and firing of employees, or other forms of day-to-day control.

6.7 Training Methods; Expenses. Except for the classroom and on-the-job training portions of the Marufuku Ramen training program, we have the right to provide training programs in person, by video, via the Internet, or by other means, as we determine. All training that we conduct in person will be held at a location that we designate. You are responsible for all expenses of your trainees, including the costs of transportation, lodging, meals, and wages. You may also be required to purchase training materials and uniforms.

7 MANUAL

7.1 Access to the Manual. We will loan to you during the term of this Agreement one copy of, or provide electronic access to, the Manual, which contains information and knowledge that is unique, necessary and material to the System. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for management and operation of the Restaurant. The Manual also may relate to: (1) the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Restaurant; (2) management and employee training; (3) marketing, advertising and sales promotions; (4) maintenance and repair of the Restaurant building, grounds, equipment, graphics, signs, interior and exterior decor items, fixtures and furnishings; (5) employee dress attire and appearance standards; (6) menu concept and graphics; and (7) accounting, bookkeeping, records retention and other business systems, procedures and operations. You agree at all times to operate the Restaurant in strict conformity with the Manual; to maintain the Manual at the Restaurant; to not reproduce the Manual or any part of it; and to treat the Manual as confidential and proprietary; and to disclose the contents of the Manual only to your employees who have signed a confidentiality agreement and who have a demonstrated need to know the information contained in the Manual.

7.2 Modifications to the Manual. We may supplement or amend the Manual by letter, electronic mail, bulletin, videos, CDs, DVDs, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a Marufuku Ramen restaurant. We reserve the right to furnish all or part of the Manual to you in electronic form or online (including by intranet or extranet) and to establish terms of use for electronic access to the Manual. You agree to keep your copy of the Manual current and up-to-date with all additions and deletions provided by or on behalf of us and you agree to purchase whatever equipment and related services as may be necessary to receive these communications. If a dispute relating to the contents of the Manual develops, the master copy maintained by us at our principal offices shall control.

7.3 Electronic Access. At our option, we may post some or all of the Manual on a restricted website to which you will have access. If we do so, you agree to monitor and access the website for any updates to the Manual. Prior to accessing our restricted website you and any of your employees must agree to abide by our terms of use, which we may revise. Any passwords or other digital identifications necessary to access the Manual constitute confidential information owned by us and you must follow all instructions from us relating to the same.

8 OPERATION OF THE RESTAURANT

8.1 Compliance with System Standards. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Restaurant in strict conformance with the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. You acknowledge that the System standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Restaurant. Any material failure to comply with the mandatory System standards or to pass our periodic quality control inspections will constitute a material breach of this Agreement. You acknowledge that we have the right to vary our standards and specifications, in our sole judgment, to accommodate the individual circumstances of different franchisees.

8.2 Approved Products and Services. You must offer for sale in the Restaurant all products and services that we designate as required items. You may also offer for sale any optional items and services that we have approved in writing for sale in a Marufuku Ramen restaurant; however, you may not offer or sell any unapproved products or services. You must sell products only in the weights, sizes, forms, and packaging that we have approved. You must discontinue selling or offering for sale any products or services which we, in our sole discretion, disapprove in writing at any time. If you would like to use or offer products, services, supplies, materials, and/or equipment that we have not approved, you agree to first submit to us a written request for approval and you shall refrain from offering these items at the Restaurant until you have received our written approval. We have the right to require you to use only certain brands and to prohibit you from using other brands. We may modify the list of approved brands and you shall not reorder any brand that is no longer approved.

8.3 Sourcing of Products and Services. We have the right to require that all food and beverage items, ingredients, supplies, equipment, furnishings, smallwares, merchandise, promotional items, information technology services, credit card processing services, and other products and services that you purchase for operation of or sale in the Restaurant: (1) meet specifications that we establish; and/or (2) be purchased only from suppliers that we have expressly approved; and/or (3) be purchased only from a Designated Supplier (which may be us or an affiliate or a buying cooperative that we organize); and/or (4) establish food commissaries and distribution facilities (directly, through our affiliates, and/or our designees), and designate these as Designated Suppliers or approved suppliers. To the extent that we establish specifications, require approval of suppliers, or name Designated Suppliers for particular items, we will provide the requirements to you in writing. If we elect to name ourselves or an affiliate as the Designated Supplier for a particular item, you must purchase all of your requirements of the item from us or the affiliate. You must submit orders in accordance with the terms and procedures we specify. Any conflicting terms and conditions of sale stated in your purchase order will have no effect. In case of shortages, we will have complete discretion to allocate products among Marufuku Ramen restaurants (and, at our option, other channels of distribution). If shortages or an event of Force Majeure prevent us from being able to supply your Restaurant with its requirements, you are authorized to purchase supplies from other sources for use at the Restaurant until we are again able to meet the Restaurant's requirements, provided that the alternative supplies meet our specifications and that we have given prior written approval.

8.4 Supplier Review Process. If we require you to use an approved supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the supplier, unless it is an item for which there is a Designated Supplier. We have no obligation to review or approve a greater number of suppliers for an item than the number we deem reasonable, and any proposed supplier relationship must not jeopardize the availability of any special pricing or other benefits offered by our existing suppliers based on system-wide purchases. We will provide our standards and specifications to you or to the proposed supplier, subject to the supplier's execution of a confidentiality agreement in a form acceptable to us. We have the right to inspect the proposed supplier's facilities and to require delivery of product samples either to us or to an independent laboratory designated by us for testing. Upon completion of our analysis, we will notify you in writing of approval or disapproval of the proposed supplier. You agree to pay a charge not to exceed our reasonable costs incurred in evaluating the supplier, regardless of whether or not we approve the supplier. You may not purchase, sell, or offer for sale any products or services of the proposed supplier until you receive our written approval of the proposed supplier. We have the right to re-inspect the facilities and products of any approved supplier and to revoke approval upon the supplier's failure to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing products from the disapproved supplier and, in the case of revocation based on the failure of the supplier's products to meet our standards, you agree to dispose of your remaining inventory of the disapproved supplier's products as we direct.

8.5 Proprietary Items. You acknowledge and agree that any proprietary items ("**Proprietary Items**") that we may specify for sale at the Restaurant are manufactured in accordance with our secret blends, standards, and specifications, and are Proprietary Items of ours and/or our affiliates. To maintain the high standards of quality, taste, and uniformity associated with any Proprietary Items sold under the System, you agree to buy Proprietary Items only from a Designated Supplier, and not to offer or sell any items that are similar to (but not the same as) Proprietary Items at or from the Restaurant. In connection with the handling, storage, transport and delivery of any Proprietary Items that you buy from us, our affiliates or designee(s), you agree that any action (or inaction) by a third party (e.g., an independent carrier) in connection with the handling, storage, transport and delivery of the Proprietary Items shall not be attributable to us, nor constitute negligence on our part.

8.6 Rebates. We may negotiate purchasing arrangements under which suppliers agree to make services, products, equipment, materials and other goods and services available to Marufuku Ramen Restaurants. Subject to applicable law, we may earn money from the suppliers based on your purchases in the form of rebates, commissions, or other payments. You acknowledge that these payments compensate us for the cost of negotiating and maintaining the purchasing arrangements with the suppliers and that, subject to applicable laws, we have no obligation to remit the funds to you.

8.7 Catering and Other Off-Premises Programs. We have the right (but no obligation) to establish Restaurant delivery, catering, third-party delivery, and/or wholesaling programs (**"Off-Premises Programs"**) either on our own or in conjunction with one or more outside vendors. Off-Premises Programs may be mandatory or optional for franchisees and may include online, telephone or other ordering systems. If we establish a mandatory Off-Premises Program or you choose to participate in a voluntary program, you agree to pay the fees and costs associated with participating and to comply with all other rules and procedures that we specify for the program in the Manual or otherwise in writing. You acknowledge that you may have to purchase equipment, including a delivery vehicle, in order to participate in an Off-Premises Program. We may define designated service areas for Off-Premises Programs. We can modify or terminate an Off-Premises Program by notice to the participating Restaurants.

8.8 No Other Sales Channels. You may not engage in any grey marketing activities where you take advantage of purchasing arrangements for Marufuku Ramen restaurants and transfer products to any other restaurant or other business not operating under the System. You may not sell products or services through any channel or facility other than to retail customers for consumption on the Restaurant premises, or for personal carry-out consumption, including any Off-Premises Programs, food trucks, carts, kiosks, or temporary locations. If we approve any one or more activities noted, we will not be deemed to have given our approval or waived our right to approve or disapprove any other activities that you may later propose. We will consider the factors that we deem appropriate, which may include the period of time you have been operating the Restaurant, your sales volume, whether you have met certain quality standards and other benchmarks, and other standards that we may determine are applicable.

8.9 Use of Premises; Hours of Operation. You must use the Premises solely for the operation of the Restaurant, must keep the Restaurant open and in normal operation for the minimum hours and days specified in the Manual and as permitted by applicable laws, and must refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining our written consent.

8.10 Furnishings and Equipment. You must acquire and install in the Restaurant at your expense, such fixtures, furnishings, equipment, décor, and signs as we may reasonably direct from time to time. You must not install or permit to be installed on or about the Premises, without our prior written consent, any fixtures, furnishings, equipment, décor, signs, or other items not previously approved by us.

8.11 Menu Boards and Formats. We have the right to prescribe, and subsequently vary, one or more menu boards, menus and other formats to be utilized in the Restaurant. The menu boards and formats may include requirements concerning organization, graphics, product descriptions, illustrations and other matters related to the menu. Prescribed menu boards, menus and other formats may vary depending on region, market size or other factors deemed relevant by us. If any menu board, menus and other format utilized by you ceases to be an authorized format, you will have a reasonable period of time (not to exceed ninety (90) days) to discontinue use of that format and begin using an authorized format.

8.12 Condition of Premises. You must constantly maintain the Premises and all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary remodeling, redecorating, refurbishing and repairs. At your own expense, you must make such additions, alterations, repairs, and replacements as may be required for that purpose (but no others without our prior written consent). Upon our request, you must provide us with copies of any inspection report conducted by a third party. You may not make any material alterations to the Restaurant that affect operations or the image of the System without our prior written approval. You acknowledge and agree that the requirements of this Section 8.12 are both reasonable and necessary to ensure continued public acceptance and patronage of Marufuku Ramen restaurants, to assist the Restaurant to compete effectively in the marketplace and to avoid deterioration or obsolescence of the operation of the Restaurant.

8.13 Access for Inspections. You must permit us and our agents to enter the Restaurant at any time during normal business hours to conduct inspections and to interview employees and customers. You must cooperate with such inspections by rendering such assistance as our representatives may reasonably request. Upon notice from us or our agents, you must immediately take such steps as may be necessary to correct any deficiencies noted during any such inspection.

8.14 Quality Assurance Program. You must comply fully with our quality assurance program. The program may include, among other things, inspections of the Restaurant, customer satisfaction surveys, mystery shopper reports, employee satisfaction and perception surveys, health and safety reviews, product and ingredient testing, and observation of food preparation areas and processes. You must pay any out-of-pocket costs that we incur to third parties to carry out quality assurance program activities at your Restaurant. At our election, we may require you to pay any such third parties directly. If you fail to achieve the minimum score prescribed in the Manual for a specific quality assurance category, we may require you and/or your employees to complete additional training at the Restaurant or a location that we designate, at your expense.

8.15 Compliance with Laws and Taxes

8.15.1 You must operate the Restaurant in full compliance with all applicable municipal, county, state and federal laws, rules, regulations and ordinances. You have sole responsibility for compliance despite any information or advice that we may provide.

8.15.2 You, on behalf of yourself and your owners, agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you, on behalf of yourself and your owners, certify, represent, and warrant that none of your respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are in violation of any of the Anti-Terrorism Laws. You also agree not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or in any way relating to terrorist acts and/or acts of war.

8.15.3 You must promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness incurred in the operation of the Restaurant. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event will you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Restaurant.

8.15.4 You must immediately notify us in writing of the commencement of any action, suit, or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of the Restaurant.

8.16 Health and Safety Standards. You must meet and maintain the highest health and safety standards and ratings applicable to the operation of the Restaurant, and furnish to us, within two (2) days after receipt thereof, a copy of each and every health department, or similar agency, health inspection report and fire department inspection report. You must notify us by telephone within twenty-four (24) hours, and confirm in writing within two (2) days, after receiving notice of any investigation or violation concerning any zoning, health, narcotics laws, or fire department laws and regulations.

8.17 Control During Crisis Situation

8.17.1 If an event occurs at the Restaurant that has or reasonably may cause harm or injury to customers, guests or employees (*i.e.*, food spoilage/poisoning, food tampering/sabotage, slip and fall injuries, natural disasters, robberies, shootings, etc.) or may damage the Proprietary Marks, the System or our reputation (collectively "**Crisis Situation**"), you shall: (1) immediately contact appropriate emergency care providers to assist you in curing the harm or injury; and (2) immediately inform us by telephone of the Crisis Situation. You must refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by us or public health officials).

8.17.2 To the extent we deem appropriate, in our sole and absolute discretion, we or our designee may control the manner in which the Crisis Situation is handled by the parties, including conducting all communication with the news media, providing care for injured persons and/or temporarily closing the Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, we or our designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as we deem appropriate. You and your employees shall cooperate fully with us or our designee in our efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by us from to time hereafter. The indemnification under Section 21.2 shall include all losses and expenses that may result from the exercise by us or our designee of the management rights granted in this Section 8.17.

8.18 Customer Complaints. You must immediately resolve any customer complaints regarding the quality of food or beverages, service and/or cleanliness of the Restaurant, or any similar complaints. When any customer complaints cannot be immediately resolved, you must use reasonable efforts to resolve the customer complaints as soon as practical and shall, whenever feasible, give the customer the benefit of the doubt. If we, at our sole discretion, determine that our intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if we, in our sole discretion, believe that you have failed adequately to address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you must pay to us immediately on demand.

8.19 Staffing

8.19.1 You agree to maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers, including specified positions and minimum staffing levels that we may establish in the Manual.

8.19.2 You have sole responsibility for all employment decisions and functions of the Restaurant, including those related to hiring, firing, training, wage and hour requirements, recordkeeping, supervision, and discipline of employees, despite any information or advice we may provide. You must maintain a competent, conscientious, trained staff with enough workers to operate the Restaurant in conformance with our standards. You must take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as we may establish in the Manual.

8.19.3 You must comply with all state and local laws and regulations regarding the staffing and on-premises management of personnel including any required licenses and any regulations dealing with the ratio of your staff or equipment to customers at the premises. You agree to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code and cleanliness and sanitation standards as we may prescribe in the Manual, or as may be required under applicable law.

8.19.4 You and your staff must cooperate with us and with our representatives. We will have the ongoing right to approve or disapprove of the service of individuals in your Restaurant as to the role that they play in your business if their continued performance would negatively affect the System and our brand. If we disapprove of such an individual, you agree to remove him/her from their current role (but you understand and agree that our disapproval of him/her in that role is not meant to, and should not be construed as, any instruction or demand on our part that the individual should be dismissed as an employee).

8.19.5 To promote a consistent image, you agree that you and your employees will comply with such dress code or standards as we may require, which may include use of branded (or other "uniform") apparel, and otherwise identify themselves with the Proprietary Marks at all times in the manner we specify (whether in the Manual or otherwise in writing) while working for or at the Restaurant. We may also require that you and your employees comply with personal appearance standards (including dress code, shoes, hair color, body art, piercing, sanitation and personal hygiene, foundation garments, personal displays, etc.). You agree to buy any uniforms we may require only from approved suppliers.

8.20 Numbers and Listings. You must obtain a new telephone number and telephone and on-line directory listings at your expense under the Proprietary Mark or trade name that we designate or approves (*e.g.* Marufuku Ramen) and not under your corporate, partnership, or individual name, to be used exclusively in connection with your operation of the Restaurant. Upon the expiration, transfer or termination of this Agreement for any reason, you shall terminate your use of such numbers and listings and assign the numbers and listings to us or our designee, and, at our option, will execute the Conditional Assignment and Power of Attorney – Telephone and On-Line Numbers and Listings attached as Exhibit D to this Agreement. You must ensure that the telephone at the Restaurant is answered in the manner we specify in the Manual.

8.21 Technology

8.21.1 You must acquire and install in the Restaurant, at your own expense, the point of sale (POS) system, back office computer, and other computer equipment, digital menu boards, communications devices, audio/visual equipment and software systems that we specify in writing from time to time. You must: (1) maintain an electronic connection between your systems and our systems and provide us with all user IDs and passwords necessary for us to independently access files and other information stored on your systems; (2) use the systems in accordance with all policies and operational procedures we issue from time to time; (3) transmit data to us at the times we specify; (4) maintain your systems in good working order at all times; (5) promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities as we direct; (6) ensure that your employees are adequately trained in the use of such systems and our related policies and procedures; and (7) implement at all times appropriate physical and electronic security as is necessary to secure your computer system and to comply any standards and policies that we may issue (without obligation to do so) in this regard. You must not install any software to your systems that we have not authorized, including anti-virus software and firewalls. You must bear all costs of installation, operation, maintenance and upgrade of your systems. We reserve the right to require you to engage us or a hardware maintenance and/or help desk support provider approved by us to maintain your computer and point of sale systems.

8.21.2 We have the right, but not the obligation, to develop or have developed for us, or to designate, software programs that you must use in connection with your computer and POS systems. You must install all such software, including any updates, supplements, modifications, or enhancements that we require. We and our suppliers may charge a reasonable software license fee for any software that you are required to use. Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to comply with those reasonable new standards that we establish as if we periodically revised this Section 8.21 for that purpose.

8.22 Credit Cards and/or Debit Cards. You must honor all credit, charge, courtesy or cash cards or other credit devices that we specify. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization. Among other things, you agree to implement the security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance on reasonable request, which may include having an independent third party conduct a PCI/DSS audit.

8.23 Electronic Money Programs and Loyalty Programs. You must participate in programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs as we may prescribe from time to time. Participation includes both issuing program benefits or credits and accepting them for payment by customers, and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among Restaurants based on customer purchases and redemption of stored value. You must also participate in any “frequent guest” or customer loyalty programs that we prescribe from time to time. You may not offer your own gift card, electronic money, or loyalty program for the Restaurant without our prior approval.

8.24 Pricing Activities. You agree that we may set reasonable restrictions on the maximum and minimum prices you may charge for the products and services (subject to applicable law) offered and sold at the Restaurant. With respect to the sale of all such products and services, you will have sole discretion as to the prices to be charged to customers; provided, however, that we will have the right to set maximum or minimum prices on such items (subject to applicable law), to promote inter-brand competition. If we impose a maximum price on a particular item, then (subject to applicable law) you may charge any price for that item, up to and including the maximum price we have set. If we impose a minimum price on a particular item, then you may charge any price for that item (subject to applicable law), down to and including the minimum price that we have set.

8.25 Compliance with Lease. If you occupy the Premises under a lease, you must comply with all terms of the lease or sublease for the Premises and all other agreements affecting the operation of the Restaurant. You must undertake best efforts to maintain a good working relationship with your landlord and must refrain from any activity which may jeopardize your right to remain in possession of, or to renew the lease for, the Premises.

8.26 Franchisee Advisory Committee. We reserve the right to create a franchisee advisory committee ("**FAC**"). You will be required to participate in any communication programs developed by the FAC. You must participate, at your sole cost, in the FAC if you or one of your owners or employees is elected or appointed as a committee member. You may be required to pay a fee for, or contribute to, the FAC in an amount determined by the FAC.

9 MODIFICATIONS TO THE SYSTEM

9.1 System Changes. We, in our sole discretion, shall be entitled from time to time to change or modify the System, including modifications to the Manual, the menu and menu formats, the required equipment, the signage, the building and premises of Marufuku Ramen restaurants (including the trade dress, décor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to us (including electronic means of reporting and payment) and the adoption and use of new or modified Proprietary Marks or Works. You must accept and use or display in the Restaurant any such changes or modifications in the System as if they were a part of the System at the time this Agreement was executed, and you will make such expenditures as the changes or modifications in the System may reasonably require.

9.2 Menu Items. Within thirty (30) days after receipt of written notice from us, you must begin selling any newly authorized menu items and cease selling any menu items that are no longer authorized. All food, beverage and merchandise items authorized for sale at the Restaurant shall be offered for sale under the specific name designated by us. We, in our sole discretion, may restrict sales of menu items to certain time periods during the day. If you have a suggestion for a new menu item or for a change to an authorized menu item or you desire to participate in a test market program, you must provide us written notice prior to implementation. You may not add or modify any menu item or participate in a test market program without first having obtained our prior written approval. You must purchase any additional equipment and smallwares as we deem reasonably necessary in connection with new menu items. If we require you to begin offering a new menu item which requires the purchase of additional equipment, we will provide you with a reasonable period of time, as determined in our sole discretion, for the financing, purchase and installation of any such equipment before you must offer such new menu items for sale at the Restaurant.

9.3 Major Renovation of Restaurant. You must make extensive structural changes, major remodeling and renovations, and substantial modifications to existing equipment and improvements to modernize and conform the Restaurant to the image of the System for new Marufuku Ramen restaurants at our request (but not more often than once during the Initial Term). Within thirty (30) days after receipt of our written notice regarding the required remodel, you must prepare and complete drawings and plans for the required remodel. These drawings and plans must be submitted to, and their use approved by, us prior to the commencement of work. You must complete the required remodel within ninety (90) days after receipt of our written notice.

9.4 Innovations. All products, menu items, services, concepts, methods, techniques, and/or new information relevant to your operation of the Restaurant (together, "**Innovations**"), whether or not constituting protectable intellectual property, that you or your employees create, or that are created on your behalf, must be promptly disclosed to us. All such Innovations will be deemed to be our sole and exclusive property and works made-for-hire for us. You and each of your owners agree to: (1) sign the assignment and/or other documents we request in order to implement this clause in order to evidence our ownership;

(2) cause your employees and contractors to sign such assignment documents as we may request for this purpose; and (3) assist us in securing intellectual property rights in such Innovations.

9.5 Variances. We have the right, in our sole discretion, to waive, defer or permit variations from the standards of the System or any applicable agreement for any franchisee or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstance. We have the right, in our sole discretion, to deny any such request we believe would not be in the best interests of the System.

10 MARKETING

10.1 Marketing Programs. You acknowledge the value of and the need to develop, enhance, and promote the System and the Proprietary Marks. You also acknowledge the importance of the standardization of marketing programs to the furtherance of the goodwill and public image of the System and the Proprietary Marks. This Section 10 describes our marketing, public relations and advertising programs, our right to modify these programs, and the manner in which the marketing and advertising funds are used from time to time.

10.2 Grand Opening Marketing

10.2.1 You must advertise and promote the Restaurant for a ninety (90) day period beginning thirty (30) days prior to opening through sixty (60) days following the opening of the Restaurant ("**Grand Opening Marketing Period**"). You will develop a marketing plan for Grand Opening Marketing Period ("**Grand Opening Marketing Plan**") and marketing materials for the Restaurant ("**Grand Opening Marketing Materials**"). We must review and approve in writing the Grand Opening Marketing Plan and the Grand Opening Marketing Materials for the Restaurant, including total expenditures. The Grand Opening Plan must include a "Media Day" where you invite various individuals from the local and regional press to visit the Restaurant.

10.2.2 You must spend at least Five Thousand Dollars ($5,000) during the Grand Opening Marketing Period. You may spend more than the required amount. If you fail to spend the required amount during the Grand Opening Marketing Period, you must spend the balance for Local Store Marketing as defined in Section 10.4. At our request, you must submit appropriate documentation to verify full compliance with your expenditure obligation under the Grand Opening Marketing Plan. During the Grand Opening Marketing Period, you must contribute to the Marketing Fund as described in Section 10.3 below; however, your obligation to make Local Store Marketing expenditures pursuant to Section 10.4 below will not commence until after the expiration of the Grand Opening Marketing Period.

10.3 Marketing Fund

10.3.1 We may establish the Marketing Fund for the enhancement, promotion and protection of the System and the Proprietary Marks, and for the development of advertising, marketing, and public relations programs and materials as we deem appropriate. We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Marketing Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used and the geographic, market and media placement and allocation. You agree to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Marketing Fund.

10.3.2 Currently, we require you to contribute one percent (1.0%) of the Gross Sales of the Restaurant to the Marketing Fund. We may increase your Marketing Fund Contribution to a maximum of three percent (3%) of Gross Sales upon ninety (90) days' notice. The Marketing Fund Contribution will be payable at the same time and in the same manner as your payment of the Royalty Fee. From time to time, we or our suppliers may deposit into the Marketing Fund any rebates or similar allowances paid to us by our suppliers although we have no obligation to do so. Marufuku Ramen restaurants operated by us and our affiliates will contribute to the Marketing Fund on the same basis as comparable franchisees.

10.3.3 Among the programs, concepts, and expenditures for which we may utilize the Marketing Fund monies are: (1) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, apps and social media or similar promotions, door hangers, free standing inserts, brochures, logo wear, labeling, video, audio, and written materials and electronic media, and other advertising and promotional materials; (2) media placement and buying, including all associated expenses and fees; (3) administering regional and multi-regional marketing and advertising programs; (4) the creative development of, and actual production associated with, premium items, giveaways, promotions, sweepstakes, contests, public relation events, and charitable or nonprofit events; (5) creative development of signage, posters, and individual Marufuku Ramen restaurant décor items including wall graphics; (6) recognition and awards events and programs including periodic national and regional conventions and meetings; (7) design, establishment, and maintenance of websites, extranets, intranets, search rankings, social media profiles, mobile application and other digital marketing; (8) retention and payment of personalities engaged as spokespersons, advertising and promotional agencies, endorsement contracts, and other outside advisors including retainer and management fees; (9) sponsorship of sporting, charitable, or similar events; (10) review of locally produced marketing materials; (11) list acquisition and development; (12) association dues; (13) affinity program development; (14) development of third party facilities for the development of local advertising; and (15) public relations and community involvement activities and programs.

10.3.4 We may sell certain advertising materials, merchandise and premium items to you that are developed by the Marketing Fund, and the earnings from such sales will be deposited in the Marketing Fund. The Marketing Fund also may be used to pay reasonable salaries and expenses of our and our affiliates' employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Marketing Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Marketing Fund (including accounting fees, legal fees, and interest on monies borrowed by the Marketing Fund). We will not use the Marketing Fund for anything whose sole purpose is the marketing of franchises, however, the System website, public relations activities, community involvement activities and other activities supported by the Marketing Fund may contain information about franchising opportunities. We may seek the advice of Marufuku Ramen franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Marketing Fund.

10.3.5 You acknowledge that the Marketing Fund and any earnings thereon will be used to maximize general public recognition, acceptance, and patronage of Marufuku Ramen restaurants, and that we are not obligated, in administering the Marketing Fund, to make expenditures for you which are equivalent or proportional to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund. Your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Marketing Fund. The failure (whether with or without our permission) of any other franchisee to make the appropriate amount of contributions to the Marketing Fund will not release you from or reduce your obligation.

10.3.6 Nothing in this Agreement will be construed to create a trust or fiduciary relationship of any kind or nature whatsoever among the parties as it relates to the Marketing Fund or our actions with respect thereto, including collection of payments, maintenance of the bank account, bookkeeping, and disbursement of monies from the Marketing Fund. Except as expressly provided in this Section 10, we assume no direct or indirect liability or obligation to you with respect to maintenance, direction, or administration of the Marketing Fund. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses within sixty (60) days after our fiscal year end and will provide a copy of the statement to all franchisees. We retain the final authority on all programs financed by the Marketing Fund. We have the right to change or dissolve the Marketing Fund at any time. If we disband the Marketing Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Marketing Fund Contributions during the preceding twelve (12) month period.

10.4 Local Store Marketing

10.4.1 We may require you to develop, on an annual basis, a Marketing Plan (which may be included with your Business Plan) that we have approved for you, your Restaurant, and your Protected Territory. You must comply with all requirements regarding the Marketing Plan, including the use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, search engine optimization activities, and compliance with all promotional recommendations. If we require you to conduct such local advertising and marketing in your market area (**"Local Store Marketing"**), we may require you to spend up to an amount we determine. If required, within thirty (30) days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Store Marketing expenditures during the preceding quarter. If you fail to expend on an annual basis, the required amount, then you must contribute to the Marketing Fund any amounts that you should have expended to reach the local advertising requirement within thirty (30) days after the close of our fiscal year.

10.4.2 Local Store Marketing expenditures include the following pre-approved expenditures we designate in the Manual. All Local Store Marketing must be approved by us pursuant to Section 10.6 below.

10.5 Joint Marketing Programs and Cooperatives. We have the right at any time and from time to time to establish, and thereafter modify (1) co-marketing programs in which we and our franchisees join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple Marufuku Ramen restaurants can contribute to a specific advertising campaign or event; and/or (3) local or regional marketing co-operatives (**"Cooperatives"**) that pool funds of Marufuku Ramen restaurants on an ongoing basis to jointly promote the Proprietary Marks and the Marufuku Ramen restaurants of the Cooperative members. You must participate in each applicable joint marketing program and comply with the rules of the program. The following provisions apply to Cooperatives:

10.5.1 We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to your Restaurant at the time the Restaurant opens for business, you must join the Cooperative. If a Cooperative applicable to the Restaurant is established during the Initial Term, you must become a member and begin contributing no later than thirty (30) days after we authorize the Cooperative to begin operation. You will not have to contribute to more than one Cooperative for the same Restaurant at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a Marufuku Ramen restaurant owned by us or our affiliates.

10.5.2 Each Cooperative will be organized for the exclusive purpose of developing, administering and executing advertising programs for the members of the Cooperative. Each Cooperative will adopt a Cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, you agree to 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, and you and the other members agree to implement any such change promptly after notice from us. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval pursuant to Section 10.6 below. We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative. We will also have the right, at any time, to have an independent audit made of the books of any Cooperative.

10.5.3 You and each other member of the Cooperative must contribute weekly to the Cooperative up to fifty percent (50%) of your Local Marketing requirement (unless a majority of the

Cooperative votes to increase that amount), which amount will result in a corresponding reduction in your Local Marketing requirement.

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

10.6 Approval Requirement. All advertising and promotion by you and by any Cooperative must be in the type of media and format that we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials to us for our approval at least fifteen (15) days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last twelve (12) months. Proposed advertising plans or materials will be deemed to have been rejected if we have not approved them within fifteen (15) days after receipt. We reserve the right to require you to discontinue the use of any advertising or marketing material that we previously approved upon notice.

10.7 Special Promotions

10.7.1 You must participate, at your expense, in product promotions, product launches and price point promotions that we establish from time to time, provided such promotions do not violate applicable law. You acknowledge that these activities may include value menu, special offer, limited time offer, coupons, and other pricing promotions and that the featured price(s) may be less than your cost for the promotional item(s). You are required to obtain our prior written approval before implementing such a program that we have not mandated or provided. You shall fully participate in all programs, public relations campaigns, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new products or other marketing programs directed or approved by us) that are prescribed by us. You must conspicuously display for customers the promotional signs and materials and otherwise participate in the manner we specify. You shall be responsible for the costs of such participation, which may include a commitment by you to purchase specified quantities of inventory and supplies to support these programs. To the extent permitted by law, you will comply with any price restrictions that we promulgate.

10.7.2 We may also require you to join and participate in regional, national, or international programs designed to increase business, including multi-area customer, national customer, commercial customer, Internet, event, yellow pages, directory affinity vendor, and co-branding programs ("**Multi-Area Marketing Programs**"). Such programs may require your cooperation (including refraining from certain channels of marketing and distribution), participation (including payment of commissions or referral fees), and adherence to pricing restrictions to the extent permitted by law. All such programs are our proprietary trade secrets. We may designate the coverage area, method and timing of payment, and any outside agencies for any Multi-Area Marketing Programs.

10.8 Electronic Marketing and Electronic Communications. We will host and maintain an independent webpage for the Restaurant at an Internet address that we specify. We will provide and maintain this webpage using a standard template. You may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or internet presence that uses or displays any of the Proprietary Marks (or any derivative thereof) or that promotes any products or services of the Restaurant. You acknowledge that the use of any electronic medium constitutes advertising and promotion subject to our approval under Section 10.6. You agree not to transmit, or cause any other party to transmit, advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VOIP, streaming media, or other electronic media that currently exists or may exist in the future without first obtaining our written consent as to: (1) the content of the advertisements or solicitations; and (2) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of the Restaurant must be in the form we prescribe. If we approve the use of an electronic medium, our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe.

10.8.1 You shall comply with our standards for the System, as set forth in the Manual or otherwise, with regard to our authorization to use, and the use of, blogs, common social networks (including Facebook, Instagram and Pinterest), professional networks (including LinkedIn), live blogging tools (including Twitter), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools that in any way reference the Proprietary Marks or involve the System or the Restaurant. You must permit us to review and provide us with passwords and access rights to any electronic marketing you use for your Restaurant.

11 INSURANCE

11.1 Basic Requirements. You must, at your own expense, maintain the types and minimum amounts of insurance coverage specified in the Manual. The policy, or policies, must be written by insurance companies with an industry rating acceptable to us; must name us, our affiliates, and their respective officers, directors, shareholders, consultants, agents, attorneys, and employees as additional insureds as specified by us; and must not have deductibles, exclusions or co-insurance requirements that are unacceptable to us. You must provide us with evidence of all required insurance coverage and payment of premiums before beginning construction of the Restaurant. At least thirty (30) days before each insurance policy expires, you must furnish a copy of the renewal or replacement insurance policy and evidence of payment of the premium. The policy must state that we will be notified by the insurance company if the policy is terminated, canceled or expires. Your obligation to obtain insurance coverage is not limited in any way by the insurance that we maintain.

11.2 Our Rights. We have the right to increase the amounts of coverage required and require different or additional kinds of insurance with thirty (30) days' prior written notice, including excess liability insurance, to reflect inflation, new risks, changes in the law or standards of liability, higher damage awards or other relevant changes in circumstances. All public liability and property damage policies must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors and assigns. If you fail to maintain the insurance required by this Agreement, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you agree to reimburse us for the cost of insurance, plus all out of pocket expenses that we incurred in obtaining such insurance on your behalf.

12 ACCOUNTING AND RECORDS

12.1 Books and Records. You must prepare, and must preserve for at least seven (7) years from the dates of their preparation, complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles, which may include a prescribed chart of accounts and/or use of a designated accounting program or platform. You must record all sales, sales tax, and any other charges collected on behalf of third parties in accordance with the procedures prescribed in the Manual on the point of sale system that we specify. If we require, all reports and records must be prepared using the standard chart of accounts or other features stated in the Manual.

12.2 Reports. You must submit to us, at your expense, in the form we prescribe:

12.2.1 Within ten (10) days after the end of each month, a statement of operating performance of the Restaurant including total revenue, total sales per day part, and other revenue and information as specified in the Manual;

12.2.2 Within thirty (30) days after the end of each of your fiscal quarters, interim unaudited income statements and balance sheets;

12.2.3 Within ninety (90) days after the end of each of your fiscal years, an income statement showing the results of your operations during such fiscal year and a balance sheet as of the end of such fiscal year, both of which must be prepared in accordance with generally accepted accounting principles and reviewed by an independent certified public accountant. If, however, the foregoing income statements and balance sheets are audited by an independent certified public accountant, then you must furnish the audited income statements and balance sheets rather than the reviewed income statements and balance sheets; and

12.2.4 Within fifteen (15) days after filing, a copy of the federal tax return for the Restaurant.

12.3 Extranet and Email. We have the right (but no obligation) to establish a secure website for our Marufuku Ramen franchisees and to require you to use the extranet for reporting, training, or other purposes as we direct. We may also require our Marufuku Ramen franchisees to use email addresses we designate. We may charge a reasonable user fee to support the costs of establishing and maintaining the extranet or email addresses.

12.4 Right to Examine or Audit. We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, your books, records, accounts, and sales tax returns. We will also have the right, at any time, to have an independent audit made of your books. If an inspection or audit reveals that any payment to us has been understated, you must immediately pay to us the amount owed, together with applicable interest and late fees as provided in Section 4. If an inspection or audit reveals an understatement of the Gross Sales of the Restaurant of two percent (2%) or more, you must, in addition to the payment of all monies owed with interest, reimburse us for all costs connected with the inspection or audit (including expenses for travel, lodging and wages, and reasonable accounting and legal costs). If our examination reveals an understatement of the Gross Sales of the Restaurant for any period by two percent (2%) or more three (3) or more times during any thirty-six (36) month period, or by more than five percent (5%) on any one occasion, then in addition to your obligations to pay the amounts owed as referenced above, we may immediately terminate this Agreement. The foregoing remedies are in addition to any other remedies we may have.

12.5 Data and Privacy

12.5.1 We may periodically specify in the Manual or otherwise in writing the information that you will collect and maintain on your computer and point of sale systems and you will provide to us such reports as we may reasonably request from the data so collected and maintained. You agree that all data that you collect from customers in connection with the Restaurant including names, addresses, email addresses, phone numbers, birth dates, transaction data, demographic data, behavioral data, customer service history, correspondence and other data (**"Customer Data**") and all other data that you create and/or collect in connection with the System, or in connection with your operation of your Restaurant (including transaction data) is and will be owned exclusively by us. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and solely for your use in connection with the business franchised under this Agreement. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent with respect to such policy.

12.5.2 In connection with any use of data in the Restaurant, you agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("**Privacy Laws**"). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (1) comply with the requirements of applicable law; (3) immediately give us written notice of said conflict; and (3) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law.

12.6 Public Filings. If you are or become a publicly-held entity in accordance with other provisions of this Agreement, you must send to us copies of all reports (including responses to comment letters) or schedules that you may file with the U.S. Securities and Exchange Commission (certified by your chief executive officer to be true, correct, complete and accurate) and copies of any press releases you may issue within three (3) days of the filing of those reports or schedules or the issuance of those releases. If you request information from us to compile your reports, you must reimburse us for our costs and expenses in preparing such reports.

13 PROPRIETARY MARKS AND THE WORKS

13.1 Our Representations. We represent to you that we and our affiliates own (or have an appropriate license to) all right, title, and interest in and to the Proprietary Marks, and that we have taken (and will take) all steps reasonably necessary to preserve and protect the ownership and validity in, and of, the Proprietary Marks.

13.2 Identification of the Restaurant. You must operate, advertise, and promote the Restaurant only under the Proprietary Marks. In conjunction with any use of the Proprietary Marks, you must identify yourself to the public as an independent franchisee operating under the authority of this Agreement.

13.3 Proprietary Materials. You acknowledge and agree that we and/or our affiliates are the owners of the Works and that the copyrights in the Works are valuable property. We authorize you to use the Works on the condition that you comply with all of the terms and conditions of this Section 13.3. You acknowledge and agree that we may create, acquire or obtain licenses for certain additional copyrights in various works of authorship used in connection with the operation of a Marufuku Ramen restaurant, including all categories of works eligible for protection under the United States copyright law, all of which will be deemed to be part of the Works. The Works include the Manual, advertisements, promotional materials, labels, menus, posters, coupons, gift certificates, signs, World Wide Web and other Internet sites, and store designs, plans and specifications. The Works may incorporate all or part of the Proprietary Marks or other trade dress used as part of the System. You acknowledge that this Agreement does not confer any interest in the Works on you, other than the right to use the Works in the operation of the Restaurant in compliance with the terms of this Agreement. If you prepare any adaptation, translation or work derived from the Works, including advertisements, promotional materials, labels, menus, posters, or websites, whether or not such adaptation was authorized by us, you agree that such material will be our property and you hereby assign all your right, title and interest therein to us (or to a third party designated by us). You agree to execute any documents, in recordable form, which we deem necessary to reflect or perfect such ownership. You must submit all such adaptation, translation or derivative works to us for approval prior to use.

13.3.1 Limitations on Use. Your right to use the Proprietary Marks and the Works is limited to the uses we authorize under this Agreement and any unauthorized use will constitute an infringement of our rights. Therefore, you agree to:

13.3.2 Use only the Proprietary Marks and the Works that we designate and use them only in the manner we authorize;

13.3.3 Use the Proprietary Marks and Works only for the operation of the Restaurant and only at the Premises or in advertising for the Restaurant;

13.3.4 Operate and advertise the Restaurant only under the name “Marufuku Ramen” and use all Proprietary Marks without prefix or suffix;

13.3.5 Refrain from using the Proprietary Marks as part of your corporate or legal name;

13.3.6 Ensure that all advertising and promotional materials, packaging, signs, decorations, websites, and other items that we may specify, bear the Proprietary Marks in the form, color, size, and location we prescribe;

13.3.7 Identify yourself as the owner of the Restaurant in conjunction with any use of the Proprietary Marks, including on invoices, order forms, receipts, check stock, business stationery, websites, email auto-signatures, and other electronic media, as well as at such conspicuous locations on the Premises as we may designate in writing;

13.3.8 Not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us or our affiliates;

13.3.9 Not use the Proprietary Marks on any human resources materials including policies, forms, pay checks, and manuals;

13.3.10 Comply with our instructions in filing and maintaining any requisite trade name or fictitious name registrations, and execute any documents we deem necessary to obtain protection for the Proprietary Marks and the Works or to maintain their continued validity and enforceability;

13.3.11 Not directly or indirectly contest the validity of, or take any other action which tends to jeopardize our or our affiliates' rights to the ownership of or right to use and to license others to use the Proprietary Marks or the Works; and

13.3.12 Ensure that the Proprietary Marks and the Works bear the "®", "™", "℠" or © notice, respectively, as we may prescribe from time to time.

13.4 Acknowledgments. You acknowledge that:

13.4.1 The Proprietary Marks and the Works are valid and serve to identify the System and those who are authorized to operate under the System;

13.4.2 Your use of the Proprietary Marks and Works pursuant to this Agreement does not give you any ownership interest or other interest in the Proprietary Marks or the Works;

13.4.3 Any and all goodwill arising from your use of the Proprietary Marks and the Works will inure exclusively to our benefit and to the benefit of our affiliates, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System, the Proprietary Marks, or the Works; and

13.4.4 The license granted under this Agreement to use the Proprietary Marks and the Works is nonexclusive.

13.5 Changes to the Proprietary Marks and the Works. We reserve the right to modify or require you to discontinue use of any of the Proprietary Marks or the Works and/or to substitute different service marks, trademarks or copyrighted material for use in identifying the System and the restaurants operating under the System. When required by us, you must promptly discontinue use of designated Proprietary Marks or Works or implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of such modification or substitution.

13.6 Third Party Challenges. You must promptly notify us of any unauthorized use or reproduction of the Proprietary Marks or the Works, any challenge to the validity of the Proprietary Marks or the Works, the ownership by us and our affiliates of the Proprietary Marks and the Works, our right to use and to license others to use the Proprietary Marks and the Works, or your right to use the Proprietary Marks or Works. You acknowledge that we and our affiliates have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks or Works, including any settlement thereof. We and our affiliates have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks or Works. We will defend you against any third-party claim that your use of the Proprietary Marks or the Works infringes the rights of the third party. We will bear the cost of defense (including the cost of any judgment or settlement) if you have used the

Proprietary Marks and the Works in accordance with the terms of this Agreement, but otherwise you must bear the cost of the defense (including the cost of any judgment or settlement). You must execute any and all documents and do such acts as we deem necessary to carry out the defense or prosecution of any litigation involving the Proprietary Marks or the Works, including becoming a nominal party to any legal action.

14 YOUR ORGANIZATION AND MANAGEMENT

14.1 Your Organization

14.1.1 If you are a legal entity, you make the following representations and warranties: (1) you are duly organized and validly existing under the laws of the state of your formation; (2) you are qualified to do business in the state in which the Restaurant is located; (3) execution of this Agreement and the development and operation of the Restaurant is permitted by your governing documents; and (4) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that your activities are limited exclusively to the development and operation of Marufuku Ramen restaurants.

14.1.2 If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

14.2 Ownership Interests and Control Group. If you are a business entity, all interests in you are owned as set forth in attached Exhibit B. You must comply with Section 16 prior to any change in ownership interests and must sign addenda to Exhibit B as changes occur in order to ensure the information contained in Exhibit B is true, accurate and complete at all times. Exhibit B also lists those persons who comprise your "**Control Group**." The parties acknowledge and agree that it is their intent that the members of the Control Group include the Operating Principal and: (1) all holders of a legal or beneficial interest of ten percent (10%) or more ("**10% Owners**") in your entity; (2) if you are a limited partnership, all 10% Owners of your general partner; and (3) all 10% Owners of a corporation or limited liability company that owns a controlling interest in your entity. In the event of any change in the Control Group or in the ownership interests of any member of the Control Group, you must sign addenda to Exhibit B to reflect the change. If you are a corporation, the Control Group shall at all times own at least fifty-one percent (51%) of your voting securities; if you are a limited liability company, the Control Group shall at all times own at least fifty-one percent (51%) of your membership interests; and if you are any other type of business entity, the Control Group shall at all times have at least a fifty-one percent (51%) interest in the operating profits and losses and hold at least fifty-one percent (51%) of your ownership interests.

14.3 Governing Documents. Upon request by us, you shall promptly deliver to us, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, you promptly shall provide copies to us. If you are a corporation, you shall maintain stop-transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Marufuku Ramen Franchise Agreement(s) to which the corporation is a party." If you are a publicly held corporation, these requirements shall apply only to the stock owned by your Control Group. If you are a limited liability company, each membership or management certificate shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Marufuku Ramen Franchise Agreement(s) to which the limited liability company is a party." If you are a partnership, your written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

14.4 Guarantee of Performance

14.4.1 All members of the Control Group, your 10% Owners, and each of their spouses, if applicable, shall jointly and severally personally guarantee your payment and performance under this Agreement and personally bind themselves to the terms of this Agreement pursuant to the attached Guarantee, Indemnification and Acknowledgement ("**Guarantee**"). Unless you are a publicly-held entity, all of your officers, directors, limited liability company managers and their spouses, if applicable, also shall jointly and severally guarantee your payment and performance under this Agreement and bind themselves to the terms of this Agreement pursuant to the attached Guarantee. We reserve the right to require any guarantor to provide personal financial statements to us from time to time.

14.4.2 With respect to your owners, you acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other entities) sign the Guarantee. Accordingly, if any owner is not an individual, we shall have the right to require individuals who have only an indirect ownership interest in you to sign the Guarantee. (By way of example, if an owner is a corporation, we have the right to require individuals who have an ownership interest in that corporation to sign the Guarantee.)

14.5 Operating Principal. You must designate one of your 10% Owners as your Operating Principal who will be the person with whom we communicate and whom will have the authority to bind you with respect to all financial, operational and legal matters related to the Restaurant and this Agreement. You must designate a replacement approved by us within thirty (30) days after your Operating Principal ceases to qualify as the Operating Principal.

14.6 Multi-Unit Manager. If you or the Franchisee Affiliates own or control more than three (3) franchised Marufuku Ramen restaurant and your Operating Principal requests our consent to devote less than full time to supervising the operation of the Marufuku Ramen restaurants, you must designate and retain an individual to serve as the Multi-Unit Manager. The Multi-Unit Manager shall meet all of the following qualifications:

14.6.1 The Multi-Unit Manager shall devote full time and best efforts to supervising the operation of the Restaurant and the other franchised Marufuku Ramen restaurants that you and the Franchisee Affiliates operate and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under this Agreement. You agree to provide us with an executed copy of any arrangement, agreement or contract, and all amendments thereto, between you and your Multi-Unit Manager related to the operation of the franchised Marufuku Ramen restaurants.

14.6.2 The Multi-Unit Manager shall successfully complete our training program and any additional training that we require. We must have approved the Multi-Unit Manager and not have later withdrawn that approval.

14.6.3 If the Multi-Unit Manager no longer qualifies as such, you shall designate another qualified person to act as Multi-Unit Manager within thirty (30) days after the date the prior Multi-Unit Manager ceases to be qualified. Your designee to become the Multi-Unit Manager must satisfy the criteria set forth in this Section 14.6 and be approved by us.

15 COVENANTS

15.1 Confidentiality

15.1.1 You acknowledge and agree that: (1) we own all right, title and interest in and to the System; (2) the System includes trade secrets and confidential and proprietary information and know-how that gives us a competitive advantage; (3) we have taken all measures appropriate to protect the trade secrets and the confidentiality of the proprietary information and know-how of the System; (4) all material or other information now or hereafter provided or disclosed to you regarding the System is disclosed in confidence; (5) you have no right to disclose any part of the System to anyone who is not your employee; (6) you will disclose to your employees only those parts of the System that an employee needs to know; (7) you will have a system in place to ensure that your employees keep confidential our trade secrets and confidential and proprietary information, and, if requested by us, you shall obtain from those of your employees designated by us an executed confidentiality and non-disclosure agreement in the form prescribed by us; (8) by entering into this Agreement, you do not acquire any ownership interest in the System; and (9) your use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which we would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

15.1.2 You shall not, during the term of this Agreement or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that we or our affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

15.2 Restrictions On Competition

15.2.1 You acknowledge and agree that: (1) pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and other confidential information from us and/or our affiliates regarding the development, operation, product preparation and sale, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques owned by us and our affiliates; (2) the know-how regarding the System and the opportunities, associations and experience acquired by you pursuant to this Agreement are of substantial value; (3) in developing the System, we and our affiliates have made substantial investments of time, effort, and money; (4) we would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among operators of Marufuku Ramen restaurants if franchisees were permitted to engage in the activities described in this Section 15.2 or to hold interests in the businesses described in this Section 15.2; and (5) the restrictions on your right to hold interests in, or perform services for, the businesses described in this Section 15.2 will not unduly limit your activities.

15.2.2 You covenant and agree that, except as we otherwise approve in writing, during the term of this Agreement, and for a continuous period of two (2) years following the expiration, transfer or termination of this Agreement, you will not, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity:

15.2.2.1 Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to, or have any interest in, either directly or indirectly, any "**Competing Business**", which is defined as a restaurant business: (1) that has Japanese noodles or specialty broth as a primary menu item (i.e., sales of Japanese noodles or specialty broth comprise at least twenty percent (20%) of sales) or that offers any individual menu item that comprises at least twenty percent (20%) of sales at Marufuku Ramen restaurants; or (2) whose method of operation or trade dress is similar to that employed in the System. During the term of this Agreement, there is no geographical limitation on this restriction.

Following the expiration, transfer or termination of this Agreement, this restriction shall apply to any Competing Business located at or within a three (3) mile radius of the Premises or within a three (3) mile radius of the Protected Territory and any Competing Business located within a three (3) mile radius of any then-existing Marufuku Ramen restaurant; or

15.2.2.2 Divert or attempt to divert any present or prospective business or customer to any Competing 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 Proprietary Marks and the System.

15.2.3 You further covenant and agree that, during the term of this Agreement and for a period of two (2) years following the transfer, expiration or earlier termination of this Agreement, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease or transfer the Premises to any person, firm, partnership, corporation, or other entity which you know, or have reason to know, intends to operate a Competing Business at the Premises that would violate Section 15.2.2.1 if operated by you. You, by the terms of any conveyance selling, assigning, leasing or transferring your interest in the Premises, shall include such restrictive covenants as are necessary to ensure that a Competing Business that would violate Section 15.2.2.1 if operated by you is not operated at the Premises for this two (2) year period, and you shall take all steps necessary to ensure that these restrictive covenants become a matter of public record.

15.3 Exception for Publicly Traded Stock. The restrictions contained in Section 15.2.2.1 will not apply to ownership by you of less than a five percent (5%) beneficial interest in the equity securities of any publicly-held corporation.

15.4 Owners and Employees. Your owner(s) identified in Exhibit B that sign the Guarantee attached to this Agreement as Exhibit C will agree to be bound personally by the provisions of Section 15, provided that, as to them, the time period in Section 15.2.2 will run from the expiration, termination, or transfer of this Agreement or from the termination of the individual's relationship with you, whichever occurs first. At our request, you must obtain signed agreements similar in substance to this Section 15 (including agreements applicable upon termination of a person's relationship with you) from any: (1) manager as we require; and (2) your officers, directors, and owners. Each agreement required by this Section 15.4 must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. Our current form of Non-disclosure and Non-competition Agreement is attached to this Agreement as Exhibit F.

15.5 Enforcement

15.5.1 We have the right, in our sole discretion, to reduce the scope of any restriction in Section 15.2 by giving you written notice and you agree to comply with any covenant so modified, which shall be fully enforceable notwithstanding the provisions of Section 25.

15.5.2 You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 15.

15.5.3 You acknowledge that your violation of the terms of this Section 15 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 15. Injunctive relief will be in addition to any other remedies we may have.

15.5.4 If you or any other person bound by this Section 15 fails or refuses to abide by any of the foregoing restrictions on competition in Section 15.2, and we obtain enforcement in a judicial proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date the person begins to comply with the order enforcing the restriction.

16 TRANSFER

16.1 By Us. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any obligations under this Agreement. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

16.2 By You. You acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have granted these rights in reliance on your business skill, financial capacity, and personal character (or, if you are a business entity, on the business skill, financial capacity, and personal character of your owners and management). Accordingly, neither you nor any immediate or remote successor to any interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in you, may sell, assign, transfer, convey, pledge, encumber or give away any direct or indirect interest in this Agreement, in you, or in substantially all of the assets of the Restaurant (including the Premises), without our prior written consent, which will not be unreasonably withheld. You must notify us in writing of any proposed transfer at least thirty (30) days before the transfer is to take place, and must provide all information and documentation relating to the proposed transfer that we reasonably request. Notwithstanding the foregoing, you may grant a security interest in, or otherwise encumber certain assets of the Restaurant, excluding the Franchise Agreement, in connection with obtaining financing for the development and/or operation of the Restaurant or equipment leasing, if such financing satisfies our requirements, which may include execution of agreements by us, you and your owners and your secured creditor, in a form satisfactory to us, acknowledging such creditor's obligations to be bound by the terms of this Section 16.

16.3 Our Right of First Refusal. We have the right, exercisable within thirty (30) days after receipt of a written request for our approval of a proposed transfer pursuant to this Section 16 (other than a transfer to immediate family members of your owners who meet our operational and financial criteria for new franchisees), to purchase the interest proposed to be transferred. The request for approval of transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, or any other document necessary to implement the transfer, and not be subject to financing or any other contingencies. Our thirty (30) day period for determining whether or not to exercise our right of first refusal will not begin until the transferor has provided all information and documentation that we require in a form and substance satisfactory to us. We may assign this right of first refusal to a third party in our sole discretion. If we desire to exercise our right of first refusal, we will do so by providing written notice (the **"Purchase Notice"**) to the transferor, as follows:

16.3.1 If the transfer is proposed to be made pursuant to a sale, we may purchase the interest proposed to be transferred on the same financial terms and conditions offered by the third party. Closing on our purchase will occur within sixty (60) days after the date of the transferor's receipt of the Purchase Notice. If the consideration, terms, and/or conditions offered by the third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash or on other reasonable terms. If, within thirty (30) days of the transferor's receipt of the Purchase Notice the parties cannot agree as to the reasonable equivalent in cash consideration, an independent appraiser will be appointed by mutual agreement and the determination of the appraiser will be binding. Any material change in the terms of the offer from a third party after we have elected not to purchase the interest sought to be transferred will constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer.

16.3.2 If the transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within forty-five (45) days after our notice to the transferor of the appraiser's determination of fair market value.

16.3.3 Our failure to exercise our right of first refusal shall not constitute approval of the proposed transfer nor a waiver of any other provision of this Section 16 with respect to a proposed transfer. If we do not exercise our right of first refusal, you or your owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our consent to the transfer as provided in Section 16.2, provided that if the sale to such offeror is not completed within sixty (60) days after receipt of our notice of our decision not to exercise our right of first refusal, or if there is a material change in the terms of the offer, you must promptly notify us, and we will have an additional right of first refusal (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30) day period following your notification of the expiration of the sixty (60) day period or the material change to the terms of the offer.

16.4 Conditions of Our Consent. If we elect not to exercise our right of first refusal under Section 16.3, the proposed transferor may complete the transfer after obtaining our written consent as required under Section 16.2. We may withhold our consent on any reasonable grounds, or may give our consent subject to reasonable conditions, which may include the following:

16.4.1 That all of your accrued monetary obligations to us and our affiliates (whether arising under this Agreement or otherwise) and all other outstanding obligations related to the Restaurant (including bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in our reasonable judgment, adequately provided for. We reserve the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied;

16.4.2 That you and your Franchisee Affiliates are: (1) not then in material default of any provision of this Agreement or any other agreement with us or our affiliates; (2) in good standing as a franchisee with us and our affiliates; (3) not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Restaurant or any other franchised Marufuku Ramen restaurant; and (4) not in default beyond the applicable cure period with any vendor or supplier to the Restaurant;

16.4.3 That the sales price shall not be so high, in our reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Restaurant and meet financial obligations to us, third party suppliers and creditors. Our decision with respect to a proposed transfer shall not create any liability on the part of us: (1) to the transferee, if we approve the transfer and the transferee experiences financial difficulties; or (2) to the transferor or the proposed transferee, if we reject the transfer pursuant to this Section 16 or for other legitimate business purposes. We, without any liability to the transferor or the proposed transferee, have the right, in our sole discretion, to communicate and counsel with the transferor, you, and the proposed transferee regarding any aspect of the proposed transfer;

16.4.4 That the transferor executes a general release, in a form satisfactory to us, of any and all claims against us, our affiliates and their respective past, present, and future officers, directors, shareholders, and employees, in their corporate and individual capacities;

16.4.5 That the transferee (and if the transferee is a corporation, partnership, or limited liability company, such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; or, at our option, enter into our then current form of Franchise Agreement; and, if the transferor guaranteed your obligations under this Agreement, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to us;

16.4.6 If the transferee is an existing Marufuku Ramen developer or franchisee, that the transferee is not in default under its agreements with us, its landlords, lenders and its suppliers and has a good record of customer service and compliance with our operating standards;

16.4.7 That the transferee, whether or not an existing Marufuku Ramen developer or franchisee, demonstrates to our satisfaction that he or she meets (or, if the transferee is a business entity, that its owners and management team meet) our educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise); has the ability to obtain a possessory interest in the Premises; has the ability to obtain all required license and permits to operate the Restaurant; and has adequate financial resources and capital to fulfill your obligations under this Agreement in a timely manner;

16.4.8 That you have corrected any existing deficiencies of the Restaurant of which we have notified you, and/or the proposed transferee agrees to upgrade, remodel, and refurbish the Restaurant in accordance with our then current requirements and specifications for Marufuku Ramen restaurants within the time period we specify following the effective date of the transfer (we will advise the proposed transferee before the effective date of the transfer of the specific actions that are required and the time period within which such actions must be taken);

16.4.9 That the transferee (if an entity, the Operating Principal) and any managers or employees of the transferee who have not previously completed a training program approved by us complete any training programs then in effect for new franchisees; and

16.4.10 That the transferor pays a transfer fee in the amount of $5,000 plus any costs or expenses we incur for the transfer.

16.5 Transfers to an Entity Wholly Owned by You. If you desire to transfer this Agreement to an entity wholly owned by you, where the ownership and management of the Restaurant will not change, the requirements of Section 16.2 shall apply to such a transfer; however, you will not be required to pay a transfer fee, but you must reimburse us for our costs and expenses. Our consent also will be conditioned on the following: (1) the entity must be newly organized; (2) prior to the transfer, we must receive a copy of the documents specified in Section 16.2 and the transferee shall comply with the remaining provisions of Section 16; and (3) you must own all voting securities of the newly formed corporation (or membership interests of the newly formed limited liability company) or, if you are owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer.

16.6 Death, Incapacity or Bankruptcy. If you or any owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 16, as applicable; however, you will not be required to pay a transfer fee, but you must reimburse us for our costs and expenses. In addition, if the deceased or incapacitated person is the Operating Principal, we will have the right (but no obligation) to take over operation of the Restaurant upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Restaurant until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services. For purposes of this Section 16.6, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (1) for a period of thirty (30) or more consecutive days, or (2) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of transfer set forth in Section 16.4, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 16.6 within six (6) months after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 19.2.

16.7 Securities Offering. All materials for a public offering of stock or partnership interests in you or any of your affiliates that are required by federal or state law shall be submitted to us for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to us for such review before their use. You agree that: (1) no offering by you or any of your affiliates may imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities or your affiliates; (2) our review of any offering shall be limited solely to the relationship between you and us (and, if applicable, any of your affiliates and us); and (c) we will have the right, but not obligation, to require that the offering materials contain a written statement that we require concerning the limitations stated above. You (and the offeror if you are not the offering party), your owners, and all other participants in the offering must fully indemnify us, our subsidiaries, affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering. For each proposed offering, you agree to pay us a non-refundable fee of Ten Thousand Dollars ($10,000) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering as well as any subsequent or periodic documents needed in connection with your securities offering (e.g., quarterly or annual filings). You agree to give us written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 16.7 commences. Any such offering shall be subject to all of the other provisions of this Section 16; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to our approval as to the structure and voting control of the offeror (and you, if you are not the offeror) after the financing is completed.

16.8 Nonconforming Transfers Void. Any purported assignment or transfer that is not in compliance with this Section 16 will be null and void and will constitute a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure pursuant to Section 19.2 below. Our consent to a transfer will not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance by the transferor, transferee or you with any of the terms of this Agreement.

17 GENERAL RELEASE

17.1 You (on behalf of yourself and, if you are an individual, on behalf of your heirs, representatives, successors and assigns, and if you are an entity, on behalf your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities) (collectively, "**Franchisee Releasors**") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Franchisor 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 Franchisee Releasor now owns or holds or may at any time have owned or held, including claims arising under federal, state and local laws, rules and ordinances and Claims arising out of, or relating to this Agreement and all other agreements between any Franchisee Releasor and any Franchisor Releasee, the sale of any franchise to any Franchisee Releasor, the development and operation of the Restaurant and the development and operation of all other restaurants operated by any Franchisee Releasor that are franchised by any Franchisor Releasee. For the purpose of implementing a general release and discharge as described in this Section 17, you expressly acknowledge that this agreement is intended to include in its effect a release of all Claims described in this Section 17, including those which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this agreement contemplates that any such Claims will be permanently extinguished. You expressly agree that fair consideration has been given by us for this General Release and you fully understand that this is a negotiated, complete and final release of all Claims. This General Release does not release any Claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise impair or affect any Claims arising after the date of this Agreement.

17.2 You expressly waive and relinquish all rights and benefits that you either may now have or may in the future have under and by virtue of California Civil Code Section 1542. You do so understanding the significance and consequence of such a specific waiver. (Section 1542 provides that "[a] 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.")

18 RENEWAL

18.1 Renewal Franchise Agreements. When this Agreement expires, you will have an option to remain a franchisee at the Premises for one (1) renewal term of five (5) years (a "**Renewal Term**") if we are still offering franchises in the area where the Restaurant is located and if you are in substantial compliance with the terms of this Agreement. The qualifications and conditions for the Renewal Term are described below.

18.2 Conditions for a Renewal Term. In order to be eligible for a Renewal Term, you must meet the following conditions:

18.2.1 You must give us written notice of your election to remain a franchisee at the Premises for the first Renewal Term at least six (6) months and no more than twelve 12) months before the expiration the Initial Term;

18.2.2 You must not be in default under this Agreement or any other agreements with us and/or our affiliates; you must not be in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Restaurant; you must not be in default beyond the applicable cure period with any vendor or supplier to the Restaurant; and, for the twelve (12) months before the date of your renewal notice and the twelve (12) months before the expiration of the Initial Term, you must not have been in default beyond the applicable cure period under this Agreement or any other agreements with us and/or our affiliates.

18.2.3 You must make the capital expenditures required to renovate and modernize the Restaurant to conform to the interior and exterior designs, décor, color schemes, furnishings and equipment and presentation of the Proprietary Marks consistent with the image of the System for new Marufuku Ramen restaurants at the time you provide the renewal notice, including such structural changes, remodeling, redecoration and modifications to existing improvements as may be necessary to do so.

18.2.4 As determined by us in our sole discretion, you have operated the Restaurant and you and your Franchisee Affiliates have operated all of your other franchised Marufuku Ramen restaurants in accordance with the applicable franchise agreements and with the System (as set forth in the Manual or otherwise and as revised by us);

18.2.5 You must present satisfactory evidence to us that you have the right to remain in possession of the Premises, or other premises acceptable to us, for the Renewal Term and all monetary obligations owed to your landlord, if any, must be current;

18.2.6 You must be operating the Restaurant in full compliance with all federal, state and local laws and regulations and you must demonstrate that you are able to maintain all licenses and permits necessary to continue to operate the Restaurant for the Renewal Term; and

18.2.7 You must comply with our qualification and training requirements for new Marufuku Ramen restaurant franchisees.

18.3 Renewal Franchise Agreement. If you are eligible and you elect to remain a franchisee for the Renewal Term, you and your owners must: (1) sign our then-current form of renewal franchise agreement (modified as necessary to reflect the fact that it is a renewal franchise agreement), which will supersede this Agreement in all respects and which may provide for higher fees, fees not included in this Agreement, and other terms and conditions materially different from the terms of this Agreement; (2) sign a general release, in a form we prescribe, of any and all claims against us, our affiliates, and their respective past and present officers, directors, shareholders, and employees, in their corporate and individual capacities; and (3) pay us a renewal franchise fee in an amount equal to Ten Thousand Dollars ($10,000) ("**Renewal Franchise Fee**"). Your failure to sign the renewal franchise agreement and general release and return these documents to us with the Renewal Franchise Fee prior to the expiration of the Initial Term will be deemed an election by you not to exercise your right to remain a franchisee for the Renewal Term and will result in the expiration of this Agreement and the franchise granted by this Agreement at the expiration of the Initial Term.

19 DEFAULT AND TERMINATION

19.1 Termination without Notice. You will be deemed to be in default under this Agreement, and all rights granted to you in this Agreement will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or is filed against you and not opposed by you; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law are instituted by or against you; if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment of the Restaurant is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Restaurant is sold after levy thereupon by any sheriff, marshal, or constable.

19.2 Termination without Cure Period. If any of the following events of default occurs, we may terminate this Agreement without providing you any opportunity to cure the default, effective immediately upon receipt of written notice by you:

19.2.1 You fail to meet the Site Acceptance Deadline or the Opening Deadline.

19.2.2 You cease to operate the Restaurant during the days and hours specified in the Manual for a period in excess of three (3) consecutive business days or for five (5) individual business days within a twelve (12) month period, unless the closing is due to fire, flood, earthquake or other similar causes beyond your control or is approved in writing in advance by us.

19.2.3 We make a reasonable determination that continued operation of the Restaurant by you will result in an imminent danger to public health or safety.

19.2.4 You lose possession of the Premises through your own fault or your failure to extend the lease for the Premises through the Initial Term or you relocate the Premises without our prior written approval.

19.2.5 Your Operating Principal or any manager we require fail to satisfactorily complete any training program or you fail or refuse to have your employees attend any training programs.

19.2.6 You, your owners, your employees or your independent contractors do business with third parties in violation of The Patriot Act and/or the Foreign Corrupt Practices Act.

19.2.7 You default on the terms of any indebtedness that results in the acceleration of the indebtedness with an outstanding principal amount of $100,000 or more; there is a material loss or damage to any of your assets related to the Restaurant that results in an aggregate loss (in excess of coverage) of $100,000 or more; or there is an entry of a judgment against you involving aggregate liability (in excess of insurance coverage) of $100,000 or more if such judgment remains unpaid or unsatisfied for a period of ten (10) or more days following entry of the judgment.

19.2.8 There is a material breach by you of any covenant or obligation under Section 15.

19.2.9 Any transfer that requires our prior written consent occurs without your having obtained that prior written consent;

19.2.10 We discover that you made a material misrepresentation in or omitted a material fact from the information that you provided to us in connection with our decision to enter into this Agreement.

19.2.11 You knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us.

19.2.12 You, your Operating Principal, or any of your 10% Owners are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect us, our affiliates or the System.

19.2.13 You, your Operating Principal or any of your 10% Owners (1) materially misuse or make unauthorized use of the Proprietary Marks or the Works, (2) commit any act or take any action that impairs the goodwill of the Proprietary Marks, (3) use the Works or other proprietary System know-how at any business owned or operated by you or your 10% Owners other than a Marufuku Ramen restaurant; or (4) fail to cure any breach or default under this Agreement that materially impairs or can be expected to impair the goodwill associated with the Proprietary Marks.

19.2.14 You understate the Gross Sales of the Restaurant for any period by two percent (2%) or more three (3) or more times during any eighteen (18) month period, or by more than five percent (5%) on any one occasion.

19.2.15 You conceal revenue, taking for your own use employee taxes, FICA, insurance or benefits or any of our property.

19.2.16 You, your Franchisee Affiliates, your Operating Principal, any member of the Control Group, or any 10% Owner: (1) remain in default beyond the applicable cure period under any other agreement with us or our affiliates (provided that, if the default is not by you, we shall provide to you written notice of the default and a fifteen (15) day period to cure the default); (2) remain in default beyond the applicable cure period under any real estate lease, equipment lease, financing instrument or supplier contract relating to the Restaurant; (3) fail to pay when due any taxes or assessments relating to the Restaurant or its employees, unless you are actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.

19.2.17 You have received three (3) or more notices of default within a twelve (12) month period.

19.2.18 You repeatedly fail to comply with one or more requirements of this Agreement, regardless of whether you have previously cured the default.

19.3 Termination Following Expiration of Cure Period

19.3.1 Except as otherwise provided above in Sections 19.1 and 19.2 above, if you fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement, the Manual, or otherwise in writing, we may only terminate this Agreement by giving you written notice of termination (in the manner set forth under Section 24 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof of the cure to us, all within the thirty (30) day period. If any such default is not cured within the specified time, then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period.

19.3.2 Notwithstanding the provisions of preceding Section 19.3.1, if you default in the payment of any monies owed to us when such monies become due and payable and you fail to pay such monies within five (5) days after receiving written notice of default, then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the five (5) day period.

19.3.3 In addition to the other provisions of this Section 19.3, if we reasonably determine that you become or will become unable to meet your obligations to us or our affiliates under this Agreement, we may provide you written notice to that effect and demand that you provide those assurances reasonably designated by us, which may include security or letters of credit for the payment of your obligations to us and our affiliates. If you fail to provide the assurances demanded by us within thirty (30) days after its receipt of written notice from us, this Agreement shall terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing.

19.4 Termination Following Inspection. We will have the right to periodically conduct inspections of the Restaurant to evaluate your compliance with the System and this Agreement. Following each inspection, we will provide you an inspection report listing your score on the inspection and those conditions at the Restaurant that must be rectified. If you fail to achieve a passing score on an inspection, the inspection report shall constitute a notice of default. If you fail to achieve a passing score on the next inspection (which shall be conducted at least thirty (30) days after your receipt of the inspection report for the prior inspection), we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination along with the inspection report.

19.5 Management Rights.

19.5.1 We will have the right (directly or through a third party) (but not the obligation) to take over the management of the Restaurant under the following circumstances: (1) if we have the right to terminate this Agreement or we have placed you in formal default of this Agreement; (2) if your Operating Principal dies or becomes disabled; or (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Restaurant under Section 20.2 below. Exercise of our management rights will not affect any right we have to terminate this Agreement. If we (or a third party) take over the management and operation of the Restaurant as provided in this Section 19.5, you agree to pay us (in addition to the Royalty Fee, Marketing Fund Contribution, and other amounts due under this Agreement) a management fee in the amount of twenty percent (20%) of the weekly Gross Sales of the Restaurant for our services.

19.5.2 If we (or a third party) exercise the above right to assume the management and operation of the Restaurant, you acknowledge and agree that we (and any such third party) will have a duty to use only reasonable commercial efforts and, provided we (or the third party) are not grossly negligent and do not commit an act of willful misconduct, we (or the third party) will not be liable to you or your owners for any debts, losses, or obligations the Restaurant incurs, or to any of your creditors for any supplies, products, or other assets or services the Restaurant purchases, while we (or the third party) manage the Restaurant.

19.6 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section 19, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

20 OBLIGATIONS UPON TERMINATION OR EXPIRATION

20.1 Obligations. Except as provided in Section 20.2 below, upon termination or expiration of this Agreement:

20.1.1 You must immediately cease operating the Restaurant.

20.1.2 You must promptly pay all sums owing to us and our affiliates. In the event of termination for your default, the sums will include all damages, costs, and expenses incurred by us as a result of the default, including reasonable attorneys' fees and legal fees. You must permit our access to, and examination of, your books and records as provided in Section 12 to determine any amounts due.

20.1.3 You must promptly deliver to us the Manual and all other records, correspondence, and instructions in your possession or control, in any medium, that contain confidential information, trade secrets, or know-how relating to the System or the operation of a Restaurant.

20.1.4 You must immediately cease to use the confidential methods, procedures, and techniques associated with the System, the "Marufuku Ramen" name and mark, all other Proprietary Marks, the Works, and all other distinctive forms, slogans, signs, symbols, websites, domain names, e-mail addresses, telephone numbers, other electronic identifiers, and devices associated with the Restaurant or the System; withdraw all advertising matter (including electronic marketing); remove the Proprietary Marks from the Premises and from clothing, signs, letterhead, materials, motor vehicles and other items owned or used by you in the operation of the Restaurant. You must not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ours.

20.1.5 You must promptly make such alterations and modifications to the Premises as may be necessary to clearly distinguish to the public the Premises from its former appearance as a Marufuku Ramen restaurant and also make those specific additional changes as we may request for that purpose. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort.

20.1.6 You must take such action as may be necessary to cancel any assumed name registration or equivalent registration, and any e-mail address or domain name registration, obtained by you which contains "Marufuku Ramen" or any other Proprietary Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after the termination or expiration of this Agreement. You hereby appoint us your attorney-in-fact to carry out the requirements of this Section 20.1.6, if you fail to do so within such five (5) day period.

20.1.7 You may not use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks or the Works in connection with any other business which, in our sole discretion, is likely to cause confusion, mistake, or deception or to dilute our and our affiliates' rights in and to the Proprietary Marks and the Works. You must not use any designation of origin or description or representation which, in our sole discretion, falsely suggests or represents an association or connection with us.

20.1.8 You, your guarantors and all persons and entities subject to the covenants contained in Section 15 must continue to abide by those covenants and refrain from, directly or indirectly, taking any action that violates those covenants.

20.1.9 You must furnish to us, within thirty (30) days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by your Operating Principal) satisfactory to us of your compliance with Sections 20.1.1 through 20.1.8.

20.2 Our Rights to Acquire the Premises and the Restaurant Assets. Upon expiration or termination of this Agreement, at our option you must:

20.2.1 Assign, sell, sublicense or otherwise transfer to us your wine, beer license or liquor license.

20.2.2 Assign to us your interest in the lease or sublease for the Premises (or provide us with a commercially reasonable lease in the event you own the Premises); or, if you own the Premises, lease the Premises to us pursuant to the terms of our standard lease, for a term of five (5) years with two successive five (5) year renewal options at fair market rental during the term of the lease. If we elect not to exercise our option to acquire the lease or sublease for the Premises, you must make such modifications or alterations to the Premises as may be necessary to comply with Section 20.1.5.

20.2.3 Sell to us such of the furnishings, equipment, signs, and fixtures of the Restaurant as we may designate, at fair market value, and such of the inventory and supplies of the Restaurant as we may designate, at fair market wholesale value. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraiser will be appointed by us at our expense, and the appraiser's determination will be binding on both parties. If we exercise our option to purchase any items, we will have the right to set off all amounts due from you against any payment for such items.

20.2.4 We may exercise any or all of our options under Sections 20.2.1, 20.2.2 or 20.2.3: (1) anytime during the six (6) month period before the expiration of the Initial Term, in the case of expiration of this Agreement; and (2) at any time between the date of delivery of written notice of termination and ninety (90) days after the effective date of termination, in the case of termination of this Agreement. If we deem such action desirable in order to preserve the value of such options, we may issue to you, and you must comply with, written instructions to refrain from, delay, or reverse any of the actions required of you under Section 20.1.

20.3 Early Termination Damages

20.3.1 If you default on your obligations and we terminate this Agreement prior to the expiration of the Initial Term, it is hereby agreed that the amount of damages which we would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, you and your owners shall pay to us an amount equal to the average Royalty Fees and Marketing Fund Contributions that you owed for the one year period prior to termination (or, if the Restaurant was open for less than one year, the average Royalty Fees and Marketing Fund Contributions owed by you for the number of weeks that the Restaurant was in operation) multiplied by the lesser of two years or the remaining Initial Term. These early termination damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of you and your owners.

20.3.2 The parties acknowledge and agree that: (1) the early termination damages are a reasonable estimation of the damages that would be incurred by us resulting from or arising out of the premature termination of this Agreement; and (2) your payment of such early termination damages is intended to fully compensate us only for any and all damages related to or arising out of the premature termination of this Agreement by us, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of our claim for other damages and/or equitable relief arising out of your breach of this Agreement. The imposition of early termination damages shall be at our option. We are not required to impose early termination damages and may, in addition or in lieu thereof, pursue other remedies available to us under the terms and conditions of this Agreement, in equity or at law in the event of your default under this Agreement, including actual damages incurred by us, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

20.4 Our Costs and Expenses. You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees) we incur in obtaining injunctive, declaratory, or other relief to enforce this Section 20.

21 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 Independent Contractor. This Agreement does not create a fiduciary relationship between you and us. You are an independent contractor, and nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. While this Agreement is in effect, you must hold yourself out to the public as an independent contractor operating the Restaurant pursuant to a franchise agreement from us. This Agreement does not authorize you to make any contract, agreement, warranty, or representation on our behalf or to incur any debt or other obligation in our name. We will not be deemed liable as a result of any such action, nor will we be liable by reason of your act or omission in the operation of the Restaurant, or for any claim or judgment arising therefrom against you or us.

21.2 Indemnification

21.2.1 You and your 10% Owners will defend, indemnify and hold harmless, us and our parent, affiliates, subsidiaries and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, "**Indemnified Parties**") from and against all Losses (as defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought by a third party and directly or indirectly arising out of your development and operation of the Restaurant, your conduct of business under this Agreement, your breach of this Agreement or your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. We will promptly notify you of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice will not release you from your indemnification obligations under this section except to the extent you are actually and materially prejudiced by such failure.

21.2.2 You will have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (1) the Indemnified Party will have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to you and, in the reasonable opinion of the Indemnified Party, your counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, or (2) you do not assume responsibility for such Losses in a timely manner or you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to employ counsel of its own choosing, and you will pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, will have the right to participate in such claim and to retain its own counsel at such party's own expense.

21.2.3 You or the Indemnified Party (as the case may be) will keep you or the Indemnified Party (as the case may be) reasonably apprised of, and will respond to any reasonable requests concerning, the status of the defense of any claim and will cooperate in good faith with each other with respect to the defense of any such claim. You will not, without the prior written consent of the Indemnified Party, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (2) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by you. No claim that is being defended in good faith by you in accordance with the terms of this section will be settled by the Indemnified Party without your prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Proprietary Marks, you agree that we will have the exclusive right to assume the defense of such claim, at your expense with counsel selected by us, but reasonably satisfactory to you.

21.2.4 You have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

21.2.5 For purposes of this Section 21.2, "**Losses**" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs.

Defense costs include accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation and alternative dispute resolution.

21.2.6 Your obligations in this Section 21.2 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this Section 21.2. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 21.2.

22 APPROVALS AND WAIVERS

22.1 Approvals. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and our approval or consent must be obtained in writing and signed by one of our officers.

22.2 No Warranty. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

22.3 No Implied Waiver. No delay or failure by us to exercise any right reserved to us under this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, will constitute a waiver of our right to exercise such right or to demand exact compliance by you with any of the terms hereof. Waiver by us of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar, or a different nature. Acceptance by us of any payments due to us hereunder will not be deemed to be a waiver by us of any preceding breach by you.

23 FORCE MAJEURE

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure that cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Your inability to obtain financing (regardless of the reason) shall not constitute Force Majeure.

24 NOTICES

Any and all notices that are required or permitted under this Agreement shall be in writing and shall be personally delivered, or mailed in the United States mail, postage prepaid, certified mail, return receipt requested, or mailed via overnight courier, or by other means that affords the sender evidence of delivery, of rejected delivery, or attempted delivery to the respective parties at the addresses shown on the signature page of this Agreement (unless and until a different address has been designated by written notice to the other party). Any notices sent by personal delivery, next day delivery service or by electronic means shall be deemed given on the next business day after transmittal. Any notices sent by certified mail shall be deemed given on the third business day after the date of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other party. We may provide you with routine information, invoices, updates to the Manual, System standards and other System requirements and programs, including any modifications thereto, by regular mail or by e-mail, or by making such information available to you on the Internet, an extranet, or other electronic means.

25 ENTIRE AGREEMENT

This Agreement and the attachments to this Agreement, constitute the entire, full and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Subject to our rights to modify the Manual, the System standards and the System, and our right to modify Exhibit A to reflect the Premises pursuant to Section 3.3 or as expressly set forth in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in our Franchise Disclosure Document that we provided to you.

26 DISPUTES

26.1 Choice of Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of California without regard to conflicts of laws principles. Notwithstanding the foregoing, Sections 15.2, 15.4, and 15.5 of this Agreement will be interpreted, governed, and construed in accordance with the laws of the state in which the Restaurant is located. Nothing in this Section 26.1 is intended, or shall be deemed, to make any California law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. If any provision of this Agreement would not be enforceable under the laws of California, you are located outside of California, and such provision would be enforceable under the laws of the state in which you are located, then such provision shall be interpreted and construed under the laws of that state.

26.2 Choice of Forum. The parties agree that, to the extent any disputes cannot be resolved directly between them, you must file any suit against us only in the federal or state court in the judicial district in which the our principal place of business is located at the time suit is filed. We must file suit in the federal or state court located in the judicial district in which our principal place of business is located at the time suit is filed, in the jurisdiction where you reside or do business, where the Restaurant is or was located, or where the claim arose. The parties consent to the personal jurisdiction of such courts and waive any questions of personal jurisdiction or venue for the purpose of carrying out this provision.

26.3 Limitations of Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding brought or instituted with respect to any dispute arising from or related to this Agreement (including the offer and sale of a franchise to you) or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

26.4 Reimbursement of Costs and Expenses. If either party brings an action against the other party in a judicial proceeding, the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, during, in preparation for, in contemplation of or after the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

26.5 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled to by law or this Agreement to exercise or enforce.

26.6 **WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES**.

26.6.1 **TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES, IF ANY.**

26.6.2 **THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.**

26.7 **WAIVER OF CLASS ACTION LAWSUITS. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS.**

26.8 Injunctive Relief. You acknowledge and agree that your failure to comply with the terms of this Agreement, including the failure to comply fully with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance to prevent the irreparable harm that you agree your failure to comply will cause without posting any bond or security. Any equitable remedies sought by us shall be in addition to, and not in lieu of, all remedies and rights that we otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

27 SEVERABILITY AND CONSTRUCTION

27.1 Severability. If any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions which remain otherwise enforceable. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this Agreement.

27.2 Counterparts. This Agreement may be signed in counterparts, signature pages may be exchanged by facsimile and any other electronic transmission (including PDF), and each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, shall be considered as one complete agreement.

27.3 Gender and Number. All references to gender and number shall be construed to include such other gender and number as the context may require.

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

27.5 Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

27.6 Survival of Obligations. All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

27.7 No Implied Third Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owner(s), us, and our affiliates.

27.8 Lesser Included Obligations. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from (1) striking any portion of a provision that a court or agency may hold to be unreasonable and unenforceable; or (2) reducing the scope of any promise or covenant to the extent required to comply with a court or agency order.

27.9 Best Interests of System. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly provided in this Agreement, we can make our decision or exercise our discretion on the basis of our judgment of what is in our best interests. "Best interests" includes what we believe to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our own financial interest; or (3) our decision or the action may apply differently to different franchisees and/or to any Marufuku Ramen restaurants that we or our affiliates operate. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

28 REPRESENTATIONS AND ACKNOWLEDGMENTS

In additional to the representations contained in the Disclosure Verification attached to this Agreement as Exhibit E, you represent, acknowledge and warrant to us (and you agree that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

28.1 Our Agreements with Third Parties. We have entered, and will continue to enter, into agreements with other franchisees to operate Marufuku Ramen restaurants. The manner in which we enforce our rights and the franchisees' obligations under any of those other agreements shall not affect our ability to enforce our rights or your obligations under this Agreement.

28.2 System Modifications. We may change or modify the System, from time to time, including the Manual, and you will be required to make such expenditures as such changes or modifications in the System may require.

28.3 Franchise Application. All information that you provided to us in connection with your franchise application and our grant of this Franchise is truthful, complete and accurate.

28.4 Signatories to this Agreement. The persons signing this Agreement on your behalf have full authority to enter into this Agreement and the other agreements contemplated by the parties. Your execution of this Agreement or such other agreements does not and will not conflict or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which you or any owner is a party.

28.5 No Actual or Apparent Authority. Even though this Agreement contains provisions requiring you to operate the Restaurant in compliance with the System: (1) we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or employment decisions; and (2) the parties do not intend for us or our affiliates to incur any liability in connection with or arising from any aspect of the System or your use of the System, whether or not in accordance with the requirements of the Manual, except with respect to any liability arising from our gross negligence or willful misconduct.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

MARUFUKU FRANCHISING, LLC
a California limited liability company

By:______________________________________

Print Name:_______________________________

Title:_____________________________________

Notice Address: 1236 West Winton Avenue
Unit 11
Hayward, CA 94545

EFFECTIVE DATE: ________________

FRANCHISEE: If a corporation, partnership, or limited liability company, print name of business entity on the line below:

____

By:______________________________________

Print Name:_______________________________

Title:_____________________________________

Date: ____________________________________

Notice Address: ___________________________
____

If Franchisee is one or more individuals:

____

(Print Name)______________________________

Date: ____________________________________

____

(Print Name) ______________________________

Date: ____________________________________

Notice Address: ___________________________
____

EXHIBIT A TO MARUFUKU RAMEN RESTAURANT FRANCHISE AGREEMENT

FRANCHISE INFORMATION

Franchisee: ____

Premises: ____

If the Premises has not been accepted by us as of the Effective Date, the **Site Selection Area** shall be identified as: ____

Protected Territory: ____

____

____

Initial Franchise Fee: The Initial Franchise Fee is

Training Fee: The Training Fee is $____. We charge up to $15,000 per Restaurant, in our discretion.

Opening Date: The Opening Date is ____

EXHIBIT B TO MARUFUKU RAMEN RESTAURANT FRANCHISE AGREEMENT

OWNERSHIP INTERESTS

Franchisee: ____

Corporate Franchisee. If Franchisee is a corporation, the number of authorized shares of Franchisee that have been issued is _____________ and the name, address, number of shares owned (legally or beneficially) and office held by each shareholder is as follows:

Name	Home Address	No. of Shares	Office Held

Limited Liability Company Franchisee. If Franchisee is a limited liability company, the name, address and percentage interest of each member is as follows:

Name	Home Address	Percentage Interest

Other Business Entity Franchisee. If Franchisee is some other business entity, the type of business entity and the name, address and ownership interest (including for a limited partnership, whether a general or limited partner) of each owner is as follows:

Type of Business Entity: ____

Name	Home Address	Ownership Interest

Control Group. Franchisee's Control Group shall be comprised of the following persons: _____________
____

Operating Principal. Franchisee's Operating Principal is: ______________________________

Management Team: ____

EXHIBIT C TO MARUFUKU RAMEN RESTAURANT FRANCHISE AGREEMENT

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Marufuku Ramen Restaurant Franchise Agreement dated as of ______________________ ("**Agreement**") by **MARUFUKU FRANCHISING, LLC** ("**Franchisor**"), entered into with ____________________________ ("**Franchisee**"), the undersigned ("**Guarantors**"), each of whom is an officer, director, member of Franchisee's Control Group or a 10% Owner, or the spouse thereof, hereby personally and unconditionally agree as follows:

1. Guarantee To Be Bound By Certain Obligations. Guarantors hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the covenants and restrictions contained in Section 15 (Covenants) of the Agreement.

2. Guarantee and Assumption of Franchisee's Obligations. Guarantors hereby: (1) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Franchisee and any assignee of Franchisee's interest under the Agreement shall: (a) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) punctually pay all other monies owed to Franchisor and/or its affiliates; (2) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Sections 15 (Covenants) and 21.2 (Indemnification); and (3) agree to be personally liable for the breach of each and every provision in the Agreement.

3. General Terms and Conditions. The following general terms and conditions shall apply to this Guarantee:

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right s/he may have to require that an action be brought against Franchisee or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; (6) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (7) any and all other notices and legal or equitable defenses to which he may be entitled; and (8) any and all right to have any legal action under this Guarantee decided by a jury.

Each of the undersigned consents and agrees that: (1) her/his direct and immediate liability under this Guarantee shall be joint and several; (2) s/he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to Franchisor or its affiliates under the Agreement; and (5) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition, if any of the undersigned ceases to be a member of the Control Group, a 10% Owner, an officer or director of Franchisee or own any interest in Franchisee or the Restaurant, that person (and his spouse, if the spouse is also a guarantor) agrees that the obligations under this Guarantee shall continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 15.2 (Restrictions on Competition) of the Agreement shall remain in force and effect for a period of two (2) years after any such release by Franchisor. A release by Franchisor of any of the undersigned shall not affect the obligations of any other Guarantor.

If Franchisor brings an action to enforce this Guarantee in a judicial proceeding, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

If any of the following events occur, a default ("**Default**") under this Guarantee shall exist: (1) failure of timely payment or performance of the obligations under this Guarantee; (2) breach of any agreement or representation contained or referred to in this Guarantee; (3) the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or (4) the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release the undersigned from this Guarantee.

Section 26 (Disputes) of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature.

GUARANTORS:

Date: ______________________ ____

Print Name: ____________________________________

Home Address: __________________________________

Date: ______________________ ____

Print Name: ____________________________________

Home Address: __________________________________

EXHIBIT D TO MARUFUKU RAMEN FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT AND POWER OF ATTORNEY
TELEPHONE AND ON-LINE NUMBERS AND LISTINGS

This Conditional Assignment and Power of Attorney ("**Assignment**") is made by and between **MARUFUKU FRANCHISING, LLC** ("**Franchisor**") and _________________________ ("**Franchisee**") and shall be effective as of the Effective Date on the signature page of this Assignment.

FOR VALUE RECEIVED, and pursuant to Franchisee's obligations under the Marufuku Ramen Franchise Agreement dated ___________, 20__ by and between Franchisor and Franchisee (the "**Franchise Agreement**"), Franchisee hereby assigns to Franchisor all of Franchisee's right, title and interest in and to those certain telephone numbers and regular, classified or other telephone and on-line directory listings (collectively, the "**Numbers and Listings**") used from time to time in connection with Franchisee's operations under the Franchise Agreement.

1. *Assignment.*

(a) Upon termination or expiration of the Franchise Agreement (without renewal or extension), Franchisor will have the right (and Franchisor is hereby empowered) to implement this Assignment, and, in such event, Franchisee will have no further right, title or interest in the Numbers and Listings but will remain liable to the telephone company and/or the listing agencies with which Franchisee has placed directory listings (all such entities are collectively referred to herein as the "**Company**") for all past due fees owing to the Company on or before the effective date of this Assignment.

(b) Franchisee acknowledges and agrees that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement (without renewal or extension), Franchisor will have the sole right to and interest in the Numbers and Listings.

2. *Power of Attorney*.

(a) Franchisee appoints Franchisor as Franchisee's true and lawful attorney in fact to direct the Company to assign same to Franchisor (or to the party Franchisor designates) and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee will immediately notify the Company to assign the Numbers and Listings to Franchisor (or Franchisor's designee). If Franchisee fails to promptly direct the Company to assign the Telephone Numbers and Listings to Franchisor (or Franchisor's designee), Franchisor may direct the Company to effectuate the assignment contemplated hereunder to Franchisor (or Franchisor's designee).

(b) The parties agree that the Company may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Numbers and Listings upon such termination or expiration (without renewal or extension) and that such assignment will be made automatically and immediately effective upon the Company's receipt of such notice from Franchisor or Franchisee.

(c) The parties further agree that if the Company requires that the parties execute the Company's assignment forms or other documentation at the time of termination or expiration (without renewal or extension) of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee will be sufficient to document that Franchisee has given its consent and agreement to the assignment.

(d) The parties agree that at any time after the date hereof, they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration (without renewal or extension) of the Franchise Agreement.

This Assignment will inure to the benefit of Franchisor and will be binding upon Franchisee and its successors and assigns.

IN WITNESS WHEREOF, the parties to this Assignment have executed and delivered this Assignment effective as of the Effective Date referenced below.

MARUFUKU FRANCHISING, LLC **a California limited liability company**	**FRANCHISEE: If a corporation, partnership, or limited liability company, print name of business entity on the line below:** ______________________________
By:______________________________	By:______________________________
Print Name:________________________	Print Name:________________________
Title:_____________________________	Title:_____________________________
	Date:_____________________________
EFFECTIVE DATE: ________________	**If Franchisee is one or more individuals:** ________________________________ (Print Name)_______________________ Date: ____________________________ ________________________________ (Print Name) _______________________ Date: ____________________________

EXHIBIT E TO MARUFUKU RAMEN FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE VERIFICATION

You are preparing to enter into a Marufuku Ramen Franchise Agreement with **MARUFUKU FRANCHISING, LLC** ("Franchisor"). Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Franchise Applicant ____

1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

   Yes __ No __

2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

   Yes __ No __

3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Agreement. (Attach additional pages, if necessary.)

   ____

   ____

   ____

   ____

   ____

   ____

4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more Marufuku Ramen restaurants operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

   ____

   ____

   ____

   ____

   ____

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the California Franchise Investment Law or any other state franchise registration and disclosure law.

FRANCHISE APPLICANT: ___________________________

By: ____

Print Name: ____________________________________

Date: ____

EXHIBIT F TO MARUFUKU RAMEN RESTAURANT FRANCHISE AGREEMENT

FORM OF ADDENDUM TO LEASE

THIS ADDENDUM is executed as of this ___ day of __________, ______, by and between ____________________________(“**Franchisee**”) and _____________________ (“**Landlord**”), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein, (“**Lease**”) for the premises located at ___________________, State of __________ (“**Premises**”) dated as of ___________, ____.

Franchisee has entered into a Marufuku Ramen Franchise Agreement (“Franchise Agreement”) with **MARUFUKU FRANCHISING, LLC** (“Franchisor”) for the development and operation of a Marufuku Ramen restaurant at the Premises, and as a requirement thereof, the lease for the Premises must contain the provisions contained in this Addendum.

Landlord and Franchisee 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 Franchisee hereby agree as follows:

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee.

2. Franchisee hereby assigns to Franchisor, with Landlord’s irrevocable and unconditional consent, all of Franchisee’s rights, title and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without renewal; (b) Franchisor has exercised its option to acquire the Premises under the Franchise Agreement; and (c) Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee’s obligations under the Lease.

3. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Franchisee’s rights, title and interests thereunder.

4. The Lease may not be modified, amended, supplemented, renewed, extended or assigned by Franchisee without Franchisor’s prior written consent.

5. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Section 2 or Section 3, above.

6. If Franchisor assumes the Lease, as provided above, Franchisor may, without Landlord’s prior consent, further assign the Lease to a franchisee of Franchisor to operate the Marufuku Ramen restaurant at the Premises provided that the following criteria are met: (a) Franchisor has an established franchising program for Marufuku Ramen restaurants; and (b) the proposed franchisee has met all of Franchisor’s applicable program criteria and requirements and has executed Franchisor’s standard franchise agreement. Landlord agrees to execute such further documentation to confirm its consent to the assignment permitted under this Addendum as Franchisor may reasonably request. Upon such assignment to a franchisee of Franchisor, Franchisor shall be released from any further liability under the terms and conditions of the Lease.

7. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the Premises as a Marufuku Ramen restaurant. Landlord agrees to permit Franchisor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Premises as a result thereof.

8. Landlord and Franchisee agree that if Landlord is an affiliate or an owner of Franchisee and Landlord proposes to sell the Premises, prior to the sale of the Premises, the Lease upon the request of Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Marufuku Ramen restaurant is located.

9. Franchisor, along with its successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.

10. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at ______________________________ or such other address as Franchisor shall specify by written notice to Landlord.

11. Under the Franchise Agreement, any lease for the location of a Marufuku Ramen restaurant is subject to Franchisor's approval with regards to the terms and conditions that affect Franchisor, and Franchisor expressly disclaims any other connotations either expressed or implied as to the other terms and conditions set forth in the Lease that are negotiated between Landlord and Franchisee. Accordingly, the Lease is contingent upon such approval, and Franchisor shall provide written notice to Landlord and Franchisee to evidence such approval, as applicable.

[Signature page follows.]

WITNESS the execution hereof under seal.

LANDLORD: ______________________

By:______________________________

Print Name:_______________________

Title:____________________________

Date: ____________________________

FRANCHISEE: ____________________

By:______________________________

Print Name:_______________________

Title:____________________________

Date: ____________________________

Subscribed and sworn to before me this ___ day of _______________, _____.

____
Notary Public

My Commission expires: ___________

Subscribed and sworn to before me this ____ day of ____________, ____.

____
Notary Public

My Commission expires: ___________

EXHIBIT G TO MARUFUKU RAMEN FRANCHISE AGREEMENT

FORM OF NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

(to be signed by franchisee and its personnel)

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT (this "**Agreement**") is made this _____ day of _________, 20___, by and between ___________________________ ("**Franchisee**") and ___________________________, who is an owner, director, officer, manager, member, partner, or a person in a managerial position with, Franchisee (the "**Member**").

RECITALS:

WHEREAS, **MARUFUKU FRANCHISING, LLC** ("**Franchisor**") owns a format and system (the "**System**") relating to the establishment and operation a Marufuku Ramen restaurant;

WHEREAS, Franchisor identifies Marufuku Ramen restaurants by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Marufuku Ramen" and such other trade names, service marks, and trademarks as Franchisor may hereafter designate for use in connection with the System (the **"Proprietary Marks"**);

WHEREAS, Franchisor and Franchisee have executed a Marufuku Ramen Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a Marufuku Ramen restaurant (the "**Restaurant**") located at ____________________ (the "**Premises**") and to use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement; and

WHEREAS, the Member, by virtue of his or her position with Franchisee, will gain access to certain of Franchisor's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

NOW THEREFORE, IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of Franchisee's operation under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Member can demonstrate came to his or her attention before disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of his/her position with Franchisee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(b) Member covenants and agrees that during the term of Member's employment with, or ownership interest in Franchisee, except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(1) Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any "**Competing Business**", which is defined as a restaurant business: (1) that has Japanese noodles or specialty broth as a primary menu item (i.e., sales of Japanese noodles or specialty broth comprise at least twenty percent (20%) of sales) or that offers any individual menu item that comprises at least twenty percent (20%) of sales at Marufuku Ramen restaurants; or (2) whose method of operation or trade dress is similar to that employed in the System; or

(2) Divert or attempt to divert any present or prospective business or customer to any Competing 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 Proprietary Marks and the System.

(c) During the term of Member's employment with or ownership interest in Franchisee, there is no geographical limitation on the restrictions contained in this Section 2. Member covenants and agrees that during the continuous uninterrupted period of two years from the termination of Member's employment with and/or transfer of Member's ownership interest in Franchisee, except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any Competing Business which is, or is intended to be, located at the Premises, within the Protected Territory, within three (3) miles of the border of the Protected Territory, or within a three (3) mile radius around any then-existing Marufuku Ramen restaurant operating under the System.

3. **<u>Injunctive Relief</u>**. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all costs (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. **<u>Severability</u>**. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's and/or Member's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. **<u>Delay</u>**. No delay or failure by Franchisor or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. **<u>Third-Party Beneficiary</u>**. Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, the Franchisee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

FRANCHISEE	**MEMBER**
______________________________	______________________________
By:___________________________	By:___________________________
Name:_________________________	Name:_________________________
Title:__________________________	Title:__________________________
Date:__________________________	Date:__________________________

EXHIBIT H TO MARUFUKU RAMEN FRANCHISE AGREEMENT

ACH AUTHORIZATION FORM

RESTAURANT LOCATION:____

DEPOSITOR (NAME OR LEGAL ENTITY): ____

The undersigned depositor ("Depositor") hereby authorizes **MARUFUKU FRANCHISING, LLC** ("Franchisor") to initiate debit entries and credit correction entries to Depositor's checking or savings account indicated below and Depositor hereby authorizes the depository designated below ("Bank") to debit or credit such account pursuant to Franchisor's instructions. This authorization is to remain in full force and effect until 60 days after Franchisor has received written notification from Depositor of its termination.

DEPOSITOR INFORMATION

Depositor Name:
Mailing Address:
City/ State/ Zip Code:
Telephone:
Email:

DEBITING BANK ACCOUNT INFORMATION

Bank Name:
City / State / Zip Code:
Branch:
Account Number to Debit:
Routing Number (9 digit #):
Account Name:

The undersigned representative of Depositor represents and warrants to Franchisor and the Bank that the person executing this ACH Authorization Form is an authorized signatory on the account referenced above and all information regarding the account is true and accurate.

Depositor By: ______________________________

Print Name: ______________________________

Title: ______________________________

Date: ______________________________

EXHIBIT C

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博多 MARUFUKU RAMEN

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Franchise Operations Manual

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March 1, 2023 V5

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<u>**SECTION 11 –** SANITATION</u>

<u>**SECTION 12** – BRAND STANDARDS</u>

EXHIBIT D

FINANCIAL STATEMENTS

MARUFUKU FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2023, 2022 AND 2021

ALBERT & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT
AN ACCOUNTANCY CORPORATION

MARUFUKU FRANCHISING, LLC
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DECEMBER 31, 2023, 2022 AND 2021

INDEPENDENT AUDITOR'S REPORT

To the Member of
Marufuku Franchising, LLC

Opinion

We have audited the financial statements of Marufuku Franchising, LLC, which comprise the balance sheets as of December 31, 2023, 2022 and 2021, and the related statements of operations, member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Marufuku Franchising, LLC as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marufuku Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marufuku Franchising, LLC's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's 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 auditor's 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 Marufuku Franchising, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marufuku Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Albert & Associates

Laguna Niguel, California
August 23, 2024

MARUFUKU FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2023, 2022 AND 2021

ASSETS

	December 31, 2023	December 31, 2022	December 31, 2021
CURRENT ASSETS			
Cash	$ 754,258	$ 965,521	$ 755,410
Accounts receivable	159,815	127,111	109,771
Prepaid expenses	3,267	2,600	3,368
Related party receivable	462,090	1,196	1,196
Total current assets	1,379,430	1,096,428	869,745
PROPERTY AND EQUIPMENT			
Vehicle	14,729	14,729	14,729
Less: accumulated depreciation	(8,101)	(5,060)	(2,209)
Total property and equipment, net	6,628	9,669	12,520
TOTAL ASSETS	$ 1,386,058	$ 1,106,097	$ 882,265

LIABILITIES AND MEMBER'S EQUITY

	2023	2022	2021
CURRENT LIABILITIES			
Accounts payable	$ 3,680	$ 5,427	$ 4,742
Accrued expenses	28,598	20,932	19,900
Accrued payroll and payroll taxes	16,969	17,495	17,196
Income taxes payable	56,171	-	-
Related party payable	-	36,337	27,812
Deferred revenue	45,000	60,000	50,000
Total current liabilities	150,418	140,191	119,650
LONG-TERM LIABILITIES			
Deferred revenue, net of current portion	110,000	150,000	140,000
Total long-term liabilities	110,000	150,000	140,000
TOTAL LIABILITIES	260,418	290,191	259,650
MEMBER'S EQUITY	1,125,640	815,906	622,615
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 1,386,058	$ 1,106,097	$ 882,265

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

MARUFUKU FRANCHISING, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	2023	2022	2021
REVENUE			
Initial franchise and development fees	$ 90,000	$ 30,000	$ 30,000
Franchise royalty fees	301,838	275,162	188,251
Marketing fund contributions	297,160	244,132	123,943
Training fees	-	15,000	15,000
Miscellaneous income	141,385	95,816	97,789
Total revenue	830,383	660,110	454,983
OPERATING EXPENSES			
Accounting and audit fees	33,950	17,133	24,087
Advertising and marketing	80,822	71,923	69,244
Automobile expense	2,520	1,365	-
Consulting fees	1,397	10,125	13,451
Depreciation expense	3,041	2,851	3,275
Insurance	2,918	3,641	2,911
Legal fees	15,943	28,518	18,915
Miscellaneous expenses	5,214	3,357	2,807
Office expense and supplies	3,310	3,033	5,245
Payroll processing fees	2,426	2,311	2,276
Salaries and payroll taxes	246,192	235,710	235,550
Telephone	1,200	1,100	1,200
Travel, fuel and meeting expenses	54,345	48,970	51,214
Total operating expenses	453,278	430,037	430,175
INCOME FROM OPERATIONS BEFORE TAXES	377,105	230,073	24,808
OTHER INCOME			
Gain from forgiveness of PPP loans	-	-	70,935
Gain from disposal of vehicle	-	-	2,784
Total other income	-	-	73,719
INCOME BEFORE TAXES	377,105	230,073	98,527
Provision for income taxes	67,371	36,782	800
NET INCOME	$ 309,734	$ 193,291	$ 97,727

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

MARUFUKU FRANCHISING, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

BALANCE AT JANUARY 1, 2020	$	524,888
Net income		97,727
BALANCE AT DECEMBER 31, 2021	$	622,615
Net income		193,291
BALANCE AT DECEMBER 31, 2022	$	815,906
Net income		309,734
BALANCE AT DECEMBER 31, 2023	$	1,125,640

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

MARUFUKU FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 309,734	$ 193,291	$ 97,727
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	3,041	2,851	3,275
Gain from forgiveness of PPP loan	-	-	(70,935)
Gain from disposal of vehicle	-	-	(2,784)
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable	(32,704)	(17,340)	(95,088)
Decrease (increase) in prepaid expenses	(667)	768	455
Increase (decrease) in accounts payable	(1,747)	685	1,239
Increase (decrease) in accrued expenses	7,666	1,032	6,500
Increase (decrease) in accrued payroll and payroll taxes	(526)	299	112
Increase (decrease) in income taxes payable	56,171	-	-
Increase (decrease) in deferred revenue	(55,000)	20,000	(30,000)
Total adjustments	(23,766)	8,295	(187,226)
Net cash provided by (used in) operating activities	285,968	201,586	(89,499)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances made to related parties	(460,894)	-	-
Purchases of property and equipment	-	-	(14,729)
Insurance proceeds from disposal of vehicle	-	-	13,932
Net cash used in investing activities	(460,894)	-	(797)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of note payable - PPP	-	-	29,165
Advances received from related parties	3,329	10,125	12,450
Payments made on advances from related parties	(39,666)	(1,600)	(1,651)
Net cash provided by (used in) financing activities	(36,337)	8,525	39,964
Net increase (decrease) in cash	(211,263)	210,111	(50,332)
Cash at beginning of year	965,521	755,410	805,742
CASH AT END OF YEAR	$ 754,258	$ 965,521	$ 755,410
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for income taxes	$ 12,000	$ 36,782	$ 800
Cash paid for interest	$ -	$ -	$ -

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

Note 1 – Nature of Operations

Marufuku Franchising, LLC ("the Company") is a limited liability company formed on November 6, 2018 in the state of California. The Company's principal operations are the franchising and administration of Marufuku Ramen restaurants, which are sit-down, table service restaurants that offer authentic Hakata-style Tonkotsu ramen and other Japanese dishes and beverages.

As of December 31, 2023, there were three franchised restaurants in operation, located in California and Texas. The Company's parent company, EK Food Services, Inc. ("EKFS" or "Parent Company") owned and operated six Marufuku Ramen restaurants in California, New York and Texas as of December 31, 2023.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Company's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash.

Accounts Receivable and Allowance for Credit Losses

The Company operates in the franchisor industry and its accounts receivable are primarily derived from franchise royalty fees and marketing fund contributions due from its franchisees and from restaurants owned by EKFS. Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. At each balance sheet date, the Company recognizes an expected allowance for credit losses based on its evaluation of the current status of individual accounts. No allowance for credit losses was considered necessary at December 31, 2023, 2022 or 2021.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as an offset to credit loss expense in the year of recovery. For the years ended December 31, 2023, 2022 and 2021, no accounts receivable were written-off.

Note 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition. The Company follows the policy of capitalizing expenditures that materially increase asset lives and charging ordinary repairs and maintenance to operations as incurred. Upon retirement or other disposition of assets, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is included in operations.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. Depreciation expense for the years ended December 31, 2023, 2022 and 2021, respectively, was $3,041, $2,851 and $3,275. The estimated useful lives of property and equipment for purposes of computing depreciation are:

Asset	Useful Life (Years)
Vehicle	5

Revenue Recognition

The Company generates revenue primarily from the sale of franchises, ongoing franchise royalty fees based on a percentage of franchisee sales, marketing fund contributions, training fees and miscellaneous income.

The Company recognizes revenue under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers.* Under this standard, the amount of revenue to be recognized reflects the consideration to which the Company is entitled to receive in exchange for the goods or services delivered. To achieve this core principle, the Company applies the following five steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract; and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

The FASB issued Accounting Standards Update (“ASU”) 2021-02, *Franchisors–Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient* in order to simplify the application of FASB ASC 606 as it applies to initial franchise fees paid by a franchisee to a franchisor. The amendments in ASU 2021-02 provide a practical expedient that permits franchisors that are not public business entities 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 2021-02 provide an accounting policy election to recognize the pre-opening services as a single performance obligation.

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

The Company has elected to use the practical expedient provided by ASU 2021-02 to account for its pre-opening services (as further described in Note 6) as distinct from the franchise license. The Company has also made a policy election to recognize pre-opening services as a single performance obligation.

The Company recognizes initial franchise fees and development fees as the Company satisfies its performance obligations under the franchise agreement and the restaurant approaches its opening date. The initial franchise fees or development fees associated with restaurants where the Company has not substantially performed its obligations relating to the sale are recorded as deferred revenue on the balance sheet. Franchise royalty fees and marketing fund contributions are recognized as franchisee sales occur. Training fees and miscellaneous income are recognized in the period earned.

During the years ended December 31, 2023, 2022 and 2021, respectively, zero, one and one new restaurants were opened.

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 taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes and represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses and tax credits that are available to offset future taxable income.

The Company has adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification 740, *Income Taxes*, which prescribe when to recognize and how to measure the financial statement effects, if any, of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment.

Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Company does not believe there are any material uncertain tax positions and, accordingly, did not recognize any liability for unrecognized tax benefits. Further, no material amounts of interest or penalties have been accrued or charged to expense as of December 31, 2023, 2022 or 2021 or for the years then ended. Should any such penalties or interest be incurred, the Company's policy would be to recognize penalties as an operating expense and interest as other expense.

The Company's tax returns are subject to examination by federal and state taxing authorities, generally for a period of three years.

Advertising and Marketing Costs

Advertising and marketing costs, which are included in operating expenses, are expensed as incurred.

Fair Value of Financial Instruments

The carrying amounts of financial instruments approximate fair value due to the short-term nature of these instruments.

Recently Adopted Accounting Pronouncements

Allowance for Credit Losses: In June 2016, the FASB issued ASU 2016-13, *Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* The new guidance significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Note 2 – Summary of Significant Accounting Policies (continued)

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 disclosures 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 items in the financial statements for the prior years have been reclassified to conform to the current year presentation. Such reclassification had no effect on net income for the prior years.

Subsequent Events

Management has evaluated subsequent events through August 23, 2024, the date the financial statements were available to be issued.

Note 3 – Note Payable

2020 Paycheck Protection Program Loan

On May 5, 2020, the Company received loan proceeds in the amount of $41,770 from Bank of America under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying entity. The loans and accrued interest are forgivable after a covered period as long as the borrower uses the loan proceeds for eligible purposes (such as payroll costs, employee benefits, rent and utilities) and meets other established criteria for loan forgiveness. The amount of loan forgiveness may be reduced if the borrower terminates employees or reduces salaries during the covered period.

The Company incurred sufficient qualifying expenses during the covered period to meet the forgiveness criteria, applied for forgiveness, and on March 24, 2021, received notice of forgiveness for the full PPP loan amount plus accrued interest. This amount is recorded as Gain from forgiveness of PPP loans in the statement of operations for the year ended December 31, 2021.

Note 3 – Note Payable (continued)

2021 Paycheck Protection Program Loan

On March 31, 2021, the Company received loan proceeds in the amount of $29,165 from Signature Bank under the second round of the Paycheck Protection Program ("PPP2"). Similar to the original PPP, the loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes and meets other established criteria for loan forgiveness.

The Company incurred sufficient qualifying expenses during the covered period to meet the forgiveness criteria, applied for forgiveness, and on October 26, 2021, received notice of forgiveness for the full PPP2 loan amount plus accrued interest. This amount is recorded as Gain from forgiveness of PPP loans in the statement of operations for the year ended December 31, 2021.

Note 4 – Member's Equity

Ownership of the Company is represented by membership interests. As of December 31, 2023, 2022 and 2021, 100% of the membership interest was held by EKFS, a California corporation formed in October 2003.

Note 5 – Related Party Transactions

Related Party Receivables

As of December 31, 2023, the Company had a receivable from EKFS in the amount of $460,334. This short-term advance is unsecured and bears no fixed repayment terms.

As of December 31, 2023, 2022 and 2021, the Company had a receivable from an affiliated entity, Shabuway Franchising, Inc., in the amount of $1,756, $1,196 and $1,196, respectively. This advance arose from transactions in the ordinary course of business, is unsecured and bears no fixed repayment terms.

Related Party Payable

As of December 31, 2022 and 2021, the Company had payables due to its Parent Company in the amount of $36,337 and $27,812, respectively. These payables primarily arise from transactions conducted in the ordinary course of business, are unsecured and bear no fixed repayment terms. The payables were paid in full during the year ended December 31, 2023.

Note 5 – Related Party Transactions (continued)

Marketing Fund Contributions

During the years ended December 31, 2023, 2022 and 2021, the Company derived approximately $225,000, $179,000 and $80,000, respectively, of its marketing fund contributions from restaurants owned by its Parent Company.

Consulting Fees

During the years ended December 31, 2023, 2022 and 2021, the Company paid its Parent Company a total of $1,397, $10,125 and $7,798, respectively, in consulting fees for the training of new franchisees.

Note 6 – Franchise and Area Development Agreements

The Company's franchise agreement has an initial term of ten years. The franchisee may renew the agreement for one additional term of five years provided certain conditions established by the Company have been satisfied. The initial franchise fee for each new restaurant is $30,000, plus a training fee of up to $15,000. Franchise royalty fees are 5% of gross sales of the restaurant and are due twice a month. Franchisees that sign an area development agreement for a certain number of locations may be granted reduced franchise royalty fee rates. Marketing fund contributions are currently 1% of gross sales (may be increased to a maximum of 3%) and are due twice a month.

The Company's pre-opening obligations are limited to providing criteria for restaurant site selection, reviewing proposed sites, reviewing the lease, providing Marufuku Ramen restaurant plans, reviewing and approving or rejecting the franchisee's drawings and specifications for the restaurant, providing a training program and manual, reviewing and approving the franchisee's proposed marketing plan and materials, and supervising and assisting the franchisee during the pre-opening and opening phases.

The Company also offers qualified persons and entities the right to develop multiple Marufuku Ramen restaurants within a specified geographic area and according to a mandatory development schedule under the terms of an area development agreement. The development fee for each Marufuku Ramen restaurant is $10,000, with a minimum development commitment of two restaurants. The development fee is applied incrementally to the initial franchise fee owed under each franchise agreement signed pursuant to the area development agreement.

Note 6 – Franchise and Area Development Agreements (continued)

During the year ended December 31, 2022, one of the Company's developers and franchisees entered into an Asset Sale and Purchase Agreement with EKFS for the sale of all the operating assets of the Marufuku Ramen restaurant located in Frisco, Texas. Pursuant to this agreement, the Company's franchise and area development agreements with the seller were terminated effective August 15, 2022.

Note 7 – Concentrations of Credit Risk

Cash

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits in excess of Federal Deposit Insurance Corporation ("FDIC") limits. The Company maintains its cash accounts at one FDIC-insured financial institution. At December 31, 2023, the FDIC insurance limit was $250,000 and the Company had approximately $470,000 in cash balances in excess of this limit. Cash balances maintained by the Company may exceed FDIC limits at various times and amounts throughout the year. Management believes there is a low risk of loss from cash concentrations and that the Company is not subject to any unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

Accounts Receivable

Significant concentrations of accounts receivable are as follows as of:

		December 31,	
Entity	2023	2022	2021
EKFS	27%	30%	5%
Franchisee – Frisco, TX	-	-	38%
Franchisee – Irvine, CA	22%	22%	25%
Franchisee – San Diego, CA	15%	11%	14%
Franchisee – Austin, TX	22%	29%	-
Unrelated party	14%	8%	18%

Franchise Royalty Fees

During the years ended December 31, 2023, 2022 and 2021, the Company derived approximately 100%, 89% and 100%, respectively, of its franchise royalty fees from three franchisees located in California and Texas.

Note 7 – Concentrations of Credit Risk (continued)

Marketing Fund Contributions

During the years ended December 31, 2023, 2022 and 2021, the Company derived approximately 31%, 32% and 26%, respectively, of its marketing fund contributions from one restaurant owned by its Parent Company and located in California.

Note 8 – Commitments and Contingencies

Legal Matters

The Company is subject to legal proceedings and claims arising in the ordinary course of conducting its business. Management is not currently aware of any legal proceedings in which the outcome may have a material adverse effect on the financial position, results of operations or cash flows of the Company.

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.

Marufuku Franchising LLC

Balance Sheet

As of June 30, 2024

	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024
ASSETS						
Current Assets						
Bank Accounts						
Bill.com Money Out Clearing	0.00	0.00	0.00	0.00	0.00	0.00
BOA 2156 (MKTG)	346,996.87	339,440.98	336,680.98	335,290.98	324,001.91	323,001.91
BOA Chk - 2664	446,675.80	521,225.17	518,038.65	427,666.35	433,625.91	437,936.91
Total Bank Accounts	**$793,672.67**	**$860,666.15**	**$854,719.63**	**$762,957.33**	**$757,627.82**	**$760,938.82**
Accounts Receivable						
Accounts Receivable (A/R)	200,363.02	159,049.68	206,119.73	188,520.67	198,111.45	173,777.06
Total Accounts Receivable	**$200,363.02**	**$159,049.68**	**$206,119.73**	**$188,520.67**	**$198,111.45**	**$173,777.06**
Other Current Assets						
Advance Payment	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expense	3,267.00	3,267.00	3,267.00	3,267.00	3,267.00	3,267.00
Prepaid Federal Income Tax						10,000.00
Prepaid State Income Tax						22,000.00
Receivable from EK	460,333.58	460,333.58	460,333.58	460,333.58	460,333.58	460,333.58
Receivable from SFI	1,756.33	1,756.33	1,756.33	1,756.33	1,756.33	1,756.33
Uncategorized Asset	0.00	0.00	0.00	0.00	0.00	0.00
Undeposited Funds	0.00	0.00	0.00	-639.00	-639.00	-639.00
Total Other Current Assets	**$465,356.91**	**$465,356.91**	**$465,356.91**	**$464,717.91**	**$464,717.91**	**$496,717.91**
Total Current Assets	**$1,459,392.60**	**$1,485,072.74**	**$1,526,196.27**	**$1,416,195.91**	**$1,420,457.18**	**$1,431,433.79**
Fixed Assets						
Fixed Assets	14,728.80	14,728.80	14,728.80	14,728.80	14,728.80	14,728.80
Fixed Assets Acc. Depreciation	-8,100.84	-8,100.84	-8,100.84	-8,100.84	-8,100.84	-8,100.84
Total Fixed Assets	**$6,627.96**	**$6,627.96**	**$6,627.96**	**$6,627.96**	**$6,627.96**	**$6,627.96**
TOTAL ASSETS	**$1,466,020.56**	**$1,491,700.70**	**$1,532,824.23**	**$1,422,823.87**	**$1,427,085.14**	**$1,438,061.75**
LIABILITIES AND EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts Payable (A/P)	7,303.39	2,870.00	3,965.50	3,332.00	900.00	8,056.00
Total Accounts Payable	**$7,303.39**	**$2,870.00**	**$3,965.50**	**$3,332.00**	**$900.00**	**$8,056.00**
Credit Cards						
Credit Card Cash Reward 3937	-294,307.02	-298,148.38	-298,148.38	-306,773.04	-312,105.88	-316,340.88
MC 3157	24,262.17	20,423.66	20,423.66	20,423.66	20,423.66	20,423.66
MC 4160	275,077.15	278,890.62	284,409.89	289,828.42	294,239.62	299,745.02
Total Credit Card Cash Reward 3937	**5,032.30**	**1,165.90**	**6,685.17**	**3,479.04**	**2,557.40**	**3,827.80**
Total Credit Cards	**$5,032.30**	**$1,165.90**	**$6,685.17**	**$3,479.04**	**$2,557.40**	**$3,827.80**
Other Current Liabilities						
Accrued Expense	25,173.52	25,173.52	25,173.52	25,173.52	25,173.52	25,173.52
Federal income Tax Payable	63,884.00	63,884.00	63,884.00	63,884.00	63,884.00	63,884.00
Other Current Liabilities	4,939.39	4,939.39	4,939.39	4,939.39	4,939.39	4,939.39
Payable to EKFS	0.00	0.00	0.00	0.00	0.00	0.00
Payroll Liabilities	17,478.38	17,478.40	25,552.16	17,478.39	17,478.40	16,779.89
State Income Tax Payable	13,960.00	13,960.00	13,960.00	13,960.00	13,960.00	13,960.00
Unearned Fees	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00

Marufuku Franchising LLC

Balance Sheet

As of June 30, 2024

	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024
Total Other Current Liabilities	**$265,435.29**	**$265,435.31**	**$273,509.07**	**$265,435.30**	**$265,435.31**	**$264,736.80**
Total Current Liabilities	**$277,770.98**	**$269,471.21**	**$284,159.74**	**$272,246.34**	**$268,892.71**	**$276,620.60**
Total Liabilities	**$277,770.98**	**$269,471.21**	**$284,159.74**	**$272,246.34**	**$268,892.71**	**$276,620.60**
Equity						
Member's Equity	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Opening Balance Equity	0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	148,619.44	148,619.44	148,619.44	148,619.44	148,619.44	148,619.44
Net Income	39,630.14	73,610.05	100,045.05	1,958.09	9,572.99	12,821.71
Total Equity	**$1,188,249.58**	**$1,222,229.49**	**$1,248,664.49**	**$1,150,577.53**	**$1,158,192.43**	**$1,161,441.15**
TOTAL LIABILITIES AND EQUITY	**$1,466,020.56**	**$1,491,700.70**	**$1,532,824.23**	**$1,422,823.87**	**$1,427,085.14**	**$1,438,061.75**

Marufuku Franchising LLC

Profit and Loss

January - June, 2024

	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	TOTAL
Income							
Marketing Charge	29,562.69	25,183.13	27,395.96	5,576.19	5,589.23	4,995.30	$98,302.50
Rebate Income	9,573.80	8,927.58	9,405.73	8,796.64	9,145.19	7,474.53	$53,323.47
Royalty	30,926.51	25,450.20	27,088.85	24,032.74	23,967.30	21,452.52	$152,918.12
Total Income	**$70,063.00**	**$59,560.91**	**$63,890.54**	**$38,405.57**	**$38,701.72**	**$33,922.35**	**$304,544.09**
GROSS PROFIT	**$70,063.00**	**$59,560.91**	**$63,890.54**	**$38,405.57**	**$38,701.72**	**$33,922.35**	**$304,544.09**
Expenses							
Automobile Expense	2,445.01	215.28		1,280.65			$3,940.94
Insurance - Worker's Comp				-1,774.00			$ -1,774.00
Marketing Expense	7,755.89	3,310.00	2,640.00	2,460.00	4,591.26	3,571.10	$24,328.25
Meals & Entertainment						40.02	$40.02
Miscellaneous					-0.18		$ -0.18
Office Expense	13.19	83.45	81.98	84.87	97.14	96.65	$457.28
Office Supplies			247.99				$247.99
Payroll	16,174.83	16,174.84	23,674.87	16,174.82	16,174.85	14,902.59	$103,276.80
Payroll Processing Fee	163.38	201.86	302.79	100.93	302.79	201.86	$1,273.61
Payroll Tax	1,279.38	1,237.38	1,811.13	1,237.38	1,237.38	1,811.13	$8,613.78
Professional Fee - Accounting					2,500.00	2,500.00	$5,000.00
Professional Fees- Legal	947.50		2,545.50	1,200.00	2,925.00	2,866.00	$10,484.00
Quality Control	71.20	1,254.86	570.93	513.79	259.75	702.54	$3,373.07
QuickBooks Payments Fees					6.39		$6.39
Research Expense			227.89				$227.89
Telephone	100.00	100.00	100.00	100.00		100.00	$500.00
Transportation	400.41	480.16	706.21	944.95	487.50	488.68	$3,507.91
Travel	782.07	1,863.17	3,766.25	1,569.14	2,317.16	2,493.06	$12,790.85
Travel Meal	300.00	660.00	780.00	600.00	187.78	900.00	$3,427.78
Total Expenses	**$30,432.86**	**$25,581.00**	**$37,455.54**	**$24,492.53**	**$31,086.82**	**$30,673.63**	**$179,722.38**
NET OPERATING INCOME	**$39,630.14**	**$33,979.91**	**$26,435.00**	**$13,913.04**	**$7,614.90**	**$3,248.72**	**$124,821.71**
Other Expenses							
Federal Income Tax				88,000.00			$88,000.00
State Income Tax				24,000.00			$24,000.00
Total Other Expenses	**$0.00**	**$0.00**	**$0.00**	**$112,000.00**	**$0.00**	**$0.00**	**$112,000.00**
NET OTHER INCOME	**$0.00**	**$0.00**	**$0.00**	**$ -112,000.00**	**$0.00**	**$0.00**	**$ -112,000.00**
NET INCOME	**$39,630.14**	**$33,979.91**	**$26,435.00**	**$ -98,086.96**	**$7,614.90**	**$3,248.72**	**$12,821.71**

EXHIBIT E

LIST OF STATE ADMINISTRATORS AND 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, 2nd 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, 1st 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 7th 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, 2nd 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, 1st 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, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th 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 F

STATE ADDENDA

ADDENDA REQUIRED BY

THE STATE OF CALIFORNIA

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
<u>REQUIRED BY THE STATE OF CALIFORNIA</u>

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE 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 AT LEAST FOURTEEN (14) DAYS PRIOR TO EXECUTION OF AGREEMENT.

   OUR WEBSITE, WWW.MARUFUKURAMEN.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

3. **<u>Item 1, Additional Disclosure.</u>** The following statement is added to Item 1:

   Franchisees must comply with the requirement set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

4. **<u>Item 3, Additional Disclosure</u>**. The following statement is added to Item 3:

   Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq*., suspending or expelling such parties from membership in such association or exchange.

5. **<u>Item 6, Additional Disclosure.</u>** The following statement is added to Item 6:

   The maximum interest rate permitted in California is 10% per annum.

6. **<u>Item 12, Additional Disclosure.</u>** The following statement is added to Item 12:

   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.

7. **<u>Item 17, Additional Disclosures</u>**. The following statements are added to Item 17:

   California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of the Franchise. If the franchise agreements contain a provision that is inconsistent with the law, the law will control.

   The franchise agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.).*

The franchise agreements contain a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

You must sign a general release when you execute the franchise agreement and if you transfer your franchise or development rights (if applicable) or execute a renewal franchise agreement. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, 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.

8. **Item 22, Additional Disclosure**. The following statement is added to Item 22:

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 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.

EXHIBIT G

LISTS OF FRANCHISED LOCATIONS, FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPEN, AND FORMER FRANCHISEES

Lists as of December 31, 2023

List of Franchised Units:

Franchisee Name	Unit Address	City	State	Zip	Phone Number
Olivos SR, LLC*	8543 Irvine Center Drive	Irvine	CA	93618	619-338-9655
DelMar SR, LLC*	12841 El Camino Real, Suite 204	San Diego	CA	92130	619-338-9655
A3 Enterprises LLC	1900 Aldrich Street, Suite 180	Austin	TX	78723	310-562-8221

List of Franchise Agreements signed but units not yet open:

Franchisee Name	Unit Address	City	State	Zip	Phone Number
Noodles at the Bend, LLC*	8670 West Sunset Road, Suite H-120	Las Vegas	NV	89148	858-414-4765
San Pedro SR, LLC	TBD	West Harbor / San Pedro	CA	TBD	

*Denotes Franchisee (or related entity) signed a development agreement with Marufuku

List of Former Franchisees: NONE

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT H

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 Marufuku Ramen Franchise Agreement dated ____________ between Marufuku Franchising, LLC ("Marufuku") and Franchisee ("Franchise Agreement"), or the Marufuku Ramen Development Agreement dated ____________ between Marufuku Franchising, LLC ("Marufuku") and Franchisee ("Development Agreement"); or (2) the execution of a renewal Franchise Agreement by Franchisee and Marufuku.

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 Marufuku, 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: **1542A 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 Marufuku and each Releasor.

8. Third Party Beneficiary. Marufuku 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 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 Marufuku's principal offices are located. Marufuku 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.

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:_______________________________

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

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.

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 Marufuku Franchising, LLC offers you a franchise, Marufuku Franchising, LLC 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 Marufuku Franchising, LLC 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. Iowa requires that Marufuku Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that Marufuku Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Marufuku Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal 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 listed in Exhibit F.

The franchisor is Marufuku Franchising, LLC, located at 50 Associated Road, South San Francisco, CA 94080. Its telephone number is (650) 553-0007.

The issuance date of this Franchise Disclosure Document is August 26, 2024.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Eiichi Mochizuki, Chief Executive Officer and Carlos Herrador, Executive Vice President Franchise Operations, Marufuku Franchising, LLC, 1236 West Winton Avenue, Unit 11. Hayward, CA 94545, (650) 553-0007.

Marufuku Franchising, LLC authorizes the respective state agencies identified on Exhibit F to receive service of process of it in the particular state.

I have received a Franchise Disclosure Document dated August 26, 2024 that included the following exhibits:

A. Area Development Agreement
B. Franchise Agreement
C. Manual Table of Contents
D. Financial Statements
E. List of State Administrators and Agents for Service of Process
F. State Addenda
G. Lists of Franchised Locations
H. General Release

____
Date Received

____
Prospective Franchisee

____
Name (please print)
Address:__________________________
____
____

Please sign this copy of the receipt, date your signature, return the signed receipt to Carlos Herrador our Executive Vice President of Franchise Operations at 1236 West Winton Avenue, Unit 11. Hayward, CA 94545, cherrador@marufukuramen.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 Marufuku Franchising, LLC offers you a franchise, Marufuku Franchising, LLC 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 Marufuku Franchising, LLC 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. Iowa requires that Marufuku Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that Marufuku Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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G. Lists of Franchised Locations
H. General Release

______________________________	______________________________
Date Received	Prospective Franchisee
	______________________________
	Name (please print)
	Address:__________________________
	______________________________
	______________________________

Please sign this copy of the receipt, date your signature and retain the signed Receipt for your records.