FRANCHISE DISCLOSURE DOCUMENT

Yogis Grill Franchise Management, Inc.
an Arizona corporation
P.O. Box 13616
Chandler, AZ. 85248
(949) 922-1245
www.yogisgrill.com

The franchises described in this disclosure document are for the operation of **YOGIS GRILL** Restaurants offering high-quality Japanese cuisine at reasonable prices. The estimated total investment necessary to begin operation of each franchise is $244,550 to $513,850. This includes $30,000 that must be paid to the franchisor.

If You are an Area Developer, You are required to pay Us a nonrefundable Development Fee equal to the Initial Franchise Fee for the first Required Restaurant plus $10,000 for each additional Required Restaurant.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Won B Kyeh at the above address and telephone number.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *"A Consumer's Guide to Buying a Franchise"*, which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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.

Issuance Date: February 25, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in Your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit E** for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISKS FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS MAY BE SETTLED BY ARBITRATION IN MARICOPA COUNTY, ARIZONA. OUT OF STATE ARBITRATION MAY FORCE A FRANCHISEE TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST A FRANCHISEE MORE TO ARBITRATE WITH US IN ARIZONA THAN IN A FRANCHISEE'S HOME STATE.

2. ARBITRATION WILL NOT BE USED FOR ANY DISPUTE WHICH INVOLVES A FRANCHISEE'S CONTINUED USAGE OF ANY OF THE MARKS OR ANY ISSUE INVOLVING INJUNCTIVE RELIEF AGAINST FRANCHISEE, ALL OF THESE ISSUES WILL BE SUBMITTED INITIALLY TO A COURT IN MARICOPA COUNTY, ARIZONA. THE PARTIES CONSENT TO PERSONAL JURISDICTION IN ARIZONA OVER ANY SUCH ISSUES NOT SUBJECT TO ARBITRATION.

3. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

4. IF YOU ARE A LEGAL ENTITY, ALL OF YOUR OWNER(S) MUST PERSONALLY GUARANTEE THE FRANCHISE AGREEMENT, THEREBY PLACING HIS/HER PERSONAL ASSETS AT RISK.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents Us, not You. We pay this person a fee for selling our franchise or referring You to Us. You should be sure to do Your own investigation of the franchise.

STATE EFFECTIVE DATES:

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California Effective Date: ______________, 2019

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EXHIBITS:

ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, the words "**We**", "**Us**", or “**Our**” mean the franchisor Yogis Grill Franchise Management, Inc. “**You**" or "**Your**" means the person who buys the franchise and includes Your owners if You are a corporation, limited liability company, partnership or other business entity. Bold face terms are for ease of reference only.

The Franchisor

We are an Arizona corporation incorporated on June 27, 2007 to franchise and administer businesses ("**Restaurants**") using the mark **YOGIS GRILL®.** We do not do business under any other name and Our principal business address is 1130 Grove Avenue, Suite 104, Mesa, AZ, 85210; telephone (949) 922-1245. Our agents for service of process are listed on **Exhibit E.**

We do not have a parent company. Our founders are Sung Ho Na, Frank Lee and Won B. Kyeh, who no longer operate any Restaurants. One or more of them have owned and operated restaurants using the name “Yogis Teriyaki” in the cities of Santa Ana, CA (sold in 2003), Garden Grove, CA (sold in 2004), Orange, CA, Las Vegas, NV, Harbor City, CA. (sold 2004) Tustin, CA (sold 2003), Torrance, CA (sold 2004), Anaheim (sold 2006), Lake Forest (sold 2007). These Restaurants are in current operation and have the right to use the name “Yogis Teriyaki” but are not considered as Franchises by Us.

We do not operate any Restaurants. Our affiliate Yogis Teriyaki & Grill, Inc. (“**Company**”) operates three Restaurants in the Phoenix, AZ area and one in Woodland Hills, CA which are similar to the franchise being offered to You. The Company’s principal business address is 1130 Grove Avenue, Suite 104, Mesa, AZ, 85210.

Neither We nor the Company conduct any business activities other than in connection with the Restaurants or have previously offered franchises in this or any other line of business. We have offered franchises for Restaurants since 2007.

Description of the Franchise

We offer franchises for the operation of Restaurants which specialize in high quality Japanese cuisine at reasonable prices. The Restaurants will use the YOGIS GRILL trademark and other designated trademarks, trade names, service marks and logos (**“Marks”**).

Each Restaurant must follow a system (the "**System**") developed by Our founders and the Company. The System includes valuable knowhow, trade secrets, distinctive interior designs, demarks, copyrights, proprietary products and software, confidential electronic and other communications, marketing programs and other business procedures as well as Our confidential Manual (the "**Manual**"). Each Restaurant will use Our System and operate according to Our standards, specifications, operating procedures and rules (the "**System Standards**").

Restaurants typically range in size from 1,500 to 2,000 square feet with seating approximately 30 to 70 persons inside. They are typically located on busy streets in area regional shopping centers. The Restaurants have a unique ambience, identified exclusively with YOGIS GRILL brand names, and every detail of the décor has been well planned to enhance the dining experience. Each Restaurant emphasizes a clean and brightly colored atmosphere with well-trained, efficient and extremely personable managers and staff. Each Restaurant is typically open from 10:00 a.m. to 9:00 p.m. Monday through Saturday and closed Sunday.

<u>Franchise Agreements</u>

You must be approved both operationally and financially before opening each new Restaurant. The first step is to file a Franchise Application and Questionnaire with Us.

If We approve Your Franchise Application, We and You will sign a Preliminary Agreement (**Exhibit A**) is a contractual commitment between You and Us to issue a franchise to You, subject to the conditions in the Preliminary Agreement, such as Your completion of training, obtaining all necessary permits and licenses for the new Restaurant and payment of the balance of the Initial Franchise Fee.

The initial term of each Franchise Agreement (**Exhibit B**) is 10 years and is renewable for one additional ten-year term, subject to certain conditions. See "Renewal" discussed below in ITEM 17.

<u>Area Development Agreements</u>

We offer multiple unit developers an Area Development Agreement ("**ADA**") for the opening and operation a minimum of 3 franchised Restaurants, and preferably 5 or more franchised Restaurants within a designated area ("**Territory**") pursuant to a mutually agreed upon Development Schedule. See **EXHIBIT C.**

The ADA grants the exclusive right and obligation to develop a minimum number of Restaurants within the Territory during a certain time period (the "**Required Restaurants**"). A Developer must pay Us a nonrefundable Development Fee. The primary purpose of the Development Fee is to pay Us for reserving the designated territory. See ITEM 5 for initial fees.

Competition

The food service business, including Japanese cuisine, is highly competitive. You will compete with a variety of food service establishments which may have financial, personnel, and technical resources far greater than Us or You, including mid-scale casual dining Restaurant chains and fast food chains. You will compete for business in this highly competitive environment.

Industry Regulation

Food service development and operation are highly regulated at the federal, state and local levels. These include design and construction requirements and permits, restaurant health, safety and sanitation, employee tip reporting, employment conditions, alcohol and tobacco sales and usage, waste and hazard materials handling and storage, advertising, access for disabled persons, advertising and food product labeling and menus. You must comply with all applicable laws that apply to businesses generally, such as equal protection, workers' compensation, air quality standards and workplace safety laws and regulation such as Title VII and the Americans with Disabilities Act. You should investigate the applicability of these, and possibly other regulations in the area in which you are interested in locating Your Restaurant, and should consider both their effect and cost of compliance.

ITEM 2. BUSINESS EXPERIENCE

The business experience of Our officers, directors and key management for the last five years is as follows:

President and Co-Founder: Sung Ho Na

Sung Ho Na is one of Our three Founders, and has been Our President and a Director for more than the past five years. He opened the Company's first restaurant and has developed all of the recipes for the Restaurants.

Vice-President and Co-Founder: Won B. Kyeh

Won B. Kyeh, is one of Our three Founders, and has been Our Vice President and a Director for more than the past five years.

Secretary and Co-Founder: Frank Lee

Frank Lee is one of Our three Founders and have been Our Secretary and a Director for more than the past five years.

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

Initial Franchise Fee

The initial franchise fee for one franchised Restaurant is $30,000.

We offer a veteran initiative program. Under this program, honorably discharged veterans of the United States armed forces are entitled to receive a $10,000 discount on the initial franchise fee for each new franchise Restaurant.

If We approve Your franchise application, You will sign a Preliminary Agreement (**Exhibit A)** and pay Us $10,000 as a deposit. When We sign the Preliminary Agreement, it becomes a commitment for one Restaurant franchise subject to its conditions such as successfully completing training and locating a suitable Restaurant site.

The Franchise Agreement will be executed after site approval, and before opening Your Restaurant. Upon execution of the Franchise Agreement (**Exhibit B**), You will pay Us $24,500, which includes the $20,000 remaining balance of the initial franchise and the $4,500 Opening Assistance Fee.

There are no refunds of any part of the fees, which must be paid in full before You open Your Restaurant. All fees payable to Us are intended to be "net" amounts and You will pay or reimburse Us for any sales, services, use or similar taxes which may be imposed upon any such fees.

Opening Assistance Training Fee

The Opening Assistance Training Fee for each new franchise Restaurant is $4,500 and is payable when the Franchise Agreement is executed. We may in Our sole discretion determine Opening Assistance Training unnecessary and not require the onsite training.

Area Development Agreement

We are also offering franchises to Developers who will develop and operate at least 3 to 5 Restaurants under an Area Development Agreement.

The Area Development Agreement requires You to pay Us a nonrefundable Development Fee equal to the Initial Franchise Fee for the first Required Restaurant plus $10,000 for each additional Required Restaurant (as specified in the development schedule to hold the protected territory).

As You develop each Required Restaurant, You will pay Us an initial franchise fee (less $10,000 credit from the Development Fee) for that Restaurant. For each Required Restaurant opened under the Area Development Agreement, the initial franchise fee will be $30,000 for the first Restaurant and $20,000 for any additional Required Restaurants under the Area Development Agreement. The franchise royalty fee will be 5% for all Required Restaurants. We may in Our sole discretion determine Opening Assistance Training unnecessary and not require the onsite training.

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ITEM 6. OTHER FEES

NAME OF FEE (1)	AMOUNT	DUE DATE
Franchise Royalty Fee	5% of Gross Revenues	Weekly (2)(3)
Local Marketing Spending	1% of Gross Revenues	As Incurred. (2)(4)
System Marketing Fund Fee	Up to 2% of Gross Revenues	Weekly (3)(5)
Technology Support Fee	$150 per month	Monthly (3)(6)
Supplier Approval Fee	$500	Upon request for approval
Additional Manager Training	$2,000 for two persons for two weeks	Upon Invoice (7)
Additional Training	Currently $500 per day	Upon Invoice (8)
Late Payment Fees	$250 plus interest on late amounts at 18% or highest legal rate	Upon Invoice (9)
Attorney Fees	Reasonable amount to prevailing party in any legal proceeding	Upon conclusion of proceeding
Relocation Fee	$5,000	Upon Application for review & approval of new location (10)
Transfer Fee	$10,000 plus $2,000 for Training Fee	Before actual transfer
Renewal Fee	$10,000	Prior to Renewal
Audit	Reasonable Accounting and Legal Fees	Upon invoice (11)
Indemnification	Amount of claim and costs incurred	Upon Demand (12)
Insurance	As determined by the carrier You select	If We must pay when You have not paid.
Liquidated Damages - Default	Lump Sum (Calculation based on number of months and Royalty Fee averages.)	Upon Demand (13)

FOOTNOTES:

(1) You must pay all of these payments to Us. None of these fees are refundable for any reason except errors.

(2) "**Gross Revenues**" is defined in the Franchise Agreement and includes all amounts received for services and product sales in or from the Restaurant. "Gross Revenue" does not include sales taxes, complimentary employee meals, discounts, revenue derived from selling or issuing system gift or loyalty cards (although revenue derived from selling products & services to customers who use such cards for payment will be included in Gross Revenues), refunds or proceeds from the sale of furniture, equipment or similar items used in the Restaurant.

(3) You must pay these fees no later than the fifth (5^{th}) day following the end of each month or such other time as may be designated in the Manual. You agree to pay all such Fees to Us by direct transfer of funds ("**EFT**") or other method of payment designated by Us. You must submit, for each designated period, a sales report, and ensure that each account has sufficient funds for the transfer.

(4) You must spend at least this amount monthly to conduct approved local advertising and sales programs for Your Restaurant, and send Us proof of the spending. If an advertising cooperative is established in Your area, You must join it and contributions to it will be applied toward this obligation.

(5) These payments will not be required until We determine that establishing each Fund is appropriate for the System. We will also set the initial contribution rate at that time, which may be less than the maximum rate. We will deposit each payment into a separate bank account to be used for advertising and marketing purposes as described in ITEM 11. The Company will make contributions at the same rate for its Restaurant(s).

(6) When implemented, we will require this fee for support and maintenance of the franchise website.

(7) This refresher training is for two people for two weeks. This training is required when You renew the Franchise Agreement and also payable on transfer of Your rights under the Franchise Agreement.

(8) This estimate is for additional training if You request Our assistance or if We determine that You require Our assistance. Typically additional training might include 1 to 2 persons for 2 days. Fees may not be uniformly imposed depending on specific circumstances. Additional training is currently conducted in Your Restaurant.

(9) The current maximum legal interest rate in California is 10%.

FOONOTES:

(10) You will be solely responsible for the expense of any such relocation and will pay Us a relocation fee for Our costs and services in connection with such relocation.

(11) In addition to any additional fees found due as a result of an audit of Your financial records, You must pay Us Our audit cost if You have understated Gross Revenues by more than 2% of the actual Gross Revenues found by the audit. The cost of an audit varies widely depending on how well the books and records are kept, but We estimate the cost of an audit to be between $1,000 and $5,000.

(12) You must indemnify Us for claims relating to Your operation of the Restaurant.

(13) If the Franchise Agreement is terminated due to Your default, You must pay Us liquidated damages equal to the average monthly Royalty Fees owed or paid during the 12 full calendar months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is less.)

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ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	Low	High			
Initial Franchise Fee (1)	$30,000	$30,000	Lump Sum	In Full Prior to Opening Restaurant	Us
Opening Assistance Team Training (2)	$4,500	$4,500	Lump Sum	Signing of Franchise Agreement	Us
Training Travel and Living Expenses (3)	$1,000	$4,000	As Incurred	During Training	Airlines, Hotels, Restaurants
Lease & Utility Security Deposits (4)	$15,000	$20,000	As Negotiated	Signing of Lease	Lessor, Utility Company
Insurance Premiums (3 months) (5)	$750	$1,100	As Negotiated	Prior to Opening	Insurance Agency
Licenses & Permits (6)	$150	$300	As Incurred	Prior to Opening	Governmental agencies
Rent (3 months) (7)	$13,500	$21,000	As Negotiated	As Incurred	Landlord
Blueprints, Plans, Permits, Architectural Fees	$5,000	$15,000	As Negotiated	As Incurred	Vendor
Leasehold Improvements (8)	$77,000	$240,000	As Negotiated	Prior to Opening Restaurant	Suppliers and Contractors
Signage & Graphics	$10,000	$15,000	As Incurred	Prior to Opening Restaurant	Suppliers
Furniture, Fixtures, Equipment (9)	$50,000	$95,000	As Incurred	Prior to Opening Restaurant	Suppliers
Internet (3 months)	$200	$500	As Negotiated	As Incurred	Vendor

Initial Inventory and Supplies (10)	$10,000	$25,000	As Incurred	Prior to Opening Restaurant	Suppliers
Technology Support Fee (11)	$450	$450	As Incurred	As Incurred	Us
Grand Opening (12)	$2,000	$2,000	As Incurred	Prior and at Opening	Suppliers
Additional Funds – Three Months (13)	$25,000	$40,000	As Negotiated	As Incurred	Employees, Suppliers, Utilities
TOTAL (14)	$244,550	$513,850			

FOOTNOTES:

(1) You must have paid the full amount of the Initial Franchise Fee when You sign the Franchise Agreement and prior to opening Your Restaurant. It is not refundable for any reason.

(2) You must pay $4,500 when You execute the Franchise Agreement. We may in Our sole discretion determine that Opening Assistance Training is not necessary.

(3) You must pay for the expenses of attendance, such as lodging, meals, transportation and living expenses. Each Restaurant must have at least one trained and certified manager. The cost of these expenses will depend on the distance You must travel, type of accommodations, the number of Your employees attending training. This does not include any wages or salary for You or Your trainees during training.

(4) These are an estimated amounts of lease costs and utility deposits. A typical Restaurant contains approximately 1,500 to 2,000 square feet of leased indoor space for an in-line or end-cap unit. The levels of rent vary widely from area to area and for different locations within the same area. You should investigate all these costs in the area where You wish to establish Your Restaurant.

(5) This is an estimated of insurance premiums for the initial 3 months of business operation. Insurance must be obtained to meet minimum requirements set by the System Standards. (See ITEM 8). Initial premiums for commercial general liability insurance are subject to change due to market forces. The cost of other coverage, including workers' compensation and employer liability coverage varies depending on many factors. You should contact your insurance agent and obtain an estimate of Your actual insurance costs.

(6) You must obtain all necessary business permits, licenses and approvals to operate the Restaurant. The costs of these licenses and other licenses and permits vary widely from area to area. You should contact an attorney and the government authorities in Your area for information about the cost and level of difficulties in obtaining all necessary permits.

(7) Rent varies considerably from market to market, and from location to location in each market. This figure is an estimate of the rent for 3 months.

(8) Your Lessors will often contribute to the cost of remodeling or constructing the space for Your Restaurant. You will follow our standard development procedures and adapt them to meet the specific requirements of Your proposed Restaurant. Costs and TI allowances vary widely from area to area and for different locations within the same area. You should investigate all these costs in the area, and for the specific site, where You wish to establish Your Restaurant.

(9) This is an estimate of the cost of leasing or purchasing required Restaurant equipment, fixtures, furniture and supplies. The Manual contains a list of mandatory items for new Restaurants with instructions for various site variations. Although You are not prohibited from doing so, We do not recommend that You purchase additional or upgraded items other than as specified in the Manual.

(10) The initial inventory consists primarily of food, beverages, uniforms, smallwares and supplies. The amount will vary depending on the sales volume You anticipate as well as current market prices.

(11) This Technology Support Fee is for support and maintenance of the franchise website.

(12) You and We will agree on a specific grand opening promotional program for Your new Restaurant. Restaurants being opened in a new trade area may require more initial spending than where Our brand is already known.

(13) This category includes contingent working capital requirements, which could include payroll, utilities, vendor, advertising, promotion and similar costs during the initial phase of a new Restaurant. We cannot guarantee that You will not have additional expenses starting Your business. Your costs will depend on factors such as how much You follow the System and its procedures, the local market for Restaurant products, the prevailing wage rate, competition, and the sales level reached during the initial period.

(14) Except for security deposits, none of the above payments are expected to be refundable. We will not finance any of these payments. The above are all estimates based on Our experience with the company Restaurants, but Your costs will depend to a great extent on Your area and Your decision on each issue.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Each Restaurant must be constructed or remodeled to Our specifications. You must obtain Our written approval of any proposed alterations to Our specifications before any work is begun. You must equip and supply Your Restaurant from suppliers previously approved by Us, which include Us and the Company ("**Approved Suppliers**").

Currently, You must purchase Our proprietary food products and items bearing our Marks from Us, which We or designated suppliers will sell to You at a reasonable markup. You must purchase Our unique teriyaki sauce from JFC International, Inc., and use D & I Graphics for printing and graphic design of collateral used in the Restaurant, both of whom are currently the only Approved Suppliers.

You must purchase other designated sauces either from Us or through one of the Company Restaurants. The Franchise Agreement states that You are not allowed to prepare these designated products in Your Restaurant or anywhere else. The Company received during such year the amount of $7,550 from the sale of specialty sauces. During the last fiscal year, We did not received any revenues as a result of franchisee purchases.

Except as described in this ITEM 8, You are not obligated to purchase anything else from Us or Our Affiliates, but You will be obligated to make 100% of Your purchases from Approved Suppliers. To insure that the highest degree of quality and service is maintained, You must operate Your Restaurant in strict conformity with the methods, standards and specifications that We prescribe in the Manual or otherwise in writing. We may modify or add new specifications in writing,

We may negotiate purchase arrangements with suppliers, including price and terms, for the benefit of franchisees and the Restaurants operated by the Company. You must use some supplies that are proprietary to Us, including copyrighted forms and materials bearing Our Marks. The only material benefits You may receive for using Approved Suppliers are lower prices and better services and quality, due to Our negotiations with them on behalf of the system.

We estimate that Your purchases or leases from Us or Approved Suppliers will represent approximately 50% to 70% of Your total purchases in establishing the Restaurant, and 60% to 80% of Your total purchases in continuing operation of the Restaurant.

We will specify Approved Suppliers and the products and services that are required to be purchased or leased in the Manual. The list of required items will be changed to meet current needs. Approved Suppliers are identified in Our Operations Manual. We may update our list of Approved Suppliers as We deem necessary or appropriate. Approved Suppliers and specifications are determined based on the current needs for operating the Restaurant. We evaluate Approved Suppliers based on price, service, quality, and other commercially reasonable benchmarks. We have the right to limit the number of vendors and suppliers for products, goods, supplies, fixtures and equipment. We also have the right to designate a single source of supply for certain products. We or an affiliate may be that single source.

We will approve additional suppliers. If you want to purchase items from another supplier, you may request Our "Supplier Approval Form" and pay Our Supplier Approval Fee (currently $500). Based on the information and samples you supply Us, We may test the items supplied and review the proposed supplier's financial records, business reputation, delivery performance, credit rating and other information. We are not required to make available to You or any supplier Our criteria for product or supplier approval. We will complete Our review promptly, generally within 90 days.

During the last fiscal year, neither We nor Our Affiliates received any rebates as a result of franchisee purchases. If such rebates are received they typically will be calculated as a percentage of franchisee purchases. We do not have any purchasing or distribution cooperatives. If We receive rebates from suppliers based on Franchisee purchases, We use the funds to benefit the System. Except as stated above or as described in Item 11, none of Our officers own an interest in an Approved Supplier.

Insurance

You must obtain and maintain the insurance coverage and meet the other insurance-related obligation required in the Franchise Agreement. The required insurance policies must have at least the minimum coverage specified in the Franchise Agreement. In all events, the insurance policy or policies will include at least the following:

(a) Comprehensive general liability insurance, including products liability coverage with minimum coverage of $1,000,000 per occurrence and $3,000,000 in the aggregate.)
(b) Property insurance covering the perils of fire and extended coverage, vandalism and malicious mischief with coverage to be at replacement cost.
(c) Liability for owned, non-owned and hired vehicles with minimum coverage of $1,000,000 per occurrence and $3,000,000 in the aggregate.)
(d) Umbrella liability insurance policy providing a minimum of $5,000,000 coverage including the above limits.
(e) Course of construction insurance at replacement cost.
(f) Workers' compensation insurance as required by applicable state law.
(g) Business interruption insurance (reasonable coverage and time limit).

The cost of insurance coverage will vary depending on the insurance carrier's charges, the terms of payment and your insurance history. You must also carry the insurance required by Your landlord and applicable law.

ITEM 9. FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT ("FA"), AND THE AREA DEVELOPMENT AGREEMENT ("ADA"). IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS FRANCHISE DISCLOSURE DOCUMENT.

Obligation	Section in Agreement	Item in Disclosure Document
a. Site Selection and acquisition/lease	FA: §1.3, 6.3 ADA: §§1.1, 4.2	Items 1, 11
b. Pre-opening purchases/leases	N/A	Items 7, 8, 11, 16
c. Site development and other pre-opening requirements	FA: §§4, 5 ADA: §§1, 2, 4	Items 1, 5, 7, 11, 12, 15
d. Initial and ongoing training	FA: §5 ADA: §4	Items 1, 11, 17
e. Opening	FA: §7.8 ADA: §2	Items 5, 7, 11
f. Fees	FA: §§2, 3.2, 4.1, 4.8, 5.6, 9.1(b), 11.6, 13.5(b), 16.6 ADA: §§3, 4.3, 5.2(c), 6.2(e)	Items 1, 5, 6, 7, 17, 19
g. Compliance with standards and policies/Manuals	FA: §4 ADA: §4.1	Items 1, 11
h. Trademarks and proprietary information	FA: §§4.5, 14 ADA: §4.4, 8.3	Items 13, 14
i. Restrictions on products & services offered	FA: §§4.4(a), 4.7, 4.8 ADA None	Items 8, 16
j. Warranty and customer service requirements	FA: §§4.3 ADA: None	Item 1

k. Territorial development and sales quotas	FA: §§1.2 ADA: §§1.1, 2, 4	Items 1, 12
l. Ongoing product/service purchases	FA: §§4.6, 4.7, 4.8 ADA: None	Items 8, 16
m. Maintenance, appearance & remodeling requirements	FA: §§ 4.3 4.4, 4.6, 6 ADA: None	Item 17
n. Insurance	FA: §11 ADA: None	Item 7
o. Advertising	FA: §7 ADA: None	Items 6, 7, 11
p. Indemnification	FA: §10.2 ADA: None	Item 13
q. Owner's participation/ management/staffing	FA: §§4.2, 4.9, 4.10, 9.4, 13.2 ADA: §§8.4, 8.5	Item 15
r. Records/ Reports	FA: §§8, 9.3, 9.4 ADA: None	Items 6, 11
s. Inspections/Audits	FA: §9 ADA: None	Item 17
t. Transfer	FA: §13 ADA: §§1.6, 1.7	Items 6, 17
u. Renewal	FA: §3.2 ADA: 1.2, 6	Items 6, 17
v. Post termination obligations	FA: §§4.9(f), 15 ADA: None	Item 17
w. Non-competition covenants	FA: §4.9 ADA: §8	Items 5, 17
x. Dispute resolution	FA: §§16.5, 16.7 ADA: §9	Item 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee Your note, lease or other obligation. There are no waiver of defenses or similar provisions in any note, contract or other instrument executed by franchisees with Us. We are registered with the SBA Franchise Registry. This affiliation may assist You with obtaining expedited loan processing if You should seek SBA financing.

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

Except as listed below, We need not provide any assistance to You.

A. Pre-opening. Before You open Your Restaurant, We will:

1. Loan you a copy of Our confidential Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules, in written and/or electronic form (Franchise Agreement, Section 4.4).

2. Conduct an operations training course for You and Your Designated Operator (Franchise Agreement, Section 5.1).

3. Provide You with assistance in locating the site for Your Restaurant (Franchise Agreement, Section 1.3).

4. Approve, if it meets Our standards and specifications for approval, plans submitted by You for the design of Your Restaurant (Franchise Agreement, Section 1.3).

5. Assist You in developing a marketing program designed for Your Restaurant's initial opening (Franchise Agreement, Sections 4.1, 7.8).

6. Advise and assist You in opening Your Restaurant and be available to assist with its operations for as long as reasonably needed, in Our opinion (Franchise Agreement, Section 4.1).

B. Post-opening. During the operation of Your Restaurant, We will:

1. Advise and assist You with operating Your Restaurant, including periodic visits by Our representatives (Franchise Agreement, Section 9.2).

2. Advise and assist You in opening Your Restaurant, and be available to assist with its operations for the first month of business, as reasonably needed in Our opinion (Franchise Agreement, Section 4.1).

3. Make available additional training programs as We deem appropriate (Franchise Agreement, Section 5.5).

4. Advise and assist You with operating Your Restaurant, including periodic visits by Our representatives (Franchise Agreement, Section 9.2).

5. Assist You in planning for Your Restaurant's grand opening (Franchise Agreement, Section 7.8).

6. Develop and administer, at Our discretion, advertising and promotion programs designed to promote the collective success of all Restaurants (Franchise Agreement, Section 7.3).

7. Administer the Marketing Fund ("**Marketing Fund**"), once established (Franchise Agreement, Sections 7.3 and 7.4).

8. Deposit Marketing Fund Fees received into a separate account (Franchise Agreement, Sections 7.3).

9. Make periodic inspection visits to Your Restaurant as We deem advisable (Franchise Agreement, Section 9.2).

10. Include information about your Restaurant on our Web site (Franchise Agreement, Section 7.9)

C. Site Selection.

You must select a site that meets Our approval. We will help You select a site for Your Restaurant. Within three (3) months after execution of the Preliminary Agreement, You should have located and obtained Our approval for the site of Your first Restaurant. If You have not done so, We will grant You additional 90 day extensions so long as We are satisfied that you are proceeding in good faith and with due diligence. You must use Our approved form to request each ninety day extension. After the extensions, We may terminate the Agreement with no refunds if You have not obtained an approved site

We will consider, as part of site approval, a number of factors such as potential customer density levels, assessment of a demographic study of the customer mix compared to existing profiles already established by Us, assessment of competitor activity, revenue generators, traffic patterns of the area, as well as specific size, parking, and other physical characteristics of the proposed site itself. We will use reasonable efforts to make a site acceptance decision within 30 days after We acknowledge receipt of a complete site information form and any other materials we have requested Our approval means that the site and plans meet minimum specifications, and is not a warranty of their appropriateness.

D. Time Before Opening.

We believe that based upon the Company's experience, You should typically open a Restaurant within six to nine months after executing the Franchise Agreement. This length of time may be affected by factors such as difficulties in obtaining a lease for an acceptable premises, financing arrangements, building or sign permits, or delays caused by zoning or local ordinances, weather conditions, labor strikes, shortages of products and installation of equipment, fixtures and signs.

E. Advertising.

We will develop marketing, promotion and advertising programs designed to promote YOGIS GRILL Restaurants. Your participation in all such advertising and sales promotion programs must be in full and complete accordance with any terms and conditions as We may have established.

We will provide access to advertising and marketing materials and services to You. We currently conduct marketing at a trade area level to encourage visits from potential, as well as prior, customers. We may also use premium incentives and product awareness campaigns in advertising and promotion. Advertising media may include print, Internet, vehicle wraps, fundraisers, public relations campaigns and radio or television (primarily local in scope). Whenever possible, the material is produced in-house or provided by vendors.

You may develop advertising materials for Your own use at Your own cost. All advertising materials must have been approved by Us in advance and in writing. Approval takes between 30 and 60 days.

All of Your advertising, promotion and marketing must be completely clear and factual, not misleading, and conform to the highest standards of ethical marketing and promotion policies. You must submit to Us samples of all advertising, promotional and marketing materials (including Internet or electronic media marketing material) for Our prior written approval. You must only use advertising copy and other materials which are in strict compliance with Our requirements, as set forth in the Manual or otherwise.

There are no restrictions on Your advertising, except that You may not advertise independently on the World Wide Web or outside Your territory, and that Your advertising must be approved by Us, as stated above. You must participate in Our "eclub" marketing campaigns, Gift Card program, Loyal Customer program and similar marketing programs as they are developed. You may not establish or maintain a separate website, or otherwise maintain a presence or advertise on the internet or any other public computer network in connection with the Restaurant, unless We provide Our prior written approval. If such approval is granted by Us, You shall establish and operate such World Wide Web or Internet site in accordance with Our standards and policies as set forth in the Manual or otherwise in writing from time to time.

Grand Opening. You must conduct a pre-approved grand opening promotion for Your Restaurant. The cost of the grand opening promotion is a minimum of $2,000 in approved expenditures, with regard to such promotion. We will assist You in planning Your grand opening.

Local Advertising. You must spend 1% of Your Restaurant's Gross Sales monthly for pre-approved local advertising and promotion of Your Restaurant in its trade area. You must submit confirmation of Your Local Advertising following the procedures and timing requirements designated in the Manual.

If an Advertising Cooperative ("**Ad Co-op**") is established for the area where Your Restaurant is located, You must join, actively participate in and contribute to the Ad Co-op; contributions to it will be applied toward Your Local Marketing Commitment. The Ad Co-op may also serve as a means of exchanging ideas, sharing information and problem solving. You must contribute to the Ad Co-op up to 1% or more of Your Restaurant's Gross Sales, which is in addition to your contributions to the system wide Marketing Fund discussed below. The Ad Co-op members may agree to additional funding in accordance with its established Bylaws. We will oversee each Ad Co-op. If You are in default of the Franchise Agreement, You will not have voting privileges. The Ad Co-op may prepare annual or periodic financial statements and these will be available to You upon request.

Marketing Fund. If and when We notify that We have established a Marketing Fund, You must contribute up to 2% of Your Restaurant's Gross Sales. We will establish the Marketing Fund when We determine that it is appropriate to do so.

The Marketing Fund which will be used to develop, produce and administer marketing programs designed to increase sales for all Restaurants system-wide. Advertising may be in the form of print ads, radio, television or electronic media and may be conducted on a regional and/or national basis. We may use a national or regional advertising agency or in house advertising to create and place advertising. All interest earned on monies contributed to the Marketing Fund and any funds received from suppliers based on Franchisee purchases will be used for the same purpose. Marketing Fund contributions will not be targeted to advertise or sell franchises.

The purpose of the Marketing Fund is to develop advertising and marketing programs that will benefit all Restaurants wherever located. We cannot ensure that the Marketing Fund's expenditures will be equally beneficial or proportionate to each Restaurant's contributions.

We will account for monies in the Marketing Funds separately from Our other amounts received. Money from either Marketing Fund may be used to pay Us for the reasonable salaries, administrative costs, travel expenses and overhead incurred by Us in the administration of that Fund and its programs. We will prepare an annual unaudited statement of monies collected and expenditures of the Funds, and provide it to You. The Restaurants operated by the Company will contribute to the Marketing Funds at the same rate as Franchisees.

F. Computers; Computer Programs.

Your Restaurant must have a point of sale and computer system as specified in the Manual, which will operate Our currently approved software and allow You to participate in the Network.

Your Restaurant must also have one or more modems, fax machines, security system, polling systems, digital menu boards, computerized safe systems and a telephone answering machine capable of voice mail recovery. We may require you to upgrade or update Your equipment, such as the computers, other hardware, programs, fax machine and telephone system, with reasonable limitation on the frequency or cost of this requirement. You are responsible for installing a broadband hook-up and other utilities for the Restaurant.

Currently, We use NAU Restaurant POS System from NAU Computer, Inc. as Our approved Point of Sale (POS) system. The POS system will be purchased, installed, serviced and warranted by K-Tech, Inc. We do not receive any financial payment from K-Tech, Inc. for the purchase of the POS System. Their current monthly license fee is $200, but that may change at any time.

We will have independent access to the information that will be generated or stored in any electronic cash register or computer system, such as financial and marketing information. There are no contractual limitations on Our right to access this information. If We establish an online management and communication system for Restaurant Operations, You must participate fully with its requirements as stated in the Manual.

All of the designated equipment and software is available generally at competitive prices. We currently estimate that cost of purchasing the required computer hardware and software to range from $8,000 to $10,000. Your annual maintenance costs are estimated at $1,500 to $3,000. K-Tech, Inc. may provide an extended warranty for the POS System, but You are not required to extend Your warranty.

None of the above are proprietary properties of Us or the Company, and We are not obligated to provide or assist You in obtaining the above items or services.

G. Confidential Manual.

You may review Our Manual before purchasing a Franchise. However, You may not copy any of the information contained in the Manual, as it contains proprietary information. You must sign a confidentiality agreement regarding the Manual before Your review. (**Exhibit D**)

H. Training.

Our Initial Training Program consisted of the following content with a duration of approximately five (5) weeks days according to the following general outline:

INITIAL TRAINING PROGRAM

SUBJECT	WEEKS	CLASSROOM HOURS	HOURS OF ON THE JOB TRAINING	LOCATION
Orientation Food Preparation	1	None	40	Restaurant operated by Company
Kitchen Equipment Food Handling Controls Kitchen Line/Stations Kitchen Open/Close Procedures Kitchen Supervisor Duties	2	None	80	Restaurant operated by Company
Guest Relations Standards Lobby/Dining Room Upkeep Walk-In Cashier Drive-Thru Cashier Expeditor Front Open/Close Procedures	1	None	40	Restaurant operated by Company
Management Philosophy Daily Management Functions Quality Controls Management Opening Duties Management Closing Duties	1	None	40	Restaurant operated by Company

NOTES:

(1) Initial Training is provided without cost for 2 people over a 5-week period. You will be responsible for paying all of Your personnel's travel, lodging and food costs. All of the above training must be successfully completed before signing the Franchise Agreement and opening Your Restaurant.

(2) You and/or Your Designated Operator must attend and successfully complete Our Initial Training. We may terminate the Preliminary Agreement for failure to successfully complete this training course.

NOTES:

(3) The Initial Training will be conducted in one of Company's Restaurants, located in Mesa, Arizona and successfully completed prior to Your opening Your Restaurant. We expect to conduct these training courses several times each year.

(4) Our training program is under the supervision of Frank Lee, who has 15 years of experience in food safety and purchasing; Kyung Kyeh, who has 15 years of experience in food preparation and quality control; Gyung Na, who has 15 years of experience in food preparation and quality control; and Won Kyeh, who has 15 years of experience in employment, legal, and financial matters. Our instructors' experience is in this industry, relevant to the Restaurant.

(5) The materials used in Our Initial Training are the Manual and other materials such as various videos. We may modify Our training programs at any time. We may develop audio-visual and other training materials at a reasonable charge.

(6) The actual hours will depend on a variety of factors, including the trainee's prior experience and his or her ability to pass any written and/or practical exams to Our reasonable satisfaction.

(7) If You operate 3 or more YOGIS GRILL Restaurants, You may apply to offer training at Your training facility. We may certify You for training if You meet Our standards, Your training facility has been certified by Us and Your designated training manager has been certified by Us. You must reimburse Us for the travel, living and other expenses Incurred in evaluating your facility and your training manager.

(8) As We deem necessary, We may require that You and Your personnel attend additional training courses or programs covering operations and new product or procedure introductions. We may require You to pay a reasonable fee for the additional training. Currently, Our training fee is $500 per day. You must pay for all travel, lodging and food costs for You and Your personnel. We expect that additional training will be conducted at one Our Restaurants in Mesa, Arizona, one or two days in duration and cover changes in Restaurant products and procedures. Under normal circumstances, the additional training will not occur more than once a year.

Opening Assistance Training.

If We decide it is appropriate or necessary, We will provide Your staff with opening assistance at Your Restaurant. The Opening Assistance Training will have duration of two (2) weeks and start one (1) week prior to Your Restaurant's opening unless We determine additional assistance is required.

ITEM 12. TERRITORY

You must operate Your Restaurant at a specific location selected by You and approved by Us. You will have the right and obligation to operate and maintain Your Restaurant within a designated geographic area as described in this Item 12 (Your "**Protected Area**").

We agree that unless Your Restaurant is in a "high density area" (as defined below) We will not establish YOGIS GRILL Restaurant within three (3) miles of Your Restaurant except for one or more "**Non-traditional Venue**" restaurants.

We have the discretion to determine what is to be considered a "**high density area**", which will typically be an area with a high degree of pedestrian traffic such as a downtown portion of an urban area with high rise commercial buildings or a densely populated residential area with primarily multi-family or apartment units, in which event You and We will agree on the area, if any, in which You will have the above territorial protection.

"**Non-Traditional Venue"** means a site or location for which the lessor, owner or operator thereof shall have indicated its intent to limit the operation of its food service facilities to itself or a master concessionaire or contract food service provider, and which site or location is either (i) within another primary business or (ii) at an institutional setting such as a school, college and university, military and other governmental facility, hospital, hotel, limited access highway, shopping mall, airport, toll road, office or in-plant food facility, sports arena and stadium, supermarket, grocery store or convenience store.

The Franchise Agreement will not grant You any options, rights of first refusal or similar rights to acquire additional franchises within Your Protected Territory or contiguous areas. There is no minimum sales quota. You maintain rights to Your exclusive territory even though the population increases. Your territorial rights are not dependent upon achievement of a certain sales volume, market penetration or any other contingency, and it will not be altered except by mutual consent.

You must receive Our approval before relocating the Restaurant. Any request to relocate Your Restaurant will be either approved or denied within 90 days of Our receipt of all relevant information. We may approve the relocation of Your Restaurant in certain limited circumstances, such as loss of the location due to condemnation, eminent domain destruction, or loss of Your right of possession for reasons not caused by You.

We reserve all rights not expressly granted in the Franchise Agreement. You will not receive an "exclusive" territory and You may face competition from other franchisees, from outlets that We own, or from other channels of distribution or competitive brands that We control.

The Franchise Agreement does not restrict Us from operating or authorizing others to operate other franchises or Company-owned Restaurants or other channels of distribution, at any location, from selling or leasing similar products or services under a name other than YOGIS GRILL. We do not currently intend to do so.

We have the sole and exclusive right to produce, license, distribute and market products using the Marks or other marks (such as pre-packaged products, beverages, books, clothing, souvenirs and novelty items) through any Restaurant anywhere, and through any distribution channels. We reserve the right to use or license others to use Our name and other trademarks to distribute pre-packaged products. You will not receive any of these rights. We are not required to pay You for soliciting or accepting orders from inside Your territory.

Area Development Agreement.

During the term of an Area Development Agreement ("**ADA**"), We will not license or allow any other party to open a YOGIS GRILL Restaurant within Your designated Territory (except for one or more "**Non-traditional Venue"** Restaurants (defined above) or pursuant to the first refusal rights contained in Your Franchise Agreement.

If You materially breach the ADA and it is terminated, We will have full rights to franchise other parties to operate Restaurants within what was Your Territory, or to operate Restaurants Ourselves within that Territory.

If before the end of the term You have opened all of the Restaurants required by the ADA and We decide that one or more additional Restaurants should be developed within Your Territory, You will have the right of first refusal for the additional Restaurant(s).

If We acquire any other Restaurants with the intention of converting them to Restaurants using Our Marks, You will have a right of first refusal to purchase and convert any of those Restaurants within Your Territory.

[INTENTIONALLY BLANK]

ITEM 13. TRADEMARKS

You will receive the right to operate a Restaurant under the name YOGIS GRILL. You may also use other current or future Marks as We designate to operate Your Restaurant. By Marks, We mean trade names, trademarks, service marks and logos used to identify and operate Your business. The following Marks have been registered on the United States Patent and Trademark Office ("**USPTO**") Principal Register:

Mark	Registration No.	Registration Date
YOGIS GRILL® TERIYAKI & ROLL	3483629	August 12, 2008
YOGIS GRILL	4528275	May 13, 2014

All required affidavits have been filed. You must follow Our rules when You use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as We license to You. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are set forth in the Manual and will be updated from time to time.

No agreements that limit Our right to use or franchise the use of the Marks. We do not know of any infringing uses that could materially affect Your use of the Marks. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks.

You must notify Us immediately after learning about an infringement of or challenge to your use of the Marks. We will take the action We think appropriate to protect the integrity and validity of the Marks. We are not required to take any specific action in regard to infringements involving the Marks. We have the sole right to control administrative proceedings or litigation regarding any trademark infringements. We will defend You and indemnify You if You are a party to a legal proceeding involving a Mark licensed by Us and used properly by You. You must modify or discontinue the use of a trademark if We modify or discontinue it. We have the right to modify, add to, or discontinue use of the Marks, or to substitute different Marks. You must promptly comply with any required changes, revisions and/or substitutions, and You will pay all the costs of modifying Your signs, advertising materials, interior graphics and any other items which bear the Marks. You must not contest Our right to the Marks, trade secrets or business techniques.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, but You can use the proprietary information in the Manual, training materials, including DVD and CD diskettes, electronic emails and confidential information. Although We have not made a copyright filing for the Manual, training materials, advertising materials and other written materials, We claim a copyright and the information is proprietary and confidential and may only be used as provided in the Franchise Agreement. The Manual will remain Our sole property. You must keep in a secure place on the Restaurant premises. You or Designated Operator may divulge confidential information only to those employees who must have access to it to operate Your Restaurant.

The Manual may not be copied, recorded or otherwise reproduced without Our prior written consent. You agree to keep and respect all confidential information received from Us, to obtain from the Designated Operator, each of Your Restaurant's managers, and other employees an agreement to keep and respect all such confidences and to be responsible for Your employees' keeping this information confidential.

A copy of the employee confidentiality agreement is attached as **Attachment 2 in the Franchise Agreement.** You agree to timely provide Us with copies of Your employee's executed confidentiality agreements.

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

You or Your Designated Operator, who has successfully completed Our training program, must directly supervise and participate in the actual day-to-day operation of the Restaurant. Your Restaurant must at all times have an on-site manager approved by Us and certified as designated in the Manual.

You must take steps necessary to ensure that Your employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and are properly trained. You and Your employees must handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from Our name and goodwill. You will be solely responsible for all employment decisions and functions of the franchised location, including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

If You are an entity, We do not require that Your Designated Operator own an equity interest in such entity. Neither You nor Your Designated Operator may have an interest or business relationship with any of Our business competitors. Your Designated Operator and Managers must execute a Confidentiality Agreement. If You are a legal entity such as a corporation, partnership or limited liability company, one of Your owners must be approved by Us to be Your full-time representative. All of Your owner(s) must personally guarantee the Franchise Agreement and, if applicable, the Area

Development Agreement. We have the right to approve all owners and any future owners. The ADA requires You to designate an "**Authorized Agent**" who will have full authority to act on Your behalf in performing, administering or amending the ADA.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those services and products that We have approved (see ITEM 8). You must offer all products and services that We designate as required for all franchisees. These required products and services are described in the Manual. You must obtain Our prior written approval for any other products and services to be sold by Your Restaurant. If We implement customer satisfaction programs for all franchisees, You must participate fully with their requirements as stated in the Manual.

We may change the types of authorized products and services that you must offer from Your Restaurant. There are no limits on Our right to make such changes. If You propose an additional product or service, You must submit it to Us for approval before offering it in Your Restaurant. We may approve it initially for testing only. All proposals approved by Us will become Our property.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section	Summary
a. Initial Term	FA: §3.1	Initial term of Franchise is 10 years.
b. Renewal or extension of the term.	FA: §3.2	You may renew the franchise for one additional 10-year period if certain conditions are met. "**Renewal"** may require You to sign a contract with materially different terms and conditions than Your original contract.

c. Requirements for renewal or extension.	FA: §3.2	6-12 months' notice, no defaults during last 12 months, material and timely compliance with Franchise and other agreements during initial term, satisfied all monetary obligations owed to Us and Your suppliers, completed all required additional training, made all requested changes in operating personnel, modernized the Restaurant and other equipment, payment of renewal fee, and signing of new Franchise Agreement and general release.
d. Termination by Franchisee.	Not applicable	You may terminate the Franchise Agreement on any grounds available by law.
e. Termination by Us without cause	None	
f. Termination by Us with cause.	FA: §15.1	We can terminate only if You default.
g. "Cause" defined as defaults which can be cured.	FA: §15.1	You have 30 days after notice to cure defaults (except defaults in payment to Us, in which case You only have 10 days to cure after notice). Includes defaults in other Franchise Agreements with Us. No cure period for default repeated twice within any twelve-month period.
h. "Cause" defined as defaults which cannot be cured.	FA: §15.1	Non-curable defaults: Failure to complete training or allow inspection, bankruptcy or similar action, loss of possession, material misrepresentation in obtaining franchise, violation of health and safety laws, conviction of crime involving moral turpitude, failure to obtain consent to transfer rights or failure to offer first right of refusal.
i. Obligations on termination.	FA: §15.3	Immediate obligations include no more use of telephone numbers, trademarks or proprietary information; remove all Marks; return Our manuals and all other confidential materials; pay all amounts due to Us; and de-identify the Restaurant.
j. Assignment of contract by Us.	FA: §13.8	No restriction on Our right to assign.
k. "Transfer" by You-definition	FA: §13.5	Includes transfer of rights under Franchise Agreement and ownership change.
l. Our approval of transfer by franchisee.	FA: §13.3	We have the right to approve all third party transfers, but will not unreasonably withhold approval.

m. Conditions for Our approval of transfer.	FA: §§13.4, 13.5, 13.6	No default, assets of the Restaurant in standard condition, payment of all amounts owed to Us and Affiliates, payment of transfer fee, transferee qualifies and passes training, current Franchise Agreement signed by transferee, and release and non-competition agreement signed by You.
n. Our right of first refusal to acquire your business.	FA: §13.7	We can match any offer for the franchised business.
o. Our option to purchase your business	None	
p. Your death or disability.	FA: §13.6	Approval by Us of heir or sale within six months to an approved buyer.
q. Non-competition covenants during the term of the franchise.	FA: §4.9	No interest in a Restaurant or similar business offering the same or similar services to those sold in a YOGIS GRILL Restaurant ("**Similar Business**").
r. Non-competition covenants after the franchise is terminated, transferred or expires.	FA: §4.9	No interest in any Similar Business for 2 years within 10 miles of any Restaurant in U.S. or Canada.
s. Modification of the agreement.	FA: §16.12	Only written and signed modifications, but Manual subject to change.
t. Integration/ merger clause.	FA: §16.11	The agreement between the parties is limited to the agreement and other documents referred to therein. Any representations or promises outside of the disclosure document, Franchise Agreement and Area Development Agreement may not be enforceable. This provision is subject to applicable state law.
u. Dispute resolution by arbitration or mediation.	FA: §16.5	Except for certain claims, all disputes must be arbitrated in county where Our headquarters are located ("**Home County**"), currently Maricopa County, Arizona.
v. Choice of forum	FA: §16.5	Except for injunctions, any arbitration or litigation must be in Home County.
w. Choice of Law.	FA: §16.7	Arizona law will apply.

This table lists important provisions of the Area Development Agreement (“ADA”). You should read these provisions in the ADA attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section	Summary
m. Conditions for Our approval of transfer.	None	
n. Our right of first refusal to acquire your business.	None	
o. Our option to purchase your business	None	
p. Your death or disability.	None	
q. Non-competition covenants during the term of the franchise.	ADA: §8.3	No Competitive Interest in a restaurant similar to or competitive with a YOGIS GRILL Restaurant.
r. Non-competition covenants after the franchise is terminated, transferred or expires.	None	
s. Modification of the agreement.	ADA: §9.1	Only written and signed modifications.
t. Integration/ merger clause.	ADA: §9.1	The agreement between the parties is limited to the agreement and other documents referred to therein. Any representations or promises outside of the disclosure document, Franchise Agreement and Area Development Agreement may not be enforceable. This provision is subject to applicable state law.
u. Dispute resolution by arbitration or mediation.	None	
v. Choice of forum	None	Except for certain claims, all disputes must be arbitrated in county where Our headquarters are located (“**Home County**”), currently Maricopa County, Arizona.
w. Choice of Law.	ADA: §9	Arizona law applies.

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote Our franchises, but We may do so in the future.

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 Restaurants 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 Restaurant You are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Except as set forth in this Item 19, We do not furnish or authorize our franchise sellers to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a YOGIS GRILL Restaurant. If You are purchasing an existing Restaurant however, We may provide You with the actual records of that Restaurant. If You receive any other financial performance information or projections of Your future income, You should report it to the franchisor's management by contacting Won Kyeh at P.O. Box 13616, Chandler, AZ 85248, (949) 922-1245, the Federal Trade Commission and the appropriate state regulatory agencies.

This information is based on historical results and prepared in accordance with generally accepted accounting principles. This information was prepared from company records of an affiliated company that operate a business similar to the business being franchised and has not been audited. Substantiation of the data used to prepare the figures below will be made available to you upon reasonable request.

At the end of December 31, 2018, there were four (4) Restaurants operated by the Company and seventeen (17) franchised Restaurants open and operating. Our Franchisees and the Company have reported the following financial information covering the last three physical years. Your individual results may vary. There is no assurance that you will earn as much.

A. Our franchisees have reported the following gross revenues per store for the years indicated as follows.

Store Number	Location	Total Gross Revenues, Jan 1 thru Dec 31, 2016	Total Gross Revenues, Jan 1 thru Dec 31, 2017	Total Gross Revenues, Jan 1 thru Dec 31, 2018
2	Mesa, Arizona Ellsworth Road	$1,006,008	$1,024,010	$1,137,816.71
3	Chandler, Arizona Ray Road	$719,795	$776,489	$797,370.32
6	Avondale, Arizona McDowell Road	$969,284	$1,194,769	$1,468,133.68
7	Chandler, Arizona Chandler Blvd	$692,411	$741,458	$741,158.69
8	Scottsdale, Arizona Scottsdale Road	$515,518	$523,146	$498,142.40
9	Phoenix, Arizona Happy Valley Rd.	$783,987	$836,321	$966,822.53
10	Gilbert, Arizona Val Vista Drive	$758,668	$763,333	$795,992.93
11	Chandler, Arizona Arizona Avenue	$652,487	$669,080	$668,285.51
12	Tempe, Arizona Rio Salado Pkwy	$875,065	$1,049,865	$927,695.82
13	Phoenix, Arizona Peoria Avenue	$236,944*	$770,636	$823,096.98
15	Litchfield Park, AZ Dysart Road	$516,643	$526,178	$568,942.88
16	Phoenix, Arizona Peoria Avenue	$86,635*	$744,989	$724,434.18
17	Gilbert, Arizona Rivulon Blvd	Not Open	$306,481*	$594,647.16
18	Peoria, Arizona Fountain Center Drive	Not Open	$146,994*	$343,923.97
19	Yuma, Arizona Yuma #1	Not Open	Not Open	$1,078,296.22
20	Phoenix, Arizona South Mountain	Not Open	Not Open	$273,674.50
21	Chandler, Arizona Downtown Chandler	Not Open	Not Open	$80,153.14

*During 2016, Store Number 13 was opened in September and Store Number 16 was opened in November. *During 2017, Store Number 17 and 18 were opened in May.

*During 2018, Store Number 19 opened in January, Store Number 20 opened in September, and Store Number 21 opened in November.

B. Restaurants operated by the Company recorded revenues, cost of goods, and gross profit of:

	Jan – Dec 2016	Jan – Dec 2017	Jan – Dec 2018
Gross Revenues	$4,188,242	$3,993,716	$4,357,718
Cost of Goods	$1,256,400	$1,036,200	$1,079,174
Gross Profit	$2,931,842	$2,957,516	$3,278,544

C. Restaurants operated the Company recorded gross revenues as follows:

Gross Revenues	**Jan – Dec 2016**	**Jan – Dec 2017**	**Jan – Dec 2018**
Restaurant 1 - AZ	$906,857	$965,340	$1,059,703
Restaurant 2 – AZ	$1,063,318	$1,187,971	$1,319,201
Restaurant 3 – AZ	$1,164,296	$1,163,407	$1,293,966
Restaurant 4 – CA **(Opened Nov. 2014)	$578,632	$676,998	$684,848
Restaurant 5 – AZ (Opened Oct. 2014 / Sold Aug. 2016)	$475,139	N/A	N/A
Total Gross Revenues	**$4,188,242**	**$3,993,716**	**$4,357,718**
Average per Restaurant	**$837,648**	**$998,429**	**$1,089,429**
# and % of Restaurants meeting Average	**3/5 60%**	**2/4 50%**	**2/4 50%**

The numbers for the Company Restaurants above represent the combined total of restaurants operating in the Phoenix, Arizona metropolitan area, and 1 restaurant operating in California, by our affiliate company, Yogis Teriyaki & Grill, Inc. The first of which opened for business on June 15, 2006 and all have remained open for the full twelve months ended December 31, 2018.

These numbers were prepared by Yogis Grill Franchise Management with information provided by Yogis Teriyaki & Grill, Inc. Additionally, there may be other costs and expenses not identified, and the costs and expenses of company-owned locations may differ from franchise locations. A franchisee-owned location may have costs that a company-owned location would not, such as royalty (5% of Gross Revenue) and advertising fees (1% Local Marketing and up to 2% Marketing Fund once established).
The earnings claim figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenues figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise. Franchisees or former franchisees listed in the disclosure document may be one source of information. Furthermore, your operational results may be different due to a number of factors, including, but not limited to, Your Territory's population, number of competing business, brand awareness in Your Territory, how long the Restaurant been in operation, and the management skills of your employees.

Definitions:

Gross Revenue: Gross Revenue means the total revenue derived from the sale of goods or services less sales tax, discounts, allowances, and returns.

Gross Profit: Gross Profit means gross sales minus cost of goods sold.

* * * * * * * * * * *

Some Outlets have earned this amount. Your individual results may differ.
There is no assurance that you'll earn as much.

ITEM 20: RESTAURANTS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEM WIDE RESTAURANTS SUMMARY
For Fiscal Years 2016 - 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	10	13	3
	2017	13	14	1
	2018	14	17	3
Company-Owned	2016	5	4	-1
	2017	4	4	0
	2018	4	4	0
Total	2016	15	17	2
	2017	17	18	1
	2018	18	21	3

Note: Our Fiscal Year ends December 31. “Company-owned Restaurants” shown in these tables are operated by entities which Our owners control.

Table No. 2

TRANSFERS OF RESTAURANTS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
For Fiscal Years 2016 - 2018

State	Year	Number of Transfers
Arizona	2016	0
	2017	0
	2018	1
Total	2016	0
	2017	0
	2018	1

Table No. 3

STATUS OF FRANCHISED RESTAURANTS
For Fiscal Years 2016 - 2018

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Arizona	2016	10	3	0	0	0	0	13
	2017	13	1	0	0	0	0	14
	2018	14	3	0	0	0	0	17
All Other States	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Total	2016	10	3	0	0	0	0	13
	2017	13	1	0	0	0	0	14
	2018	14	3	0	0	0	0	17

Table No. 4

STATUS OF COMPANY RESTAURANTS
For Fiscal Years 2016 - 2018

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	2016	4	0	0	0	1	3
	2017	3	0	0	0	0	3
	2018	3	0	0	0	0	3
California	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
Total	2016	5	0	0	0	1	4
	2017	4	0	0	0	0	4
	2018	4	0	0	0	0	4

Table No. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2018

State	Franchise Agreements Signed, but Not Yet Open	Projected New Franchisees in the Next 12 Month Period	Projected Franchisor (or Affiliate) Openings in the Next 12 Month Period
Arizona	2	3	1
California	0	2	1
TOTAL	2	5	2

The names, addresses and telephone numbers of Our current Franchisees are attached hereto as **Exhibit F**.

We have no former franchisees as of December 31, 2018. During the last three fiscal years, We have signed no settlement agreements containing confidentiality clauses with current or former franchisees.

You should be aware that We are required by law to disclose Your contact information to other franchise purchasers if You become a franchisee or leave Our franchise system.

We have not created, sponsored or endorsed any trademark-specific franchisee organization associated with Our System and no such association has asked to be included in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements are attached as **Exhibit G.**

ITEM 22. CONTRACTS

Copies of the following agreements are attached:

A. Preliminary Agreement
B. Franchise Agreement with Exhibits and State Addenda
C. Area Development Agreement
D. Confidentiality Agreement

ITEM 23. RECEIPTS

You will find copies of a detachable receipt in **Exhibit H** at the very end of this disclosure document.

It is important that you sign, date and return a Receipt to Us. As noted on the cover page, this Disclosure Document is available in electronic format, in which case You must print a copy of the Receipt and send a signed and dated copy to Us. Thank you.

Our Franchise Sellers are named with their addresses and telephone numbers in the Receipt attached to this Franchise Disclosure Document.

Exhibit
A

YOGIS GRILL®
TERIYAKI & ROLL

PRELIMINARY AGREEMENT

DATE: ______________, 201__

TO: ____________________ (“**You**” or “**Your”)**

FROM: Yogis Grill Franchise Management, Inc. ("**Us”, “We” or “Our**")

1. Franchise Approval. (a) You have requested Us to approve and grant one YOGIS franchise for a Restaurant to be located within the area or at the address described below:

Street Address or Area: ____

City:___________________, State:_____ (the "**Restaurant**")

(b) This Preliminary Agreement is binding upon both parties.

(c) We have approved Your franchise request and commit to You that We will issue a Franchise Agreement for the Restaurant subject to fulfillment of and compliance with all of the terms and conditions specified within this Preliminary Agreement.

2. Franchise Disclosure Document. You hereby acknowledge receipt of Our current franchise disclosure document (dated ________________, 201__) at least fourteen (14) business days prior to Your submission of this Preliminary Agreement.

3. Deposit; Refunds. You are delivering to Us upon execution of this Preliminary Agreement Your check in the amount of $10,000 as a deposit against the initial franchise fee. You understand and agree that this deposit and the initial franchise fee are NOT REFUNDABLE in whole or part under any circumstances.

4. Financial Terms of the Franchise. Your Franchise Agreement will contain the following financial terms:

Initial Franchise Fee	$30,000
Royalty Fee	5% of Gross Sales
Local Advertising	1% of Gross Sales
Marketing Fund	Up to 2% of Gross Sales (once established)
Renewal Fee	$10,000
Transfer Fee	$10,000

5. Conditions. You agree that issuance of a YOGIS GRILL franchise is subject to the satisfaction of each of the conditions set forth below:

(a) Your selection and acquisition of a site for the Restaurant, written approval by Us of such site and construction of the Restaurant pursuant to plans approved in advance by Us;

(b) Receipt by You of all approvals, permits and licenses necessary to operate the Restaurant at the proposed site;

(c) Successful completion of YOGIS GRILL training by You or the Restaurant's Designated Operator;

(d) Approval by Us of any legal entity proposed by You;

(e) Execution by the parties of the then-current form of franchise agreement following completion of training and before Restaurant opening;

(f) Payment by You of the balance of the initial franchise fee upon execution of the franchise agreement;

(g) Your satisfactory performance and cooperation pursuant to this Agreement; and

(h) You have met any specific conditions of approval specified below:

____

6. Information Questionnaire. Your approval by Us is materially based on the information submitted by You in the Information Questionnaire, which is attached hereto and incorporated herein by reference. You hereby represent and warrant that all such information and other information furnished by You to Us is true, correct and accurate in all material respects and that there have been no material omissions in such information. You agree to notify Us in writing immediately of any material change in the financial or other information furnished by You to Us. You further agree that We may terminate this Preliminary Agreement and may refuse to issue the franchise provided for by this Preliminary Agreement in the event that any material adverse change occurs in Your financial, business or personal circumstances.

7. Confidential Information and Trade Secrets. You agree on behalf of Yourself and Your employees and other representatives to maintain strict confidentiality with regard to all confidential information and trade secrets which are disclosed to You in connection with the sale of a YOGIS GRILL franchise and in training You or Your employees to operate the Restaurant. You further agree to sign and have each of Your employees who will receive training to sign a Confidentiality Agreement in the form attached to this Agreement and to deliver the same to US before training commences.

8. Site Selection. (a) You acknowledge and agree that it is Your sole responsibility to select and acquire a site that meets Our criteria for site approval and to follow Our procedures in obtaining site approval for the Restaurant. In the event that We do assist in the site selection process, You agree and acknowledge that any such assistance or any recommendation, approval or advice must not be considered as any assurance or guarantee of success for the Restaurant at such site.

(b) You agree to submit at least one site for Our written approval within ninety (90) days of Our approval of this Agreement and to proceed diligently to take all actions necessary to acquire the site and construct the Restaurant following Our site approval.

(c) Any lease or purchase agreement for an Restaurant Site signed by You must be subject to Our prior approval, and any lease must contain the provisions required by Your YOGIS GRILL Franchise Agreement, Section 6.

9. Legal Entities; Personal Guaranty. (a) If Your Franchise Agreement is to be signed by or assigned to a corporation or other legal entity, all record and beneficial owners of the legal entity must be approved by Us and must execute a personal guaranty of the Franchise Agreement. Any exceptions to this requirement must be in writing signed by Our president.

(b) You agree to notify Us in writing of any intention to transfer the franchise to a legal entity at least thirty (30) days in advance of any such proposed transfer and to furnish Us with the necessary documents required by the Franchise Agreement and Our procedures.

10. Specific Understandings by You. You specifically acknowledge and agree as follows:

(a) Execution of this Agreement does not constitute the grant of a franchise, and You will be entitled to execute the YOGIS GRILL Franchise Agreement hereunder only if and when all conditions of this Agreement have been met.

(b) Only Our Franchise Development Committee may agree to grant a franchise or make any other commitment with regard to a YOGIS GRILL franchise, and any such agreement or commitment must be in writing signed by one of Our corporate officers.

(c) We have authorized no one to make or agree to any oral modifications to the terms of a YOGIS GRILL franchise agreement or to make any projections or estimates about the future earnings, sales or profits of any YOGIS GRILL Restaurant. Any such statements are acknowledged to be unreliable and have not been considered in connection with this Agreement or the purchase of any YOGIS GRILL franchise.

* * * * * * * * *

IN WITNESS WHEREOF, the parties have executed this Preliminary Agreement on the date set forth above.

You:

Name of Entity: ______________________________

By: ____
Authorized Officer

Name: ______________________________________

Us:

YOGIS GRILL FRANCHISE MANAGEMENT, INC.

By: ____
President

Name: ______________________________________

CONFIDENTIALITY AGREEMENT

The undersigned Employee of_____________________ ("**Employer**"), which has applied for a YOGIS GRILL franchise from hereby agrees that he or she shall not, while employed by Employer or following such employment, communicate to, or use for the benefit of, any other person, persons, partnership, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of a YOGIS GRILL Restaurant; provided, however, that the foregoing does not include information which the Employee can demonstrate came to his or her attention prior to being employed by Employer or which has become a part of the public domain through publication or communication by others.

The Employee agrees to promptly disclose to Employer, any and all ideas, improvements, processes, names, menu items, and enhancements to the franchised business which Employee alone or with others invents, discovers makes or conceives ("Innovations") at any time during, and for a period of one year after employment in a YOGIS GRILL Restaurant. All such Innovations will be deemed the sole and exclusive property and works made-for-hire for Yogis Grill Franchise Management, Inc. (the "**Franchisor**"). The Franchisor has the right to incorporate such Innovations into the System without compensation to the Employee.

The Employee acknowledges that any failure to comply with the requirements of this Confidentiality Agreement will cause Employer and the Franchisor irreparable injury, and Employee agrees that in addition to any other right or remedy provided by law, Employer and/or the Franchisor shall be entitled to specific performance of, or an injunction against violation of, the requirements of this Confidentiality Agreement.

The Employee agrees that upon termination of his or her employment with Employer for any reason, he or she will return all copies of documents containing confidential information or trade secrets to Employer, including without limitation YOGIS GRILL Confidential Manual.

IN WITNESS WHEREOF, the undersigned has executed this document in consideration of his or her employment by the Employer.

DATED: ____________________, 201__

Print Name:_____________________________

Signature: _____________________________

("**Employee**")

Exhibit
B

YOGIS GRILL®

FRANCHISE AGREEMENT

YOGIS GRILL ®
FRANCHISE AGREEMENT
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YOGIS GRILL ®
FRANCHISE AGREEMENT

THIS AGREEMENT dated as of ____________ 201__ is (“**Effective Date**”) between YOGIS GRILL FRANCHISE MANAGEMENT, INC. an Arizona corporation ("**We**", "**Us**" or "**Our**"), and _________________________, a ________________ organized under the laws of the State of _____________ ("**You**" or “**Your**”), and the Principals identified on the signature page of this Agreement (“**Principals**”). Terms in bold face in this Agreement are for ease of reference only.

RECITALS:

A. We own the exclusive rights to offer and sell franchises for the operation of a retail Businesses (“**Business**”) using the name and trademark YOGIS GRILL® and other trademarks (the “**Marks**”) and following a system of operation (“**System**”) to operate a chain of these Businesses which was developed and used by Us and Our commonly owned companies which operate Businesses (collectively, the “**Company**”).

B. You either desire (i) to purchase a YOGIS GRILL franchise (**“Franchise**”) and own and operate a Business and We have approved You for a Franchise or (ii) to renew an existing Franchise, in which case the attached Renewal Addendum will become part of this Agreement.

THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties hereby agree as follows:

ARTICLE 1: GRANT OF FRANCHISE

1.1 Grant

Subject to the following terms and conditions, We grant to You a franchise to use the System and the Marks solely in direct connection with the sale of beverage, food and other products from a YOGIS GRILL Business to be operated by You at the following location (referred to in this Agreement as "**Your Business"**):

Address: ____

YOGIS GRILL Business No.__________

1.2 Territorial Rights

We agree that, unless Your Restaurant is in a “high density area” (as defined below), We will not operate and will not authorize any other person to operate a YOGIS GRILL business within three (3) miles from the current front door of Your Restaurant except one or more “Non-traditional Venue” Restaurants defined in subsection (iii) below. If We determine that Your Restaurant is located within a “high density area”, the above territorial rights will be stated on an attachment to this Agreement. Except for the foregoing, You and We agree that this franchise is non-exclusive and except for the address where Your Restaurant is located, We reserve all other rights, including the right, directly or indirectly:

(i) To operate, and authorize others to operate, YOGIS GRILL business or other Restaurants operating under any name other than YOGIS GRILL, at any location and of any type or category whatsoever;

(ii) To produce, license, distribute and market products using the Marks or other marks (such as nutritional/healthy products, weight control products, food snacks and beverages; books; clothing, souvenirs and novelty items) through any outlet anywhere using the name YOGIS GRILL or other Mark (which outlets may for example include grocery stores, supermarkets and convenience stores) and through any distribution channel, at wholesale or retail, including by means of the Internet, mail order catalogs, direct mail advertising and other distribution methods;

(iii) To operate, and to authorize others to operate, a YOGIS GRILL at a Non-Traditional Venue near Your Restaurant. “**Non-Traditional Venue”** means a site or location for which the lessor, owner or operator thereof shall have indicated its intent to limit the operation of its food service facitlites to itself or a master concessionaire or contract food service provider and which site or location is either (i) within another primary business or (ii) at an institutional setting such as a school, college and university, military and other governmental facility, hospital, hotel, limited access highway, shopping mall, airport, toll road, office or in-plant food facility, sports arena and stadium, supermarket, grocery store or convenience store, some of which may have other Restaurant operations such as food courts.

(b) A “**high density area**”, to be determined by Us in Our full discretion, is typically an area with a high degree of pedestrian traffic such as a downtown portion of an urban area with high-rise commercial buildings or a densely populated residential area with primarily multi-family or apartment units. **Attachment 1.**

1.3 Site Selection and Relocation

(a) You agree (i) that although We may have been involved in the site selection process for Your Business and approved its location, You have sole responsibility for selecting the above location for Your Business and (ii) that We make no warranty, representation or guaranty of any kind with respect to Your Business's location, success or profitability. After approval of the site, You agree to purchase from Us, at a reasonable price, a copy of Our prototype plans and specifications for building out a Business, and You agree to employ an architect, designer and others as necessary to revise the plans needed for Your site. Except as may be expressly provided in the Manual, no changes of any kind in design, equipment or decor will be made in, on or about Your Business premises without Our prior written approval in each instance. In any event, You must obtain Our prior approval of the final plans and specifications for Your Business before submitting them to any landlord, property owner, or governmental agency and/or before beginning the construction or remodel.

(b) You will not relocate Your Business without Our prior written consent. We will consent to a relocation to an alternative, pre-approved location under limited circumstances only, such as loss of the location due to condemnation, eminent domain destruction, loss of Your right of possession for reasons not caused by You, or a very substantial and detrimental change in the business potential and character of the location. If We consent to the relocation of Your Restaurant, You must comply with such reasonable site selection and construction procedures as We may require and following relocation, You must conduct a Grand Opening as required by Section 7.8 below. You will be solely responsible for the expense of any such relocation and will pay Us a relocation fee of $5,000.00 for Our costs and services in connection with such relocation. You will be fully responsible for closing the existing location and must comply with Section 15.3 below regarding de-identification.

1.4 Opening Date

You must open Your Restaurant and commence business within nine (9) months following the Effective Date of this Agreement. You may not open Your Restaurant without Our prior written consent and satisfaction of all pre-opening obligations stated in the Manual and the installation of all equipment, fixtures, furnishings and signs included in the plans and specifications approved by Us. Your failure to open the Restaurant in full compliance with these provisions will be a material event of default under this Agreement, and We may prevent You from opening the Restaurant.

ARTICLE 2: FEES

2.1 Fees

You agree to pay Us:

(a) A non-refundable "**Initial Franchise Fee**" of $30,000.00, which must have been paid in full upon execution of this Agreement;

(b) A "**Royalty Fee**" equal to five percent (5%) of Your Business's Gross Revenues per week as payment for the continuing right to use the System and Marks;

(c) A “Technology Support Fee” of $150.00 per month relating to the update and maintenance of the YOGIS GRILL website; and

(d) In the future when We determine that the System has grown to an appropriate size, a "**System Marketing Fund Fee”** designated by Us and to be applied as described in Section 7.3 below.

2.2 No Fees Refundable

You agree that these Fees are not refundable in whole or part under any circumstances and have been fully earned by Us by the grant of this franchise.

2.3 Payment of Fees

(a) You agree to pay Us the Royalty Fee and Marketing Fund Fees, no later than the third (3^{rd}) day following the end of each week or such other time as may be designated in the Manual, such as daily transfers. You must make all payments in strict accordance with Our requirements, including EFT payments as described below. TIME IS OF THE ESSENCE regarding payment of such Fees.

(b) You agree to pay all such Fees to Us by direct transfer of funds (“**EFT**”) or other method of payment designated by Us. Such method of payment will be determined by Us in Our sole discretion, and may be changed from time to time.

(c) You agree at Our request to furnish the information, execute forms, make arrangements and complete procedures as are reasonably necessary to establish direct EFT or ACH payments automatically from Your account(s) to the account(s) We may designate in order to pay directly such Fees within each payment period. Without limiting the foregoing, You specifically agree to obtain the necessary equipment used by the System to transmit sales and other polling information which will allow Us to cause such transfers to be made. You further agree to maintain sufficient funds in Your account(s) to allow timely honoring of each payment to Us by Your bank or other financial institution. You hereby specifically authorize Us to make such direct transfers of the Fees so long as such transfers are limited to amounts computed with reference to sales information furnished by You, or if You fail to furnish such information, with reference to good faith estimates by Us.

(d) Royalty and System Marketing Fund Fees which are not paid when due will bear interest from and after their respective due dates at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less. Any late payment of such Fees will be subject to a late payment administrative charge of $250.00.

2.4 Gross Revenues

The term "**Gross Revenues”** as used in this Agreement will mean the total of all cash or other form of payment received for the sale of food, drinks, clothing and other tangible property of every kind, or for catering services or entertainment charges, made or sold at, in, upon or from Your Business and from any vending, game or other type of machine or similar device located at Your Business, and any and all other amounts which are received as compensation for any services rendered from Your Business. All amounts collected and paid out for sales taxes levied on the sale of such food, drinks, property, services and receipts, selling or issuing system gift or loyalty cards, and the proceeds from the sale of any furniture, fixtures or equipment previously used at Your Business are excluded from Gross Revenues.

ARTICLE 3: TERM; RENEWAL

3.1 Initial Term

Subject to earlier termination, this Agreement has an Initial Term of ten (10) years ("**Initial Term"**) or the length of Your lease for Your Restaurant, whichever is less. The Initial Term will commence on the date on which You first operate Your Business as a YOGIS GRILL Business. You agree to send Us written notice of Your Business's opening date. You must during the Initial Term have the right to operate Your Business at the location specified in Section 1.1 or at an alternative location approved by Us in writing.

3.2 Renewal

You may renew this Agreement for one additional ten-year (10) term, so long as all of the following conditions have been met before the end of the then current term:

(a) You must give Us written notice of renewal not less than six (6) months or more than twelve (12) months before the end of the current term;

(b) You must not default in any material provision of this Agreement, Area Development Agreement, or any other agreement with Us at any time during the last twelve months of the prior term and must have complied with all material terms and conditions of this Agreement during the current Term;

(c) You must be in good standing as a YOGIS GRILL Franchisee and be approved by Us operationally and financially;

(d) You must have paid all amounts owed to Us and our affiliated companies (“**Affiliates**”), and Our approved suppliers (as defined in Section 4.8) and have timely paid all such amounts throughout the current term;

(e) We may send You a written notice of required changes to be made at Your Business, such as (i) additional training requirements, (ii) personnel changes and (iii) modernization of Your Business and its equipment, and/or redecorating Your Business and installing new equipment to reflect the then current YOGIS GRILL standards and image, in which case You must make all of such changes as and when requested by Us;

(f) You must have obtained an extension or renewal of Your Lease for the Business to cover the renewal term and delivered to Us a fully executed copy of such Lease.

(g) You must execute and deliver to Us Our then-current form of Franchise Agreement to apply to the renewal term, but in no event shall the term be longer than Your right to occupy the Business. Such Franchise Agreement will contain the then-current Royalty Fee rate and System Marketing Fund Fee amounts required of new Franchisees;

(h) You understand and agree that the form You execute may contain different financial terms and a revised description of Your Territory from the prior Franchise Agreement(s).

(i) You and Your Designated Operator must attend a training refresher course and pay Us $2,000.00 as a training fee;

(j). You must pay Us a Renewal Fee in the amount of $10,000.00; and

(k) You must execute Our form of a general release of any and all claims against Us, the Company and other Affiliates, and Our and their officers, directors, agents and employees.

ARTICLE 4: OPERATING SYSTEM AND PROCEDURES

4.1 Operating Assistance

We will advise and assist You in operating Your Restaurant, including periodic visits by Our representative(s), to the extent We deem necessary. You agree to pay Us a Opening Assistance Training Fee for assisting with and training Your employees as part of the Restaurant's opening in the amount of $4,500.

4.2 Designated Operator

The individual named in this Section must be an experienced food professional with multi-unit Business supervisory experience, who will devote his or her full time, best efforts and constant personal attention to the day to day operation of Your Business, with full authority to act on Your behalf and on behalf of the Principals with regard to the operation of Your Business: ________________________________ (the "**Designated Operator**"), who must be at all times approved by Us and certified by Us as fully trained for operations. Certification and approval of the Designated Operator includes both satisfactory completion of our Business Manager and Designated Operator Training Programs, and also working sufficient additional time in a Company-operated Business, as we deem necessary in our sole discretion, to successfully develop and operate a YOGIS GRILL Business. Any change in the identity of Your Designated Operator must be approved by Us in writing.

4.3 Operation of Your Business

Unless You have received Our prior written approval to the contrary, You will:

(a) Keep Your Business open for business during the hours We specify;

(b) Operate Your Business in a clean, safe and orderly manner, providing courteous, first-class service as provided in the Manual and passing all quality inspections and reports conducted by Us or a designated third party;

(c) Construct, equip, and operate Your Business in accordance with all YOGIS GRILL standards, policies, and procedures as may be established from time by Us, as stated in the Manual or other written communications from Us.

(d) Comply with all health, safety and other laws applicable to the operation of Your Business, maintain at least a 90%, "A" or better health inspection score, cure any deficiencies immediately after a governmental inspection and request another inspection as soon as possible thereafter;

(e) Maintain a competent, conscientious, trained staff and take any and all steps necessary to ensure that Your employees preserve good customer relations and comply with any dress code as may be established from time by Us, as stated in the Manual or other written communications from Us.

(f) You and Your employees must promptly handle all customer complaints, in a manner that will not detract from our name and goodwill: and

(g) Diligently promote and make every reasonable effort to increase the business of Your Business;

(h) Advertise Your Business by the use of the Marks and any other insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or established from time to time by Us as stated in the Manual or other written communication from Us;

(i) Prevent the use of Your Business for any immoral or illegal purpose, or for any other purpose, business activity, use or function which is not expressly authorized by this Agreement or in the Manual;

(j) Obtain and use only the equipment required by the Manual, such as without limitation, a computerized point of sale cash collection system ("**POS System**") which among other things will allow us to poll information about Your Business, credit card and/or debit card system, computer equipment and related software and communications systems;

(k) Keep current in all monetary obligations owed Us, Our affiliated companies and Approved Suppliers;

(l) Never manipulate or tamper with the POS System software without Our prior written approval;

(m) Not establish or use any Internet or website for Your Business or otherwise using the Marks without Our prior written consent. Adhere to any social media policies that We establish from time to time and require all of Your employees to do so as well;

(n) Diligently participate in all promotional campaigns, special offers, and other programs, which are prescribed from time to time by Us; and

(o) Diligently comply with Our standards, protocols and restrictions regarding social media outlets, including without limitation Facebook, Twitter, Instagram, Pinterest or other similar outlets, that may exist in the future.

4.4 Confidential Manual

(a) We will loan You for Your Business one copy of Our Confidential Manual (the "**Manual**"). You agree to comply strictly with and perform all things required by the Manual, such as those dealing with the selection, purchase, storage, preparation, packaging, service and sale (including menu content and presentation) of all food and beverage products, maintenance and repair of Your Business's buildings, grounds, furnishings, fixtures and equipment, operating hours and days, employee uniforms and dress, accounting, bookkeeping, record retention and other business systems, procedures and operations.

(b) The Manual, as presently written and as We may in the future amend and supplement them from time to time, is incorporated into and made part of this Agreement by reference. All references to the Manual in this Agreement are to the Manual as most recently revised as of the relevant date and may be in the form of several manuals. The Manual may be in paper form or available in electronic form or a combination of both media.

(c) You agree that the purpose of the Manual is to provide a means of communicating to all Franchisees specific details of Our System which will enhance uniformity and conformity among all Businesses. You specifically agree that the Manual is an integral, necessary and material element of the System and that it will be necessary for Us, in order to maintain the high quality of the System and maximize its competitive position, to revise and update the Manual from time to time. We have the right at any time and from time to time, in the good faith exercise of Our reasonable business judgment, to revise, delete from and add to the materials contained in the Manual. You expressly agree to comply promptly with all obligations and changes to the Manual.

4.5 Confidentiality; Our Property

(a) You agree that We own all rights in and to the System, including the information and materials described or contained in the Manual, and that the System and Manual contain trade secrets and themselves constitute Our trade secrets which have been or will be revealed to You in confidence. You agree not to disclose, duplicate, license, sell or reveal any portion thereof to any other person, except an employee of Yours required by his or her work to be familiar with such information. You agree to promptly disclose to Us all innovations whether or not protectable and whether created by or for You or Your owners or employees. All such innovations will be deemed our sole and exclusive property and works made-for-hire for Us. We have the right to incorporate such innovations into the System. You agree to keep and respect all confidential information received from Us, to obtain from each of Your Business's managers and other employees an agreement to keep and respect all such confidences and to be responsible for Your employees' keeping this information confidential. A copy of the employee confidentiality agreement is attached hereto as **Attachment 2.**

(b) The Manual and all other confidential materials furnished to You are on loan only, will remain Our property, and You will return all copies of such documents to Us immediately upon the expiration or termination of this Agreement. The Manual may be in hard copy or electronic form and may include more than one volume.

4.6 Uniformity and Conformity

In all regards, You agree that strict conformity by You with this Agreement, the System and the Manual, is vitally important to the collective success of all YOGIS GRILL Businesses, including Your Business, because of the benefits You and other YOGIS GRILL operators will derive from uniformity in menu items, identity, quality, appearance, facilities and service among all YOGIS GRILL Businesses. Any material failure to adhere to the requirements contained in this Agreement or in the Manual will be considered a material breach of this Agreement.

4.7 Products and Services

You agree to offer for sale from Your Business, at all times when Your Business is open for business, all of the food, beverages and other products expressly described in the Manual, unless You have received Our prior written consent to any exception. No other product, brand or service other than those identified in the Manual will be offered or sold at or from Your Business without Our prior written consent in each case. You agree to submit to Us in writing any additional product, brand or service proposed by You for Our consideration and final determination before You implement any such change. We may approve it initially for testing only. You understand and agree that at Our discretion any such proposal may be utilized on a test basis only, subject to the terms of a written test agreement.All proposals approved by Us will become Our property upon submission.

4.8 Approved Suppliers: Proprietary Products/Ingredients

(a) In order to assure uniformity and conformity among Businesses in the System, You agree to purchase all equipment, supplies and products for sale at Your Business only from suppliers who are at that time approved in writing by Us as an approved supplier ("**Approved Supplier**"), which may include one of Our Affiliates.

(b) If You want to purchase any products from a supplier who is not an Approved Supplier, You will notify Us of such supplier, pay an approval fee and instruct the proposed supplier to contact Us and follow Our procedures for becoming an Approved Supplier. We may charge a reasonable fee for the costs involved in these approval procedures. You understand and agree that at Our discretion any such proposals may be utilized on a test basis only subject to the terms of a written test agreement. You may not sell or offer for sale any products or services of the proposed supplier until Our written approved of the proposed supplier is received. You agree to buy to the extent required by the Manual any designated proprietary products or ingredients from Us or a designated supplier (which may be an Affiliate). You agree that such ingredients are prepared pursuant to secret, proprietary recipes and/or procedures belonging to Us.

4.9 Your Covenants

(a) You agree that YOGIS GRILL Businesses, including Your Business, must compete against similar businesses (as defined below) which may have far greater financial resources and may be better established in the food service industry. For purposes hereof, a "**Similar Business**" is any food service Business or similar business which primarily offers for sale the same products as offered and sold by YOGIS GRILL Businesses at that time.

(b) Therefore, You agree on behalf of Yourself and each and every person with an ownership interest in Your Business ("**Owner**") to take all necessary action to assure compliance throughout the term of this Agreement with the requirements of this Section 4.9 and the other Sections in this ARTICLE 4, including obtaining and delivering to Us a written agreement from each such person that he or she agrees to each of the covenants set forth in this Section 4.9.

(c) Neither You nor any Owner will, directly or indirectly, engage in or have any interest whatsoever in any Similar Business without Our prior express written consent.

(d) Neither You nor any Owner will perform any services for or become a landlord of any Similar Business without Our prior express written consent.

(e) Neither You nor any Owner will divert or attempt to divert any business or customer of Your Business, or of any other YOGIS GRILL Business, to any Similar Business by direct or indirect inducement, advertising or otherwise do or perform, directly or indirectly, any other act which is injurious or prejudicial to the goodwill associated with the System or the value of the Marks.

(f) For a period of two (2) years following the expiration or termination of this Agreement, neither You nor any Owner will, directly or indirectly, engage in or have any interest whatsoever in any Similar Business which is located within ten (10) miles of any YOGIS GRILL Business without Our prior express written consent.

(g) You agree that any violation of this Section 4.9 would result in irreparable injury to Us and the System, and that We would be without an adequate remedy at law. You agree that in the event of a breach or threatened breach of any such covenant, We will not be required to prove actual or threatened damage from such breach in order to obtain a temporary and/or permanent injunction and a decree for specific performance of the terms of this Section 4.9. In addition to injunctive relief, We shall be entitled to any other remedies which We may have under this Agreement, at law or in equity.

(h) The parties agree that each of these covenants will be construed as independent of each other and of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 4.9 is held unenforceable by a court having valid jurisdiction in a final decision between the parties hereto and from which no appeal has or may be taken, You expressly agree to be bound by the remaining portion of such covenant.

4.10 Employees

(a) You will not hire or make arrangements to hire any person employed by Us, the Company, by any Affiliate of Ours, or by another YOGIS GRILL franchisee without first obtaining Our or such other franchisee's written consent. The parties agree that in the event of Your breach of this covenant, actual damages would be extremely difficult to compute, and accordingly, in the event of such a breach, You agree to pay the prior employer of such person liquidated damages equal to the greater of such person's prior annual salary or one-half of the annual salary and of any bonus paid or to be paid by You to such person during the first year of employment.

(b) You and You alone will be solely responsible for all hiring and employment decisions and functions relating to Your Restaurant, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from Us on these subjects or not. Any guidance We may give You regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

4.11 Software

You agree to use in Your Business the software designated by Us in the Manual for Franchisees to use in making estimates, preparing invoices, keeping accounting records and other aspects of the Business. The software will be available to You on the same terms available to other Franchisees and as specified in the Manual.

4.12 Online Management and Communication System

We may establish an online management and communication system for YOGIS GRILL Business Operations and You agree to participate and perform all things necessary to set up and connect to the online communication system and comply strictly with its requirements.

4.13 Data Security

You acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. You agree that Your Restaurant will comply at all times, with all applicable security standards developed by the Payment Card Industry Data Security Standards ("**PCI DSS**") council, or its successor, and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act ("**FACTA**") and all other successor or additional laws, and all other data security requirements We prescribe.

ARTICLE 5: TRAINING

5.1 Initial Training

We will provide without charge at a place or places designated by Us Our YOGIS GRILL Certified Management Training Program for Your Designated Operator (as identified in this Agreement), Your General Manager (if different persons) and any Assistant Manager(s) designated by Us.

5.2 Training Required

Your Designated Operator and General Manager must each attend and complete Our Certified Management Training Program to Our reasonable satisfaction. All Managers of Your Business must either attend and successfully complete Our training and become certified as required by the Manual. You must always have a properly certified Manager on duty at Your Business whenever it is open to the public.

5.3 Training Employees

You will be responsible for full compliance at Your Business with the training requirements specified in Our Manual and taught at Our Initial Training, and You will cause Your Business's employees to be trained in those requirements which are relevant to the performance of their respective duties. We may require Your employees to be trained and certified in the performance of their duties, and with Our consent You may have employees approved as certified trainers for the other employees.

5.4 Pre-Opening Parties; Opening Assistance

(a) Prior to opening Your Business Premises for business, You agree at your own expense to conduct mock service and pre-opening operations following the requirements of the Manual.

(b) We will advise and assist You in operating Your Restaurant, including periodic visits by Our representative(s), to the extent We deem necessary. You agree to pay Us a Opening Assistance Training Fee for assisting with and training Your employees as part of the Restaurant's opening in the amount of $4,500.

5.5 Continuing Training

You and such employees as We may designate will, from time to time, personally attend and complete refresher courses in Business operations and food and drink preparation and any training sessions held for the purpose of introducing new products or procedures.

5.6 Fees; Expenses

You agree to pay a reasonable fee for any continuing and other training courses offered by Us.

ARTICLE 6: MAINTENANCE; LEASE PROVISIONS

6.1 Repairs and Maintenance

(a) You agree to maintain Your Business and its parking area in a "like new" condition and in conformity with the requirements set forth in the Manual or other writings issued by Us. You agree to replace Business equipment as necessary or desirable and to obtain any new or additional equipment as may be reasonably required by Us for new products or procedures. You agree to take all such action as requested by Us promptly within a reasonable time period after receipt of such request. If You have failed to take any action within fifteen (15) days after Our notice, We may, in addition to all other remedies, enter Your Business and effect the corrective action contained in the notice, and You shall immediately pay the costs incurred by Us in taking such action.

(b) Except as may be expressly provided in the Manual, no changes of any kind in design, signs, equipment or decor will be made in, on or about Your Business premises without prior written approval of in each instance. You will obtain, repair, maintain and replace all equipment, signs and other Business items at Your sole cost.

6.2 Modernization

In order to compete effectively and to assure the continued success of Your Business, You agree, from time to time, as reasonably required by Us (taking into consideration the cost and then remaining term of this Agreement), to modernize Your Business premises, parking area and equipment to Our then current standards and specifications. You understand and agree that this obligation is in addition to other obligations under this Agreement, such as repair, maintenance and purchase of new equipment. No such modernization will be required by Us unless and until the Company has at that time implemented such standards and specifications in at least twenty-five percent (25%) of its Businesses located in the continental United States.

6.3 Lease Provisions

If You are or become a lessee of Your Business premises, You will provide Us for Our review and comment with a copy of the proposed lease at least 15 days prior to its being finalized and executed. You must after execution furnish with a true, correct, complete and executed copy of the lease. Such lease must contain the option required by Section 15.5 below and a provision which precludes any other food or beverage service vendor selling predominantly products similar to YOGIS GRILL Businesses from operating in the same business Restaurant or five (5) miles from Your Business for any property under landlord control, and the alteration and de-identification rights required by this Agreement where the premises will no longer be operated as a YOGIS GRILL Business. Such lease will also require the lessor (a) to give Us reasonable notice of any lease termination and a reasonable time in which to take and make the above actions and alterations and (b) provide that You have the unrestricted right to assign such lease to Us. These lease provisions may be subject to the reasonable consent of the lessor.

ARTICLE 7: MARKETING AND ADVERTISING

7.1 Marketing, Promotion and Advertising Programs

The parties recognize the value of marketing, advertising and promotions to enhance the goodwill and public image of the System. We agree that We will develop marketing, promotion and advertising programs designed to promote and enhance the collective success of all YOGIS GRILL Businesses. It is expressly agreed that in all respects of such marketing, promotion and advertising (such as type, quantity, timing, placement and choice of media, market areas and advertising agencies), Our decisions made in good faith will be final and binding. Your participation in all such advertising and sales promotion programs must be in full and complete accordance with any terms and conditions as We may have established.

7.2 Local Advertising

(a) You agree that during the term of this Agreement, you will spend monthly one percent (1%) of Your Business's Gross Revenues for conducting advertising and sales promotion programs for Your Business ("**Local Advertising**"). We may require You to provide proof of all such marketing, promotion and advertising expenditures. You acknowledge and agree that You must obtain Our prior written approval for all of Your local programs in order for them to qualify for required spending. This obligation is in addition to Your obligation for grand opening promotion. Payments to an approved Advertising Cooperative ("**Ad Co-op**") will be applied to this Local Advertising obligation.

(b) You will not make any contributions or donations of items, services or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any such organization) in the name of Your Business or otherwise associate with the Marks, without our prior express written consent.

(c) You will not establish Your own "eclub" or online marketing campaigns, Gift Card programs, Loyal Customer programs, any website, social media accounts, or other such programs as designated in the Manual without Our prior written approval. You agree to diligently participate in all promotional campaigns, customer loyalty programs, special offers, and other programs, which are prescribed from time to time by Us.

(d) You will not issue any press release without Our prior express written approval.

7.3 System Marketing Fund

(a) In order to maximize the general public recognition and acceptance of YOGIS GRILL Businesses, We may at such time as We believe is appropriate for the System establish an We have established a System Marketing Fund. You agree that We may require that You contribute up to two percent (2%) of Your Business's Gross Revenues to this Fund.

(b) We will use monies from the System Marketing Fund for production and development costs, advertising, marketing and promotion of YOGIS GRILL Businesses generally, including without limitation, costs and expenses related to the employment of advertising agencies, payment of talent and residuals, research and development, design and development of trademarks and logos, promotions, public relations market research, reimbursement to Us, Our Affiliates or the Company of general and administrative expenses and allowances directly related to marketing of YOGIS GRILL Businesses and clearance of marketing, advertising and promotional programs. You agree that We may reimburse Ourselves for administrative expenses with respect to the System Marketing Fund and develop an System Marketing Fund Policy regarding the administration of the System Marketing Fund.

(c) The Company will also contribute to the System Marketing Fund the same percentages of the Gross Revenues from its operation of YOGIS GRILL Businesses in the continental United States.

(d) We will deposit the System Marketing Fund Fees in separate accounts, which will not be considered one of Our assets.

(e) We agree to cause an annual accounting of the System Marketing Fund and to make the results of such accounting available to You upon request. If such accounting is made by an independent accounting firm, the expenses thereof shall be paid from the System Marketing Fund.

(f) We agree that if We receive advertising promotional allowances and/or advertising rebates from suppliers or distributors which relate directly to purchases by YOGIS GRILL Businesses operated by franchisees, We will use such monies to benefit the System, with the understanding that You and We may retain all such payments paid directly to You or Us, respectively.

(g) You agree that We have no obligation in administering the System Marketing Fund to make expenditures for You or others which are equivalent or proportionate to the contribution(s) made or to ensure that any particular franchisee benefits directly or pro rata from any marketing program or advertising.

7.4 System Marketing Fund Policy

(a) We will develop and modify from time to time as necessary a Policy which will include procedures and guidelines for disbursements and expenditures from the System Marketing Fund.

(b) All monies in the System Marketing Fund, including any interest or other income earned from the investment of such monies, must be spent and disbursed only in accordance with this Agreement and the System Marketing Fund Policy, which may be modified from time to time at Our discretion so long as all monies are used to pay for marketing, promotion and advertising programs for YOGIS GRILL Businesses in the continental United States of America.

7.5 Temporary Investment

We may temporarily invest any or all of the monies held in the System Marketing Fund from time to time at Our sole discretion in accordance with the System Marketing Fund Policy. We will use any interest or other income received from such investments to pay for the expenses of administering the System Marketing Fund pursuant to the System Marketing Fund Policy. Interest or income received from temporary investments that exceed the reasonable expenses of administering the fund will be considered part of the System Marketing Fund.

7.6 Ad Co-ops

(a) We may at Our discretion designate any geographical area as a basis for an Ad Co-op for the purpose of marketing, advertising and promoting YOGIS GRILL Businesses in that area, including the Company Businesses. The Ad Co-op will also serve as means of exchanging ideas, sharing information and problem solving.

(b) You agree to become a member of an Ad Co-op at any time the Business is located within the designated area for such Ad Co-op.

(c) You agree to execute and deliver any such Ad Co-op agreements or undertakings required by such Ad Co-op, to make contributions as required of its members, and to maintain Your status as a member in good standing of such Ad Co-op at all times.

(d) We may establish and revise the requirements for approval of Ad Co-ops, the amount of contribution by members to each such Ad Co-op, and exemptions from membership or temporary suspensions of contributions. All such contributions will be credited toward your Local Advertising Spend.

(e) The mandatory contribution to an Ad Co-op may exceed Your Local Advertising requirement if the Ad Co-op members agree to additional funding in accordance with established Bylaws.

7.7 Approval of Advertising

(a) You must use only advertising copy and other materials which are in strict compliance with Our requirements, as set forth in the Manual or otherwise. All of Your advertising, promotion and marketing must be completely clear and factual, not misleading, and conform to the highest standards of ethical marketing and the promotion policies.

(b) If You wish to use other or modified materials, You must submit to Us, in each instance and at least thirty (30) days prior to first use, the proposed advertising copy and materials for approval in advance of publication. You may use only advertising materials which have been approved in writing by Us.

(c) In no event will Your advertising contain any statement or material which may be considered (i) in bad taste or offensive to the public or to any group of persons or (ii) defamatory of any person or an attack on any competitor, (iii) will not be misleading and (iv) will conform to the highest standards of ethical marketing and the promotion policies that We prescribe from time to time.

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7.8 Grand Opening

You agree to conduct an approved grand opening promotion for the Business shortly after its opening, and to spend at least $2,000.00 in approved expenditures in regard to such promotion. We will assist You in planning for Your grand opening. All advertising, methods and media You use in connection with such Grand Opening must have Our prior approval. At Our request, You must submit to Us expenditure reports accurately reflecting Your Grand Opening expenditures. Grand Opening expenditures will not be credited toward any of Your other obligations under this Section.

7.9 Websites and Internet Advertising

You shall not, indirectly or directly, establish or use any Internet web page, web site address, Internet directory listing, or any other social networking site as defined in the Manual, relating in any way to Your Business, or which uses the Marks without Our prior written consent. Except email communications, You may not conduct any aspect of Your Business business through the Internet without Our prior consent. You will adhere to any social media policies that We establish from time to time and will require all of Your employees to do so as well. We will include information about Your Business on Our Web site and follow our System procedures on referring potential customers to You.

7.10 Social Media

We have sole discretion and control over any profiles using or relating to the Marks, or that display the Marks, that are maintained on social media outlets, including without limitation Facebook, Twitter, Instagram, Pinterest or other similar outlets that may exist in the future. We may use part of the Marketing Fund monies We collect under this Agreement to pay or reimburse the costs associated with the development, maintenance and update of such profiles. We may (but need not) establish a social media policy and guidelines pursuant to which You may establish profiles or otherwise establish a presence on such social media outlets. In that event, You shall comply with the standards, protocols and restrictions that We impose from time to time on such use.

ARTICLE 8: ACCOUNTING AND RECORD KEEPING

8.1 Point of Sales System

(a) Before the opening of Your Business and at Your own expense, You agree to procure and install the computer hardware, software, Internet connections and service, required dedicated telephone and other computer-related accessories, peripherals and equipment that are required in the Manual (the **"Point of Sales System"**).

(b) You agree to accurately, consistently and completely record and provide through the Point of Sales System all information concerning the operation of Your Business that We require, in the form and at the intervals that We require, as set forth in the Manual.

(c) You acknowledge and agree that We will have full and complete independent access to Your Point of Sales System, and We may retrieve from the Point of Sales System all information that We consider necessary, desirable or appropriate.

8.2 Accounting Information

You understand and agree that We may under Section 8.1 require You to use software which will generate accounting information which will be accessible to Us electronically. You also agree that We may require You, following written notice or as part of the Manual, to send to Us in the form and within the time schedules set forth in the Manual, hard copy or other form of reports and information. These may include Profit and Loss Statements, Balance Sheets and Statements of Cash Flow, sales tax returns, and income tax returns.

8.3 Accounting Records

You agree to maintain and preserve for a minimum of seven (7) years from the date of preparation full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by the Manual.

8.4 Sales Tax Returns; Other Reports.

You agree to deliver to Us on or before the dates specified in the Manual a copy of all sales tax returns, occupation tax reports, and other similar returns or reports prepared by or on behalf of the Business for that month.

ARTICLE 9: AUDITS AND INSPECTIONS

9.1 Audit Rights

You agree that We will at all times have the following audit rights:

(a) Our representatives may on a reasonable basis review, inspect and copy any and all accounting records, income and sales tax records and other such documents, as they determine, in their sole discretion as being necessary to audit Your compliance with this Agreement.

(b) If any inspection or audit reveals that the Gross Revenues reported in any report or statement are less then the actual Gross Revenues calculated during such inspection, and/or fees owing are otherwise miscalculated, then You will immediately pay Us the additional amount of fees owing by reason of the understatement of Gross Revenues previously reported and/or other miscalculation, together with interest as provided in Section 2.3. In the event that any report or statement by You understated Gross Revenues and/or fees owing by more than two percent (2%) as calculated during Our inspection, You will, in addition to paying for the additional fees and interest, pay and reimburse Us for any and all expenses incurred in connection with its inspection, including, but not limited to, reasonable accounting and legal fees. Such payments will be without prejudice to any other rights or remedies We may have under this Agreement or otherwise. In addition, We may at Our sole discretion require a complete and full audit in accordance with generally accepted accounting principals and by a certified public accountant acceptable to Us, at Your expense.

9.2 Inspection

(a) You agree to, at Your expense, participate in Our approved inspections and surveys regarding guest satisfaction and Business inspections as stated in the Manual. In addition, You will cause the reports of all such inspections or surveys to be sent back to Us.

(b) We will make periodic visits to Your Business as We deem advisable. You agree that Our representatives will have the right at any time, and from time to time, without notice to enter Your Business for the purpose of inspecting its condition and its operations for compliance with Our requirements contained in this Agreement and in the Manual, and for any other reasonable purpose connected with the operation of Your Business.

(c) You agree to incorporate into Your Business any reasonable corrections and modifications We require to maintain Our standards of quality and uniformity, as quickly as is reasonably possible and using all resources at Your disposal.

9.3 Books and Records

Without limiting the generality of Section 9.2, Our representatives will have the right at all times during normal business hours to confer with Your Business's employees and customers, and to inspect Your books, records and tax returns, or such portions thereof as pertain to the operation of Your Business. All of Your books, records and tax returns will be kept and maintained at Your Business, at Your primary office or such other place as may be agreed to from time to time in writing by the parties.

9.4 Ownership Records

If You are not an individual or sole proprietorship, You must maintain an accurate ownership register or other list of names, addresses and interests of all Your record and beneficial owners. Upon ten days written notice from Us, You will deliver to Us a copy of such register and/or list of owners, certified by Your chief executive officer to be correct. During any audit or other inspection under this Section 9, You will allow Our representatives to inspect and copy such register and/or list.

ARTICLE 10: RELATIONSHIP OF PARTIES AND INDEMNIFICATION

10.1 Relationship

You are not, and will not represent or hold Yourself out as being an agent, legal representative, joint venture, partner, employee or servant of Us for any purpose whatsoever and, where permitted by law to do so, will file a business certificate to such effect with the proper recording authorities. You are an independent contractor and are not authorized to make any statement or commitment on behalf of Us, or to create any obligation, express or implied, on behalf of Us. You agree that We are not in any way a "fiduciary" in regards to You. You will not use the name YOGIS GRILL, YOGIS GRILL or any similar words or symbols as part of the name of a corporation or other business entity directly or indirectly associated with You, unless otherwise authorized by Us in writing.

10.2 Indemnification

(a) You will indemnify Us, the Company, Our Affiliates and their officers, directors, employees, agents, affiliates, successors and assigns from and against (i) any and all claims based upon, arising out of, or in any way related to the operation or condition of any part of Your Business or Business premises, the conduct of Your Business's business, the ownership or possession of real or personal property, any negligent act, misfeasance or nonfeasance by You or any of Your agents, contractors, servants, employees or licensees, (ii) Your failure to perform any of Your obligations under this Agreement, and (iii) any and all fees (including reasonable attorneys' fees), costs and other expenses incurred by Us or on Our behalf in the investigation of or defense against any and all such claims.

(b) We will indemnify You and Your Owners and Your and their employees, agents, affiliates, successors and assigns from and against (i) any and all claims based upon, arising out of, or in any way related to the Marks, the System and the operation of Your Business so long as You were properly operating the Business according to the System and the Manual, or related to Our obligations incurred pursuant to any provisions of this Agreement, (ii) Our failure to perform any of Our obligations under this Agreement, and (iii) any and all fees (including reasonable attorneys' fees), costs and other expenses incurred by or on Your behalf in the investigation of or defense against any and all such claims.

ARTICLE 11: INSURANCE

11.1 Insurance

You will obtain before beginning construction or remodeling of Your Business and will maintain in full force and effect during the entire term of this Agreement, at Your sole cost and expense, an insurance policy or policies protecting You and Us against any and all loss, liability or occurrence, arising out of or in connection with the construction, condition, operation, use or occupancy of Your Business or Your Business premises. We will be named as an additional insured in all such policies, workers' compensation excepted.

11.2 Policies

In all events, the insurance policy or policies will include at least the following:

(a) Comprehensive general liability insurance, including products liability coverage with minimum coverage of $1,000,000 per occurrence and $3,000,000 in the aggregate.)

(b) Liquor liability coverage (if any alcoholic beverages are offered for sale from the Business) with minimum coverage of $1,000,000 and $2,000,000 in the aggregate.

(c) Property insurance covering the perils of fire and extended coverage, vandalism and malicious mischief with coverage to be at replacement cost.

(d) Liability for owned, non-owned and hired vehicles with minimum coverage of $1,000,000 per occurrence and $3,000,000 in the aggregate.)

(e) Umbrella liability insurance policy providing a minimum of $5,000,000 coverage including the above limits.

(f) Course of construction insurance at replacement cost.

(g) Workers' compensation insurance as required by applicable state law.

(h) Business interruption insurance (reasonable coverage and time limit).

Your obligation to maintain this insurance will not be limited in any way by reason of any insurance maintained by Us.

11.3 Qualified Insurance Carrier

All insurance policies required by this Agreement must be written by a responsible insurance company or companies satisfactory to Us, and in accordance with the minimum limits set forth in Section 11.2 above, which may be changed from time to time by Us at Our discretion to reflect changed conditions. Each insurance company must be rated no less than A VII by A.M. Best and Company. You must maintain such additional insurance coverage and increased limits that We may reasonably consider advisable for an Business business in the area where Your Business is located.

11.4 Certificates

Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, You will deliver to Us for Our approval certificates of insurance showing compliance with the requirements of Section 11.1. Such certificates must state that the policy or policies will not be canceled or altered without at least thirty (30) days' prior written notice to Us. Maintenance of such insurance and the performance by You of Your obligations under this Section 11 will not relieve You under the indemnity provisions of this Agreement or limit such liability.

11.5 Changes in Insurance Requirements

You agree that to meet then current needs and situations We may in the Manual revise and add to the above requirements.

11.6 Failure to Insure

If You, for any reason, fail to obtain and maintain the insurance coverage required by this Section, We will have the right and authority to obtain immediately such insurance coverage, and to charge the cost thereof plus a ten percent (10%) processing fee to You, which charges will be paid immediately upon notice and will be subject to charges for late payments in the manner set forth in Section 2.3 hereof.

ARTICLE 12: DEBTS AND TAXES

12.1 Debts and Taxes

You will pay promptly when due all debts and other obligations incurred directly or indirectly in connection with Your Business and its operation; including, without limitation, all taxes and assessments that may be assessed against Your Business land, building and other improvements, equipment, fixtures, signs, furnishings and other property, and all liens and encumbrances of every kind and character incurred by or on behalf of You in conducting Your Business business. You may protest or contest any of such amounts so long as such protest or contest does not adversely affect the continued business of Your Business or possession of Your Business premises.

ARTICLE 13: PRINCIPALS, SALE AND ASSIGNMENT, RESTRICTIONS

13.1 Definition of Principals; Personal Guarantees

For purposes of this ARTICLE 13, the term "**Principals"** will include the persons signing this Agreement as Principals, any of Your future owners and the spouses, minor children or any trust for the benefit of any such Principal. Unless We have given Our written consent to the contrary, each of the Principals signing this Agreement hereby personally guarantees, jointly and severally, the full payment and performance of Your obligations under this Agreement. We have unrestricted right to approve all owners and any future owners. Future owners will be required to execute and deliver to Us a Personal Guaranty in the form attached hereto as **Attachment 3**.

13.2 Authorized Agent

You and the Principals appoint the following person with full authority (the **"Authorized Agent")** to act on behalf of You and the Principals in regard to performing, administering or amending this Agreement: ________________________________. We may deal completely with the Authorized Agent in such regard unless and until Our actual receipt of written notice from You and the Principals of the appointment of a successor to the Authorized Agent.

13.3 Personal Contract; Consent Mandatory

You agree that a material part of the consideration for Our entering into this Agreement is the personal confidence We have in You and the Principals. No person will succeed to any of Your rights under this Agreement by virtue of any voluntary or involuntary proceeding in bankruptcy, receivership, attachment, execution, assignment for the benefit of creditors, other legal process or transfer not expressly authorized and consented to by Us. Except as expressly provided for in this Agreement, any attempt by You to transfer any of Your rights or interest under this Agreement will constitute a material breach of this Agreement, and in such event We will have the right to terminate this Agreement upon written notice to You. We will not be bound by any attempted transfer in any manner whatsoever, by law or otherwise, of any of Your rights or interests under this Agreement except as permitted by this ARTICLE 13.

13.4 Form of Legal Entity

(a) If You are organized under appliable law as a legal entity such as a corporation, partnership or limited liability company (hereinafter referred to as a "**Legal Entity**") or if Your interests in this Agreement are to be transferred to a Legal Entity, such Legal Entity must be expressly approved in advance and in writing by Us and You must comply with this Section 13.4 and any other condition which We may require, including a limitation on the number of owners of the Legal Entity. We have unrestricted right to approve all equity owners and any future owners and to require a Personal Guaranty. The organization documents must be promptly submitted for Our review. We will not charge a transfer fee for forming or transferring to ownership to such a Legal Entity.

(b) Unless We provide Our prior written consent to the contrary, each Legal Entity must satisfy the following conditions and such other conditions as We may require under the circumstances:

(i) The Legal Entity must be closely held with the single purpose of operating one or more YOGIS GRILL Businesses.

(ii) The Principals will own and control not less than fifty and one-tenth percent (50.1%) of the voting rights of the Legal Entity or otherwise satisfy Us that the Principals have operational control of the Legal Entity.

(iii) There will not be more than ten (10) owners of the Legal Entity in addition to the Principals.

(c) You will notify Us of any proposed issuance or transfer of an ownership interest in the Legal Entity, and We will have thirty (30) days after its receipt of such notice to disapprove such intended issuance or transfer. Such disapproval must be reasonable and based on the transferee's being involved with other parties in competition with YOGIS GRILL Businesses or having a known history, reputation or character which is adverse to the interests of YOGIS GRILL Businesses. A failure by Us to respond timely to such notice will be deemed an approval of the proposed transfer. Each such notice from You must identify the proposed transferor and transferee and provide a complete and accurate description of the proposed transferee sufficiently detailed to allow Us to make a reasoned decision of approval or disapproval.

(d) Notwithstanding anything to the contrary contained in this Section 13.4, a transfer of ownership interest in the Legal Entity which involves only a transfer between or among the Principals, entities wholly owned and controlled by the Principals or any of them or entities controlled by any Principal for the benefit of members of his or her immediate family shall not require Our prior written approval so long as the other requirements of this Section 13.4 are satisfied and We receive prior written notice of such transfer together with complete details regarding the ownership and legal structure of the transferee(s). We will not unreasonably withhold Our approval of any transfer so long as the Principals maintain operational control over You.

(e) The organization documents of the Legal Entity will contain the restrictions set forth in Subsections 13.4(b) and (c) above and this Subsection 13.4(e). You will cause to be printed on each certificate or other document of ownership of the Legal Entity a legend referencing the restrictions contained herein, which will read substantially as follows:

"The transfer of ownership in this company is subject to the terms and conditions of a YOGIS GRILL Franchise Agreement. Reference is made to such Franchise Agreement and to the restrictive provisions contained in the organization documents of this company."

13.5 Written Consent

(a) Except as otherwise expressly set forth in this ARTICLE 13, neither Your rights and interests under this Agreement nor any ownership interests in You (if You are a Legal Entity) may be sold, assigned, encumbered or otherwise transferred (all of which are hereinafter included within the term "**transfer**") in whole or in part in any manner whatsoever without Our prior express written consent.

(b) We will not unreasonably withhold Our consent to a transfer. In considering a request for transfer, We will consider, among other things, the qualifications, apparent ability and credit standing of the proposed transferee as if he or she were a prospective direct purchaser of a franchise from Us. In addition, but without limitation, We will require as conditions to the granting of Our consent all of the following:

(i) There must be no existing default in the performance or observance of any of Your obligations under this Agreement or any other agreement with Us, and Your Business will be in condition and appearance satisfactory to Us and in accordance with Our System standards at that time;

(ii) You must settle all outstanding accounts with Us and our Affiliate(s);

(iii) You must pay Us Our Transfer Fee of $15,000.00 to compensate Us for Our expenses incurred in connection with investigating the qualifications of the proposed transferee, training the proposed transferee and the direct administrative costs of effectuating the transfer;

(iv) The proposed transferee must appoint a Designated Operator acceptable to Us; Designated Operator and the proposed transferee (at its option, if different) must, prior to the transfer, personally attend and satisfactorily complete Our initial training program;

(v) The owners of the proposed transferee (with 10% or more of the outstanding voting interests) who have not attend Our initial training program, must attend and satisfactorily complete Our Franchise Principal Orientation;

(vi) The proposed transferee and other person(s) designed by Us must execute Our then current form of Franchise Agreement for the remaining term of this franchise;

(vii) The transfer documents must contain a non-competition agreement by You similar to that set forth in this Agreement at subsection 4.9(f);

(viii) If You and/or Your Principals finance any part of the sale price of the transferred interest, You and Your Principals must agree that all of the proposed transferee's obligations are subordinate to the transferee's obligations to pay amounts due to Us and Our Affiliate(s); and

(ix) Such other requirements as We may in Our discretion deem reasonably necessary, including a general release of any claims against Us.

(c) Neither this Agreement, any of the rights conferred on You hereunder nor any ownership interests in the purchasing franchisee may be retained by You as the transferring franchisee as security for the payment of any obligation that may arise by reason of any such transfer.

13.6 Death and Disability

(a) Except as provided for herein to the contrary, the death or disability of an owner of a Legal Entity shall have the legal results of applicable law. In the event of the death or legal incapacity of one of the Principals, the decedent's estate or You must immediately notify Us of such death, and within thirty (30) days after such notice further notify Us of a proposed successor to the decedent's interests (the "**Successor**"). If We approve the Successor, he or she will replace the decedent as a Principal hereunder.

(b) In the event We do not approve the Successor, We will so notify You, and You or the decedent's estate will use Your best efforts within the six (6) months from the date of such written notice from Us to sell the interests in this Agreement and Your Business to a bona fide purchaser in accordance with and subject to all of the provisions of this ARTICLE 13. If by the end of such six-month period, You have not consummated a transfer of such interest or stock in a transaction which meets the requirements of this ARTICLE 13, We will have the option to purchase all of such interest in Your Business and franchise or in the ownership of the Legal Entity at the fair market value thereof as determined in good faith by an independent appraiser selected as set forth in subsection (c) below.

(c) The procedure for determining the fair market value or other terms of purchase shall be that We and You shall each select one appraiser and such two appraisers shall select a third appraiser, and the third appraiser shall make the necessary determination, with the costs of appraisal to be borne equally by You and Us.

(d) If We in Our discretion decide that the death or disability of an individual, a Principal or a Successor will result in unsatisfactory operation of Your Business, We may take over operation of Your Business temporarily, and You will reimburse Us for all of Our costs and compensate Us for Our efforts at an amount equal to 5% of Gross Revenues during such time.

13.7 Right of First Refusal

(a) You must give written notice to Us of any planned, attempted transfer or offer to transfer by You in any manner whatsoever of any interest in or under this Agreement or of any transfer of the controlling ownership interest in You if You are a Legal Entity. You grant Us the right of first refusal in regard to any such offer or transfer to purchase such interest on the same terms and conditions (or on terms and conditions determined by Us which will result in the same net financial benefits to You as transferor). In exercising Our right of first refusal, We may pay the transferor cash at closing in the same amount as the principal amount of any promissory note(s) otherwise required by the transferee or in the amount of the fair market value of any other non-cash purchase price, and if stock is provided for, may substitute stock of Ours or an affiliated corporation in an equivalent value to the stock contained in the offer of first refusal. Any determination of fair market value, equivalent value or net financial benefits made by Us in good faith shall be deemed an acceptance of the offer. Until We have accepted or rejected the offer of first refusal from You, You will neither consider nor accept any other offer and will keep confidential all of the terms of such transfer.

(b) The first refusal offer to Us must be in writing and must include complete details of all of the terms, conditions and provisions of the proposed transfer, including copies of all agreements which may be assumed by or assigned to the transferee. After receipt of all of such information, We will have thirty (30) days after actual receipt of all of such documents within which to accept or reject it. Our failure to accept within such thirty (30) days will constitute a rejection. If rejected, You may consummate the transfer to a third party if all other provisions of this Agreement are satisfied, but the transfer must be consummated within six (6) months and only upon the terms, conditions and provisions previously offered to Us.

(c) After any rejection by Us, You must in all events submit a fully executed copy of all final transfer documents to Us at least three (3) days in advance of any proposed consummation or closing date for Our review and comparison with the first refusal offer previously submitted to it. Any variation will require an offer of first refusal to Us on the varying terms following the same procedures set forth above. Our right of first refusal will be unrestricted and absolute, and We will in all cases have at least thirty (30) days to consider and act on each offer or any change in the terms and conditions of offer.

(d) Nothing contained in this Section 13.7 will in any way be deemed to limit Our discretion in considering, approving or disapproving any request to transfer any interest under this Agreement.

13.8 Assumption

This Agreement and Our rights, interests and obligations hereunder may be transferred to the benefit of any entity which succeeds to Our business and assumes Our obligations hereunder.

ARTICLE 14: TRADEMARKS

14.1 Ownership

You agree that We have the sole and exclusive right (except for rights granted under existing and future franchise agreements) to use the Marks in connection with the products and services to which they are or may be applied by Us. You represent, warrant and agree that neither during the term of this Agreement nor after its expiration or other termination will You directly or indirectly contest or aid in contesting the validity, ownership or use of the Marks by Us or take any action whatsoever in derogation of the rights claimed therein by Us.

14.2 Nonexclusive License

The license granted under this Agreement to use the Marks is nonexclusive except to the extent otherwise specified herein, and We, in Our sole and absolute discretion, may grant other licenses in, to and under the Marks in addition to those licensees already granted, both within and outside Your Business's trading area, and to develop and license other names and marks on any such terms and conditions as We deem appropriate.

14.3 Other Uses

You expressly agree that We have the exclusive, unrestricted right to engage directly and indirectly, at wholesale, retail, catering and otherwise, within Your Business trading area and elsewhere, in (a) the production, distribution and sale of food products and beverages under the Marks licensed hereunder or other marks; and (b) the use, in connection with such production, distribution and sale, of any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by Us. The license granted to You under this Agreement does not include any right or authority of any kind whatsoever to pre-package or sell prepackaged food or drink products under the Marks. We have the sole and exclusive right to such rights at all times and at all locations.

14.4 Goodwill

Nothing contained in this Agreement will be construed to vest in You any right, title or interest in or to the Marks, the goodwill now or hereafter associated therewith or any right in the design or any Business building, other than the rights and license expressly granted herein of the term hereof. Any and all goodwill associated with or identified by the Marks will inure directly and exclusively to Our benefit, including without limitation any goodwill resulting from operation and promotion of Your Business.

14.5 Use of Marks

You will not use the Marks in connection with any statement or material which may, in Our judgment, be in bad taste or inconsistent with the YOGIS GRILL public image, or tend to bring disparagement, ridicule or scorn upon Us, the Marks or the goodwill associated therewith. You, whether doing business as a proprietorship or Legal Entity, will not adopt, use or register (by filing a certificate or articles of incorporation, a fictitious business name statement, or otherwise) any trade name or business name, style or design which includes, or is similar to, any of YOGIS GRILL identifying characteristics. We will defend You (using legal counsel chosen by Us) and indemnify You from any claims of infringement regarding use by You of the Marks so long as You were using the Marks properly and as authorized by this Agreement.

14.6 Changes in Marks; Protection

We will have the right at any time and from time to time upon notice to You to make additions to, deletions from, and changes in the Marks, or any of them, all of which additions, deletions and changes will be as effective as if they were incorporated in this Agreement. All such additions, deletions and changes will be made in good faith, on a reasonable basis and with a view toward the overall best interest of YOGIS GRILL Businesses generally. We will protect and preserve the integrity and validity of the Marks by taking the actions deemed by Us in Our discretion to be appropriate in the event of any apparent infringement of the Marks.

14.7 Infringements

You must notify Us promptly of any claims or charges of trademark infringement against Us or You, as well as any information You may have of any suspected infringement of the Marks. You will take no action with regard to any such matters without Our prior written approval, and will cooperate fully with Us in dealing with any infringement or claim of infringement.

ARTICLE 15: EXPIRATION AND TERMINATION

15.1 Events of Default; Liquidated Damages

(a) We will have the right to terminate this Agreement immediately upon written notice to You if any of the following events occur:

(i) In the event of any breach or default under Sections 1.4 (opening date), 4.3(c) (failure to comply with applicable laws), 5.2 (mandatory training), 9.2 (inspection), 13.3 and 13.5 (unauthorized transfer) or 13.7 (right of first refusal);

(ii) If a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization is filed by or against You, or if You make any assignment for the benefit of creditors, or if a receiver or trustee is appointed for Your Business, unless remedied to Our satisfaction within twenty (20) days;

(iii) If You for any reason lose Your right to possession of Your Business premises;

(iv) If We discover that You have made any material misrepresentation or omitted any material fact in the information furnished by You in connection with the grant of this franchise;

(v) If You (or any Principal) are convicted of any felony or other criminal conduct which is relevant to operation of Your Business or if You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the YOGIS GRILL business or System.

(vi) If You abandon Your Business by failing to operate it for five consecutive days or lesser period if the facts and circumstances indicate that You do not intend to continue to operate Your Business (except as a result of fire, flood, earthquake or similar causes beyond Your control);

(vii) If You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice; or

(viii) If We make a reasonable determination that continued operation of Your Business by You will result in an imminent danger to any of its customers or to public health or safety.

(b) If You default in any other requirement of this Agreement, We will have the right to terminate this Agreement immediately following thirty (30) days written notice to You (except in the case of a default in payment to Us, in which case only ten (10) days written notice is required). If a non-monetary default cannot by its nature reasonably be cured within such thirty-day period, and so long as You are diligently taking all action reasonably necessary to effect such cure, the cure period will be extended to a reasonable amount of time to effect such cure. A default in any other YOGIS GRILL franchise agreement in which You or anyone holding an interest in You also has an interest will be considered a default under this Agreement, which if not cured will result in termination of this Agreement.

(c) We may terminate this Agreement upon written notice to You without any curative period if a default is repeated within any 12-month time period.

(d) The provisions of this Section 15.1 are subject to the provisions of any local statutes or regulations which may prohibit Us from terminating this Agreement without good cause or without giving You additional prior written notice of termination and opportunity to cure any default.

(e) Liquidated Damages

(i) Upon termination of this Agreement due to Your action or failure to take action according to its terms and conditions, You agree to pay Us within fifteen (15) days after termination, in addition to any amounts owed Us or Our Affiliates, liquidated damages equal to the average monthly Royalty Fees owed or paid during the 12 full calendar months of operation preceding the effective date of termination multiplied by (A) 24 (being the number of months in two (2) full years), or (B) the number of months remaining in the Agreement had it not been terminated, whichever is less.

(ii) The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages We would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, We might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's current remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

15.2 Termination by You

You may terminate this Agreement following ninety (90) days written notice to Us if We materially breach this Agreement and fail to cure such breach within such ninety-day period.

15.3 Requirements Upon Termination

Upon the expiration or earlier termination of this Agreement for any reason, You must:

(a) immediately discontinue the use of the Marks and the System, including all YOGIS GRILL recipes and proprietary procedures;

(b) unless We consent to the contrary, remove the Marks from Your Business building and its signs, fixtures and furnishings, eliminate entirely YOGIS GRILL trade dress and alter and paint Your Business building and other improvements a design and color which is basically different from the YOGIS GRILL image and design so that there will no longer be any indication to the public that Your Business was a YOGIS GRILL Business. If You fail to make or cause to be made any such change within thirty (30) days after written notice, We will have the right to enter upon Your Business premises, without being deemed guilty of trespass or any other tort, and make or cause to be made such changes and You will reimburse Us for all of Our reasonable expenses immediately following demand;

(c) not thereafter use any identifying characteristic that is in any way associated with Us or similar to those associated with Us, or operate or do business under any name or in any manner that might tend to give the public the impression that You are or were a franchisee or otherwise associated with Us;

(d) immediately deliver to Us all copies of the Manual and any items bearing the Marks or which are confidential; and

(e) pay all sums due Us or to become due to Us pursuant to this Agreement.

15.4 Trademark Infringement

If You refuse to comply with a written notice of termination sent by Us and a court later upholds such termination of this Agreement, any operation of Your Business by You from and after the date of termination stated in such notice will constitute trademark infringement by You and You will be liable to Us for damages resulting from such infringement in addition to any royalties paid or payable hereunder, including, without limitation, Your profits.

15.5 <u>Option</u>

If Your Business premises are leased by You from a third party, You will have included in such lease and any subsequent lease of the premises the right by You to assign such lease to Us without further consent by the lessor. We may elect to have the lease automatically assigned to Us under such provision if this Agreement is terminated, whether it is terminated by Us or by You. If We so elect, You will immediately vacate the premises, and We will be entitled to take possession of said premises, including all fixtures and leasehold improvements, and We will pay to You the fair market value of the interests owned by You in Your Business's furnishings and equipment. Fair market value will be determined by mutual agreement or an appraiser selected by Us or the American Arbitration Association if We cannot agree.

ARTICLE 16: MISCELLANEOUS

16.1 <u>No Effect</u>

The waiver by Us of any breach or default, or series of breaches or defaults, of any term, covenant or condition herein or of any same or similar term, covenant or condition in any other agreement between Us and any franchisee will not be deemed a waiver of any subsequent or continuing breach or default of the same or any other terms, covenants or conditions contained in this Agreement, or in any other agreement between Us and any franchisee.

16.2 <u>Right and Remedies</u>

All of Our rights and remedies will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. Our rights and remedies will be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or earlier termination of this Agreement will not discharge or release You from any liability or obligation then accrued or any liability or obligation continuing beyond or arising out of the expiration or earlier termination of this Agreement.

16.3 <u>Consents</u>

Whenever the consent of a party is sought or required hereunder, such consent will not be unreasonably withheld.

16.4 Partial Invalidity

If any part of this Agreement will for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions will not be affected thereby, and such remaining portions will remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated. It is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including therein any such portions which might be declared invalid; provided, however, that in the event any part hereof relating to the payment of fees to Us, or the preservation of the Marks, trade secrets or secret formulae licensed or disclosed hereunder is for any reason declared invalid or unenforceable, then We will have the option of terminating this Agreement upon written notice to You.

16.5 Arbitration; Jurisdiction

(a) Except as set forth in Subsection 16.5(b), any unresolved dispute between the parties arising out of this Agreement shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association applicable to commercial arbitrations and the Federal Arbitration Act. Such arbitration shall be held within the county in which Our corporate headquarters are located (the "**Home County**") (currently Maricopa County, Arizona). At the conclusion of the arbitration, the arbitrator must deliver to the parties a written statement of conclusions of fact and conclusions of law supporting the final award of the arbitrator. Any party may move for judicial confirmation, modification or correction of the final award of the arbitrator within 60 days after receipt thereof. Alternatively, judgment upon such decision may be entered in any court having jurisdiction over the matter. Arbitrators shall apply the law of the state where Your Business is located (without giving effect to any conflict of law principals) as set forth in section 16.7 below.

(b) Notwithstanding the foregoing, any action by Us which involves Your continued usage of any of the Marks or the System or an issue involving injunctive relief, may be submitted to a court in the Home County having jurisdiction over the issue involved. You and We expressly consent to personal jurisdiction in the Home County and agree that such court(s) shall have exclusive jurisdiction over any issues not subject to arbitration.

16.6 Attorneys Fees

If either party initiates any legal proceeding which involves issues arising out of this Agreement, the prevailing party in such action will be paid its reasonable attorneys' fees and costs by the other party.

16.7 Governing Law

The parties agree that the law of the State of Arizona (without giving effect to any conflict of laws principles) will apply to the construction and enforcement of this Agreement and govern all questions which arise with reference hereto.

16.8 Notices

All notices and other communications required or permitted to be given hereunder will be deemed given when delivered in person, sent by telefax to such person's telefax number with copy by regular mail, sent by an established overnight delivery service or mailed by certified mail addressed to the recipient at the address set forth below, unless that party will have given such written notice of change of address to the sending party, in which event the new address so specified will be used. If mailed, such notice shall be deemed to have been received three days after mailing, and if sent by overnight deliver, such notice shall be deemed to have been received the day following sending.

Us: YOGIS GRILL FRANCHISE MANAGEMENT,INC.
1130 W. Grove Avenue, Suite 104
Mesa, AZ 85210
Attn: The President

With a copy mailed to: Won B. Kyeh
P.O. Box 13616
Chandler, AZ. 85248

You: ______________________________
____
____

16.9 Terms and Headings

All terms used in this Agreement regardless of the number and gender in which they are used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement may require, the same as if such words had been written in this Agreement themselves. The headings inserted in this Agreement are for reference purposes only and will not affect the construction of this Agreement or limit the generality of any of its provisions. Definitions are presented in bold face solely for ease of reference.

16.10 Compliance with Laws

You will at Your own cost and expense promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards and offices thereof. Without limiting the generality of the foregoing, You will abide by all applicable rules and regulations of any Public Health Department.

16.11 Entire Agreement

This Agreement and the documents referred to herein constitute the entire agreement between the parties and supersede and cancels any and all prior and contemporaneous agreements, understandings, representations, inducements and statements, oral or written, of the parties in connection with the subject matter hereof. Nothing in this Agreement or any related agreement is intended to disclaim the representations We have made in Our Franchise Disclosure Document.

16.12 Amendment or Modification

Except as expressly authorized herein, no amendment or modification of this Agreement will be binding unless executed in writing by both Us and You.

16.13 Acknowledgment

BY INITIALING WHERE INDICATED, YOU EXPRESSLY ACKNOWLEDGE THAT:

(a) YOU HAVE ENTERED INTO THIS AGREEMENT AS A RESULT OF YOUR OWN INDEPENDENT INVESTIGATION, AND AFTER CONSULTATION WITH AN ATTORNEY OR OTHER ADVISOR(S) OF YOUR CHOICE, AND IN ANY EVENT NOT AS A RESULT OF ANY REPRESENTATIONS BY US, OUR AGENTS, OFFICERS OR EMPLOYEES EXCEPT AS CONTAINED HEREIN AND IN OUR FRANCHISE DISCLOSURE DOCUMENT PREVIOUSLY DELIVERED TO YOU.

YOUR INITIALS:______

(b) THE SUCCESS OF THE FRANCHISED BUSINESS WILL BE LARGELY DEPENDENT UPON YOUR ABILITIES AND EFFORTS, AND WE HAVE MADE NO WARRANTY OR GUARANTEE TO YOU THAT THE FRANCHISED BUSINESS WILL BE SUCCESSFUL OR PROFITABLE.

YOUR INITIALS:______

(c) YOU ARE NOT RELYING UPON ANY FINANCIAL PROJECTIONS OR SIMILAR INFORMATION OR EARNINGS CLAIMS MADE BY US OR ANYONE ON OUR BEHALF.

YOUR INITIALS:______

(d) A COMPLETE COPY OF THIS AGREEMENT AS SIGNED BY YOU WAS RECEIVED BY YOU AT LEAST SEVEN CALENDAR DAYS PRIOR TO ITS EXECUTION BY YOU AND A COMPLETE COPY OF OUR FRANCHISE DISCLOSURE DOCUMENT WAS RECEIVED AT LEAST 14 CALENDAR DAYS PRIOR TO YOUR EXECUTION OF THIS AGREEMENT.

YOUR INITIALS:______

* * * * * * * * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

You:	**Us:**
___________________________	YOGIS GRILL FRANCHISE MANAGEMENT, INC.
___________________________	By: _____________________________________ President

Principals:

Printed Name: __________________________ %Ownership: _____

Signature: _____________________________

Printed Name: __________________________ %Ownership: _____

Signature: _____________________________

Printed Name: __________________________ %Ownership: _____

Signature: _____________________________

Attachment 1 (*If applicable*)

PROTECTED TERRITORY

The geographic area described below is the **Territory** referred to in Section 1.2(b) of the Franchise Agreement because the Restaurant has been determined by Us to be located within a "**high density area**":

You: ______________________________

By: _______________________________

Title: _____________________________

Us: YOGIS GRILL FRANCHISE MANAGEMENT, INC.

By: _______________________________
President

Attachment 2

CONFIDENTIALITY AGREEMENT

The undersigned Employee of______________________ ("**Employer**"), which has applied for a YOGIS GRILL franchise hereby agrees that he or she shall not, while employed by Employer or following such employment, communicate to, or use for the benefit of, any other person, persons, partnership, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of an YOGIS GRILL Business; provided, however, that the foregoing does not include information which the Employee can demonstrate came to his or her attention prior to being employed by Employer or which has become a part of the public domain through publication or communication by others.

The Employee agrees to promptly disclose to Employer, any and all ideas, improvements, processes, names, menu items, and enhancements to the franchised business which Employee alone or with others invents, discovers makes or conceives ("Innovations") at any time during, and for a period of one year after employment in a YOGIS GRILL Business. All such Innovations will be deemed the sole and exclusive property of YOGIS GRILL FRANCHISE MANAGEMENT, INC. (the "**Franchisor**"). The Franchisor has the right to incorporate such Innovations into the System without compensation to the Employee.

The Employee acknowledges that any failure to comply with the requirements of this Confidentiality Agreement will cause Employer and the Franchisor irreparable injury, and Employee agrees that in addition to any other right or remedy provided by law, Employer and/or the Franchisor shall be entitled to specific performance of, or an injunction against violation of, the requirements of this Confidentiality Agreement.

The Employee agrees that upon termination of his or her employment with Employer for any reason, he or she will return all copies of documents containing confidential information or trade secrets to Franchisee, including without limitation the YOGIS GRILL Confidential Manual(s).

IN WITNESS WHEREOF, the undersigned has executed this document in consideration of his or her employment by the Employer.

DATED: ______________________

Print Name:_______________________________

Signature: _______________________________

("**Employee**")

Attachment 3

PERSONAL GUARANTY

For good and valuable consideration, the receipt of which is hereby acknowledged, each of the undersigned (the "**Guarantors**") hereby personally guarantees, jointly and severally, the due, punctual and full payment and performance of each and all of the obligations of the franchisee ("**Franchisee**") under the foregoing YOGIS GRILL Franchise Agreement dated _____________, 201____ by and between the Franchisee and YOGIS GRILL FRANCHISE MANAGEMENT, INC., the franchisor ("**Franchisor**") and hereby individually undertakes to be bound by all of the terms of such Franchise Agreement.

It is the intention of the undersigned that this Personal Guaranty shall be full and absolute. Accordingly, each of the Guarantors hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any presentment, demand (including demands for performance), notice and protest of each and every kind and of any right to require Franchisor or its assignee to proceed against Franchisee or any other person or to pursue any other remedy before proceeding against a Guarantor.

This Personal Guaranty applies to, binds and inures to the benefit of the Guarantors and their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns. Franchisor may assign its rights hereunder without reducing or modifying the liability of any Guarantor hereunder.

IN WITNESS WHEREOF, each of the Guarantors has executed this Personal Guaranty as of the date set forth below.

_______________________________ _______________________________

_______________________________ _______________________________

("**Guarantors**")

Dated:_________________________

Attachment 4

Appendix
California Only

APPENDIX TO
YOGIS GRILL FRANCHISE AGREEMENT
CALIFORNIA FRANCHISE DISCLOSURE DOCUMENT

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.

None of the persons identified in Item 2 of the franchise disclosure document ("FDD") 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 persons from membership in such association or exchange.

In connection with Item 17 of the franchise disclosure document, the following paragraphs are included pursuant to California law:

1. The franchise agreement contains a liquidated damage clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

2. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

5. The franchise requires a franchisee to execute a general release of claims upon renewal or transfer of the agreement. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

6. The Franchise Agreement requires binding arbitration. The arbitration will occur at the franchisor's home county, Maricopa County, Arizona with the costs borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of civil Procedure Section 1281 and the Federal

Arbitration Act) to ay provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

7. The Agreements require application of the laws of the state where Your Business is located. This provision may not be enforceable under California law.

8. California Corporations Code Section 31125 requires the franchisor to give the franchisee a disclosure document approved by the Department of Business Oversight prior to a solicitation of a proposed material modification of an existing franchise.

9. Re: Website: www.YOGISGRILLgrill.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

YOGIS GRILL FRANCHISE MANAGEMENT, INC.

Exhibit C

AREA DEVELOPMENT AGREEMENT

YOGIS GRILL®
AREA DEVELOPMENT AGREEMENT
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YOGIS GRILL®

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT dated ________________, 201__, is between YOGIS GRILL FRANCHISE MANAGEMENT, INC. , an Arizona corporation ("**We**", "**Us**" or "**Our**", on the one hand), and __________________________________, organized under the laws of the State of _________________ ("**You**" or "**Your**"), and the person(s) executing this Agreement as "**PRINCIPAL**S" (the "**Principals**"), on the other hand.

In consideration of the mutual promises set forth herein, the parties agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

1.1 Development of Territory. We hereby grant to You the right to open and operate YOGIS GRILL franchise Restaurants ("**Restaurants**") in the geographic area which is specified in **Exhibit A** attached hereto and incorporated herein by reference (the "**Territory**").

1.2 Your Territorial Rights. (a) During the term and any extension or renewal of this Agreement, We will not (a) license or allow any other party to operate a Restaurant within the Territory except one or more "**Non-traditional Venue"** Restaurants defined in subsection 2.1(c) below, or (b) open or operate, directly or indirectly, any Restaurants within the Territory (except pursuant to any first refusal rights contained in any Franchise Agreement between You and Us, or as otherwise provided in Article 5 below).

(b) Notwithstanding the foregoing, if You have opened the minimum number of Restaurants referred to in Section 2.1 below and We determine in Our discretion that one or more additional Restaurants should be developed within the Territory, We will notify You in writing of such determination and offer You the right of first refusal to develop such Restaurant(s). If after 30 days following mailing of such notice, We have not received Your written acceptance of such right of first refusal, We may develop such Restaurants within the Territory or authorize other(s) to do so.

1.3 Termination. If this Agreement is terminated as a result of a material breach by You, We will have the full and absolute right to operate or franchise or license other parties to operate YOGIS GRILL Restaurants within the Territory.

1.4 Other Products and Outlets. You agree that We retain the unrestricted right within the Territory and elsewhere to use or license others to use, Our trademarks as follows to distribute clothing using such trademarks.

1.5 Not Transferable. This Agreement is a personal, non-transferable commitment by You to Us based on the personal confidence reposed by Us in the Principals. Accordingly, both parties agree that any attempt without the prior express written consent of Us to transfer, encumber or assign this Agreement by You or by the Principals in any manner whatsoever will cause the immediate and automatic termination of this Agreement, and We will have no further liability or obligation to You or the Principals pursuant to this Agreement.

2. DEVELOPMENT OF TERRITORY

2.1 Development Schedule. (a) You agree to develop at least a total of _____________(__) Yogis Grill Restaurants (the "**Required Restaurants**") within the Territory during the term of this Agreement in strict accordance with the Development Schedule set forth in **Exhibit B** attached hereto and incorporated herein by reference (the "**Development Schedule**").

(b) The Development Schedule contains a specific number of Required Restaurants to be opened and operated by You within the Territory during certain time periods. If any Restaurants within the Territory are closed for business (except for authorized holidays or temporarily for major repairs or otherwise with Our prior written consent), such Restaurants will not be included in computing the number of open and operating Required Restaurants and in satisfying the deadlines set forth in the Development Schedule.

(c) The number of Required Restaurants for purposes of the Development Schedule will not without Our prior written consent include a Restaurant located at a "**Non-Traditional Venue",** which means a site or location for which the lessor, owner or operator thereof shall have indicated its intent to limit the operation of its food service facilities to itself or a master concessionaire or contract food service provider and which site or location is either (i) within another primary business or (ii) at an institutional setting such as a school, college and university, military and other governmental facility, hospital, hotel, limited access highway, shopping mall, airport, toll road, office or in-plant food facility, sports arena and stadium, supermarket, grocery store or convenience store.

2.2 Deadlines. The parties acknowledge and agree that the deadlines set forth in the Development Schedule are of the essence of this Agreement. No modification or amendment to the Development Schedule or any consent to or waiver of any deadline or other obligation of this Agreement will either (a) create any obligation to grant additional modifications, amendments, consents or waivers or (b) be effective unless made by written mutual agreement of the parties.

3. DEVELOPMENT FEE

3.1 Initial Franchise Fees for Developer. The initial franchise fee for the Required Restaurants will be $30,000 for the first Restaurant, and reduced to $20,000 for each of the subsequent Required Restaurants. These fees will be paid initially as part of the Development Fee described below and the balance for each Required Restaurant prior to its opening.

3.2 Development Fee. In consideration of Our grant to You of the right to develop Restaurants in the Territory as provided for herein, You agree to pay to Us upon execution of this Agreement the $30,000 Initial Franchise Fee for the first Required Restaurant plus $10,000 for each additional Required Restaurant (the "**Development Fee**"). The Development Fee is non-refundable and is fully earned by Us upon Our execution hereof as a result of the grant of rights to You and Our forbearance from developing the Territory Ourselves or through other parties. You will not be entitled to a refund of such fee under any circumstances.

3.3 Amount of Fee. The total Development Fee to be paid by You upon execution of this Agreement is $_______________.

4. DEVELOPMENT PROCEDURES

4.1 Mandatory Compliance. You must at all times remain in compliance with this Agreement and all Franchise Agreements issued for Restaurants developed hereunder. We will not approve any pending franchise application or site approval request by You for additional Restaurant(s) if You are in material breach of any Franchise Agreement.

4.2 Site Approval. You will utilize Your own financial, real estate, construction and any other resources required to develop Restaurants. You agree to comply with the requirements of the Franchise Agreement and any additional requirements provided for in the Manual.

4.3 Franchise Agreements and Fees. You will receive $15,000.00 credit from the Development Fee toward the Initial Franchise Fee for each Required Restaurant, except that the total Initial Franchise Fee for the first Required Restaurant will be included in the Development Fee. You must pay the balance of the Initial Franchise Fee and execute Our then-current form of Franchise Agreement for each other Required Restaurant. For the Required Restaurants opened pursuant to Your Development Schedule, the Restaurant's Royalties will be the same as those contained in Your first Required Restaurant.

4.4 Confidentiality Agreements. You agree to obtain from each of the Principals and any other or Your representatives a Confidentiality Agreement in the form attached hereto as **Exhibit C** and incorporated herein by reference. You further to comply fully with the terms of such Confidentiality Agreement. A copy of all such signed agreements shall be delivered to Us within one week of their execution.

4.5 Designated Operator. The individual named in this Section must be an experienced culinary professional with multi-unit Restaurant supervisory experience who, will devote his or her full time, best efforts and constant personal attention to the operation and development of the Required Restaurants, with full authority to act on Your behalf and on behalf of the Principals with regard to the operation of Your Restaurants:____(the "**Designated Operator**"), who must be at all times approved by Us and certified by Us as fully trained for development and Restaurant operations.. Certification and approval of the Designated Operator includes both satisfactory completion of Our Restaurant Manager and Designated Operator Training Program, and also working sufficient additional time in a company-operated Restaurant, as we deem necessary in our sole discretion, to successfully develop and operate a Restaurant. Failure of the Designated Operator to successfully complete this training and the additional in-Restaurant assignment to Our satisfaction constitutes a material breach of this Agreement. Any change in the identity of Your Designated Operator must be approved by Us in writing.

5. EXISTING RESTAURANTS; ACQUISITIONS

5.1 Company Restaurants. If We or another entity under common control with Us ("**Affiliate**") currently operate YOGIS GRILL Restaurants within the Territory, such Restaurants are specified on **Exhibit A** attached hereto and incorporated herein by reference ("**Company Restaurants**") and any present or proposed franchised Restaurants in the Territory are specified on **Exhibit A** as “**Franchised Restaurants**”. Unless You are purchasing the Company Restaurants or Franchised Restaurants pursuant to separate agreement, You agree that Company Restaurants and Franchise Restaurants may continue to be operated as YOGIS GRILL Restaurants notwithstanding their location in the Territory. In any event, such Restaurants will not be included under any circumstances toward meeting Your development obligations hereunder.

5.2 Acquisitions; First Right of Refusal.

(a) We may during the term hereof acquire a chain of Restaurants from a third party with the intention of converting some or all of such Restaurants to YOGIS GRILL Restaurants, in which event You agree that We may so convert any of such Restaurants located within the Territory so long as We satisfy the following conditions:

(i) We will first send You a written offer to purchase all such Restaurants within the Territory at Our total acquisition cost (including without limitation "soft" costs as defined below) for such Restaurants.

(ii) You will have thirty days from the date such offer is sent to accept such offer, and until You have either rejected such offer or such thirty day period has lapsed, no conversion or other offer to third parties will be made by Us.

(iii) Your failure to accept such offer within such thirty day period will constitute a rejection.

(b) If You have accepted the above offer and converted such Restaurant(s) to Our satisfaction, such Restaurants(s) will apply toward meeting Your development obligations under the Development Schedule. If We convert or franchise another party to convert such Restaurants, such Restaurants will not have any effect on Your obligations under the Development Schedule.

(c) For purposes herein, "**soft costs**" will mean all internal and external costs incurred by Us in connection with the acquisition. These will include, without limitation, cost of funds, personnel time (e.g., in analyzing, negotiating, approving and permitting the acquisition, etc.), and out-of-pocket expenses (e.g., travel, lodging, meals, professional fees to attorneys, architects, engineers, etc.) in connection with the acquisition as applied pro rata to each Restaurant being offered to You.

6. TERM; RENEWAL

6.1 Term; Renewal. (a) The initial term of this Agreement ends ________(__) years from the date set forth above **or if initialed**, until the following date:

________________, 20__. ____________ ________________

6.2 Renewal

You may renew this Agreement for one or more additional five (5) year terms so long as all of the following conditions have been met before the end of the current term:

(a) You must give Us written notice of renewal not less than six (6) months or more than twelve (12) months before the end of the current term;

(b) You must not default in any material provision of this Agreement or any other agreement with Us at any time during the last twelve months of the prior term and must have complied with all material terms and conditions of this Agreement during the current Term;

(c) You must have paid all amounts owed to Us and our affiliated companies ("**Affiliates**") and have timely paid all such amounts throughout the current term;

(d) You and We must have agreed upon a new Development Schedule to apply during the next term;

(e) You must pay Us a "**Renewal Development Fee**" equal to $10,000.00 times the number of the additional Required Restaurants specified in the new Development Schedule; and

(f) You must execute Our form of a general release of any and all claims against Us, the Company and other Affiliates, and Our and their officers, directors, agents and employees.

7. DEFAULT

7.1 Default by You. We will have the right to terminate this Agreement upon thirty (30) days written notice to You if You fail to perform any of Your material obligations contained in this Agreement and fail to cure such failure within thirty (30) days of Your receipt of such notice.

7.2 Deadlines Missed by You. TIME IS OF THE ESSENCE of this Agreement. Your failure to meet any deadline set forth in the Development Schedule will constitute a material default under this Agreement without any opportunity to cure such default or notice under Section 7.1 hereof. If You fail to meet such a deadline, We may at any time thereafter immediately terminate this Agreement effective upon written notice from Us. The termination of this Agreement will have no effect on any franchises previously issued to You or on franchises to be issued for sites where We have already approved the site and the franchise.

7.3 Other Defaults. A default by You under any YOGIS GRILL Franchise Agreement developed under this Agreement will constitute a material default under this Agreement, in which event We may terminate this Agreement unless such default is timely cured in accordance with the term of the pertinent Franchise Agreement or applicable law.

8. PRINCIPALS; LEGAL ENTITY; COVENANTS

8.1 Definition of Principals. For purposes of this Article 8, the term "**Principals**" will include the persons executing this Agreement as Principals, their spouses, minor children or any trust for the benefit of such persons. We have unrestricted right to approve all owners and any future owners.

8.2 Personal Guarantees. Unless We have given Our written consent to the contrary, each of the Principals signing this Agreement hereby personally guarantees, jointly and severally, the full payment and performance of the Your obligations under this Agreement and under each and every Franchise Agreement to be entered into pursuant hereto.

8.3 Conflicts of Interest. During the term of this Agreement, neither You nor any Principal will, without Our prior express written consent of, directly or indirectly, engage in, or acquire any financial or beneficial interest in, any Restaurant which is similar to or competitive with the business of YOGIS GRILL Restaurants ("**Similar Business**")

8.4 Authorized Agent. You and the Principals appoint the following person with full authority (the "**Authorized Agent**") to act on Your behalf and on behalf of the Principals in regard to performing, administering or amending this Agreement and any and all Franchise Agreements related to it: ________________________________
We may deal completely with the Authorized Agent in such regard unless and until Our actual receipt of written notice from You of the appointment of a successor to the Authorized Agent;

YOUR INITIALS: __________

8.5 Form of Legal Entity. (a) If You are organized under applicable law as a legal entity such as a corporation, partnership or limited liability company (hereinafter referred to as a "**Legal Entity**"), the Principals must notify Us of the form of such Legal Entity and have received Our written approval and You must comply with this Subsection 8.5 and any other condition which We may require. We have unrestricted right to approve all equity owners and any future owners. We will not charge a transfer fee for forming such a Legal Entity.

(b) Unless We provide its prior written consent to the contrary, the Legal Entity must satisfy the following conditions and such other conditions as We may require under the circumstances:

(i) The Legal Entity must be closely held with the single purpose of developing and operating YOGIS GRILL Restaurants.
(ii) The Principal(s) (as defined in Section 8.1 above) will collectively own and control not less than fifty-one percent (51%) of the voting rights of the Legal Entity or otherwise satisfy Us that the Principals have operational control of the Legal Entity.
(iii) Not more than twenty percent (20%) in the aggregate of the voting rights of the Legal Entity will be owned beneficially or of record by institutional firms or publicly-held corporations.
(iv) There will be no public offerings of debt or equity ownership by or in the Legal Entity without Our prior written consent and approval.
(v) Prior to the end of ___ days after the date of this Agreement, at least $100,000 times the number of Required Restaurants ($___________) cash will be invested in Your Legal Entity, which will be its minimum start up capitalization. You agree to furnish Us with written evidence of such investment on or before the above date.
(vi) You must at all times maintain in the Legal Entity (A) positive working capital and (B) a net worth of at least $100,000 multiplied by the number of Required Restaurants developed hereunder.

(c) Throughout the term of this Agreement, the Legal Entity will not make any transfer of value to any of its beneficial or record owners or any affiliate of such owner ("**Owner")** which would create negative working capital or would cause the net worth of the Legal Entity to be less than $100,000.00 multiplied by the number of Required Restaurants to be developed hereunder. Similarly, there will at no time be any transfer of value to any Owner unless You are fully current in all payments to Us and Our Affiliates and all Advertising Cooperatives in the Territory. For purposes herein, "**transfer of value**" will include but not be limited to gifts, bonuses, salaries, benefits or other compensation, dividends of any nature, loans, cancellation of debt, purchases or sales, or similar transfers.

(d) You agree to notify Us of any proposed issuance or transfer of an ownership interest in the Legal Entity, and We will have thirty (30) days after receipt of such notice to disapprove such intended issuance or transfer. Such disapproval must be reasonable and based on the transferee's being involved with other parties in competition with YOGIS GRILL Restaurants, or having a known history, reputation or character which is adverse to the interests of YOGIS GRILL Restaurants. Our failure to respond timely to such notice will be deemed an approval of the proposed transfer. Each such notice from You must identify the proposed transferor and transferee and provide a complete and accurate description of the proposed transferee sufficiently detailed to allow Us to make a reasoned decision of approval or disapproval.

(e) Notwithstanding anything to the contrary contained in this Section 8.5, a transfer of ownership interest in the Legal Entity which involves only a transfer between or among the Principals, entities wholly owned and controlled by the Principals or any of them or entities controlled by any Principal for the benefit of members of his or her immediate family shall not require Our prior written approval so long as the other requirements of this Section 8.5 are satisfied and We receive prior written notice of such transfer together with complete details regarding the ownership and legal structure of the transferee(s). We will not unreasonably withhold approval of any transfer so long as the Principals maintain operational control of Your Legal Entity.

(f) The organization documents of the Legal Entity will contain the restrictions set forth in this Section 8.5. You will cause to be printed on each certificate or other document of ownership of the Legal Entity a legend referencing the restrictions contained herein, which will read substantially as follows:

"Transfer of ownership in this company is subject to the
terms and conditions of a YOGIS GRILL
Area Development Agreement and Franchise Agreement(s).
Reference is made to such Agreements and to the restrictive provisions
contained in this company's organization documents."

8.6 Financial Statements. You and the Principals agree that each will furnish Us every year during the term hereof a certified copy of the same form of annual financial statements required of the Franchisee in the Franchise Agreements provided for herein. Such financial statements must be received by Us not later than one hundred twenty (120) days after the last day of each fiscal year. Any amendments to such information will be sent to us promptly. TIME IS OF THE ESSENCE with respect to completion and submission of each such document.

9. MISCELLANEOUS

9.1 Miscellaneous. (a) Each of the parties hereto agrees that the terms and conditions of this Agreement are confidential and restricted to the knowledge of the parties and their respective attorneys, accountants, advisors and only other persons whose knowledge of this Agreement are necessary for the implementation of the transaction contemplated hereby.

(b) The terms hereof are intended only to benefit the parties to this Agreement, and no one else is entitled to any benefits as a result of this Agreement or its terms and conditions.

(c) If any part of this Agreement will for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions will not be affected thereby, and such remaining portions will remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated. It is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including therein any such portions which might be declared invalid.

(d) The parties agree that except for conflict of laws issues, the law of the State of Arizona will apply to the construction and enforcement of this Agreement and govern all questions which arise with reference hereto. If either party initiates any legal proceeding which involves issues arising out of this Agreement, the prevailing party in such action will be paid its reasonable attorneys' fees and costs by the other party. Such legal proceeding shall be submitted to a court within the county in which Our corporate headquarters are then located (the "**Home County**"). The parties hereby submit to exclusive jurisdiction and venue in the Home County. As of the date of this Agreement, the Home County is Maricopa County, Arizona.

(e) All notices and other communications required or permitted to be given hereunder will be deemed given when delivered in person, sent by telefax to such person's telefax number, sent by an established overnight delivery service or mailed by registered or certified mail addressed to the recipient at the address set forth below, unless that party will have given such written notice of change of address to the sending party, in which event the new address so specified will be used. If mailed, such notice shall be deemed to have been received three days after mailing, and if sent by overnight delivery, such notice shall be deemed to have been received the day following sending.

(f) All terms used in this Agreement regardless of the number and gender in which they are used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement may require, the same as if such words had been written in this Agreement themselves. All terms used herein shall have their customary meanings unless specified to the contrary. The headings inserted in this Agreement are for reference purposes only and will not affect the construction of this Agreement or limit the generality of any of its provisions. Words in bold face are done so for easer of reference only.

(g) Nothing in this Agreement or any related agreement is intended to disclaim the representations We have made in Our Franchise Disclosure Document. This Agreement and the documents referred to herein constitute the entire agreement between the parties and supersede and cancels any and all prior and contemporaneous agreements, understandings, representations, inducements and statements, oral or written, of the parties in connection with the subject matter hereof. Except as may be expressly authorized herein, no amendment or modification of this Agreement will be binding unless executed in writing by both parties.

9.2 Acknowledgment. BY INITIALING WHERE INDICATED, YOU EXPRESSLY ACKNOWLEDGE THAT:

(a) YOU HAVE ENTERED INTO THIS AGREEMENT AS A RESULT OF YOUR OWN INDEPENDENT INVESTIGATION, AFTER CONSULTATION WITH AN ATTORNEY OR OTHER ADVISOR(S) OF YOUR CHOICE, AND IN ANY EVENT NOT AS A RESULT OF ANY REPRESENTATIONS OF US, OUR AGENTS, OFFICERS OF EMPLOYEES EXCEPT AS CONTAINED HEREIN AND IN OUR FRANCHISE DISCLOSURE DOCUMENT DELIVERED TO YOU.

YOUR INITIALS:______

(b) THE SUCCESS OF THE FRANCHISED RESTAURANTS WILL BE LARGELY DEPENDENT UPON THE ABILITIES AND EFFORTS OF YOU AND THE PRINCIPALS, AND WE HAVE MADE NO WARRANTY OR GUARANTEE TO YOU THAT THE FRANCHISED RESTAURANTS WILL BE SUCCESSFUL OR PROFITABLE.

YOUR INITIALS:______

(c) YOU HAVE NOT RECEIVED AND ARE NOT RELYING UPON ANY FINANCIAL PROJECTIONS OR SIMILAR INFORMATION OR EARNINGS CLAIMS MADE BY US OR ANYONE ON ITS BEHALF EXCEPT AS CONTAINED IN OUR FRANCHISE DISCLOSURE DOCUMENT.

YOUR INITIALS:______

(d) A COMPLETE COPY OF THIS AGREEMENT AS SIGNED BY YOU WAS RECEIVED BY YOU AT LEAST 7 CALENDAR DAYS PRIOR TO ITS EXECUTION BY YOU, AND A COMPLETE COPY OF OUR FRANCHISE DISCLOSURE DOCUMENT WAS RECEIVED AT LEAST 14 CALENDAR DAYS PRIOR TO YOUR EXECUTION OF THIS AGREEMENT.

YOUR INITIALS:______

* * * * * * * * * * *

IN WITNESS WHEREOF, the parties have executed the Agreement as of the day, month and year first above written.

____
(a ____________________________)

By____________________________

Title: ________________________

PRINCIPALS:

______________________________ ______________________________

______________________________ ______________________________

YOGIS GRILL FRANCHISE MANAGEMENT, INC.

By____________________________________
President

EXHIBIT A

TERRITORY

Your Name:

Description of Territory:

Existing Restaurants (if any):

APPROVED:

YOU ____________________________

US: ________________________

EXHIBIT B

DEVELOPMENT SCHEDULE

1. Restaurants Development. We have granted to you the right to develop and operate and you agree to develop and operate a minimum number of ________ (__) YOGIS GRILL franchise Restaurants in accordance with the terms of the Agreement.

2. Development Obligations. You agree to have the minimum number of such Restaurants ("**Restaurants**") open in the Development Area during the Development Periods and in operation at the end of each of the Development Periods listed below:

DEVELOPMENT PERIOD	**RESTAURANTS OPEN AND IN OPERATION DURING AND AT THE END OF THE DEVELOPMENT PERIOD**	
ENDING ON:	DURING DEVELOPMENT PERIOD	CUMULATIVE

APPROVED:

YOU: ___________________________

US: _______________________

EXHIBIT C

CONFIDENTIALITY AGREEMENT

In consideration of receiving information regarding the operation of YOGIS GRILL RESTAURANT businesses ("**Restaurants**") the undersigned ("**Recipient**") agrees that:

1. Recipient will not (a) make unauthorized copies of, (b) disclose to any unauthorized person or (c) use for Recipient's benefit or a Restaurant competitor's benefit any trade secrets or confidential information, knowledge or know-how about the methods of operating the Restaurants ("**Confidential Information**") except only for information which Recipient can show was known by him or her before receiving such information from Yogis Grill Franchise Management, Inc., or information which has become a part of the public domain through publication or communication by others.

2. Recipient agrees that any breach of this Confidentiality Agreement will cause YOGIS GRILL operators irreparable injury, and agrees that in addition to any other right or remedy provided for by law or equity, Yogis Grill Franchise Management, Inc. shall be entitled to specific performance of, or an injunction against violation of, this Confidentiality Agreement.

3. Recipient agrees that upon request he or she will return immediately all copies of any YOGIS GRILL Manuals and other documents containing Confidential Information to Yogis Grill Franchise Management, Inc.

IN WITNESS WHEREOF, the undersigned has executed this document as of the date set forth below.

DATED: ____________________

Print Name:______________________________

Signature: ______________________________

Exhibit D

EXHIBIT D

CONFIDENTIALITY AGREEMENT (OPERATIONS MANUAL)

This Confidentiality Agreement dated as of ______________________, 201____ by and between the undersigned ("You" and "Your") and Yogis Grill Franchise Management, Inc. ("Franchisor"), with respect to Your request to review its Operations Manual ("Manual") prior to purchasing a franchise.

1. Franchisor agrees to allow You to review the Manual in consideration of Your execution of this Agreement.

2. You agree that the Franchisor considers the Manual to be confidential and proprietary information which may not be disclosed to other parties. Accordingly, You agree that You will not disclose its contents in whole or part to any other person without the prior written consent of the Franchisor. You will not make retain any copies or reproductions of any nature of the Manual.

3. You acknowledge that the restrictions contained in this Agreement are reasonable and necessary to protect Franchisor's legitimate interests in the Manual and that any breach by You of this Agreement will result in irreparable injury to Franchisor for which a remedy at law would be inadequate. Accordingly, You agree that Franchisor shall be entitled to temporary, preliminary and permanent injunctive relief against You, without the necessity of posting bond, in the event of any breach or threatened breach by You of this Agreement, in addition to any other remedy that may be available to Franchisor whether at law or in equity.

AGREED:

___________________________ Printed Name:_________________________

YOGIS GRILL FRANCHISE MANAGEMENT, INC.

By: ______________________________

Title: ____________________________

Exhibit E

NAMES AND ADDRESSES OF AGENTS FOR SERVICE OF PROCESS AND STATE REGULATORY AUTHORITIES

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
CALIFORNIA	Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90023-2344 (213) 576-7505 or (866) 275-2677	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 or (866) 275-2677
HAWAII	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Securities Compliance Branch Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (312) 814-3892
INDIANA	Secretary of State Administrative Offices 201 State House Indianapolis, IN 46204	Securities Commissioner Securities Division, Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
MARYLAND	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202-2020	Maryland Attorney General Office of the Attorney General 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottowa P.O. Box 30213 Lansing, MI 48909 (517) 373-7117

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
NEW YORK	Secretary of State of the State of New York 41 State Street Albany, NY 11231	Assistant Attorney General Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903	Associate Director and Superintendent of Securities Division of Securities Bldg 69, 1st Floor, 1511 Pontiac Ave. Cranston, RI 02920 (401) 462-9527
SOUTH DAKOTA	Division of Securities South Dakota Department of Revenue and Regulation 445 E. Capitol Avenue Pierre, SD 57501	Franchise Administrator Division of Securities 445 E. Capitol Avenue Pierre, SD 57501 (605) 773-4013
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9733	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98501 (360) 902-8760

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
WISCONSIN	Wisconsin Commissioner of Securities 345 W. Washington Avenue, 4^{th} Floor Madison, WI 53703	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4^{th} Floor Madison, WI 53703 (608) 266-3432

Exhibit
F

Current Franchisee Information List
As of December 31, 2018

CJ STAR, INC
dba Yogis Grill #2 – Ellsworth

Address: 2043 S. Ellsworth Rd. #104, Mesa, AZ 85209
Store #: 480-380-1213
Name: Daniel Ro

HANARA, LLC
dba Yogis Grill #3 - Ray Rd.

Address: 3235 W. Ray Rd. #5, Chandler, AZ 85226
Store #: 480-855-5594
Name: Wan Seon Kim

HJC & KJM HOLDINGS, LLC
dba Yogis Grill #6 – Avondale

Address: 10220 W. McDowell Rd. #110, Avondale, AZ 85392
Store #: 623-936-8282
Name: Jay Chun

P&K MOT, LLC
dba Yogis Grill #7 – Chandler-Kyrene

Address: 6050 W. Chandler Blvd. #3, Chandler, AZ 85226
Store #: 480-785-4855
Name: Byeong Joo Kwak

YOUNG ENTERPRISES, INC
dba Yogis Grill #8 – Scottsdale

Address: 10629 N. Scottsdale Rd. #105, Scottsdale, AZ 85254
Store #: 480-890-1200
Name: Young Sook Han

YCC CAPITAL, INC
dba Yogis Grill #9 – Happy Valley

Address: 2450 W. Happy Valley Rd. #1155, Phoenix, AZ 85085
Store #: 623-780-2222
Purchased from Yeri, LLC on 4/15/2018
Name: Yong Kim

SU ENTERPRISE, LLC
dba Yogis Grill #10 – Elliot & Val Vista

Address: 70 S. Val Vista Dr. #A – 6/7, Gilbert, AZ 85396
Store #: 480-633-7000
Name: William Kim

CORELLIAN KITCHEN, INC
dba Yogis Grill #11 – Arizona Ave & Ocotillo

Address: 4015 S. Arizona Ave. #5, Chandler, AZ 85248
Store #: 480-895-5569
Name: Markus Suh

JONTY CORP
dba Yogis Grill #12 – Tempe Marketplace

Address: 2000 E. Rio Salado Pkwy #1146, Tempe, AZ 85281
Store #: 480-921-2110
Name: Teresa Nguyen

BAE BROS REST, LLC
dba Yogis Grill #13 – Peoria – Phoenix

Address: 3121 W. Peoria Ave. #105, Phoenix, AZ 85029
Store #: 623-242-7071
Name: John Bae

K&B ASIAN FUSION, LLC
dba Yogis Grill #15 – Litchfield Park

Address: 5104 N. Dysart Rd. #110, Litchfield Park, AZ 85340
Store #: 623-414-3008
Name: Andrew Kim

HKS FOOD, LLC
dba Yogis Grill #16 – City Scape

Address: 1 E. Washington St. #175, Phoenix, AZ 85004
Store #: 602-252-9644
Name: Jason Hill

DAGOBAH DINER, INC
dba Yogis Grill #17 – Rivulon

Address: 75 E. Rivulon Blvd. #108, Gilbert, AZ 85297
Store #: 480-722-1169
Name: Markus Suh

YJ BROS, LLC
dba Yogis Grill #18 – Arrowhead

Address: 16055 N. Arrowhead Fountain Center Dr. #B, Peoria, AZ 85382
Store #: 623-486-4333
Name: Jae Lee

YOGIS YUMA, LLC
dba Yogis Grill #19 – Yuma

Address: 1630 S. Pacific Ave. #107, Yuma, AZ 85365

Store #: 928-318-2904
Name: David Son

JSJ FOODS, LLC
dba Yogis Grill #20 – South Mountain

Address: 2156 E. Baseline Rd. Phoenix, AZ 85042
Store #: 602-264-9644
Name: Jason Hill

HANARA 2, LLC
dba Yogis Grill #21 – Chandler Blvd

Address: 1245 W. Chandler Blvd. #4, Chandler, AZ 85224
Store #: 480-398-7186
Name: Wan Seon Kim

YOGIS FOOTHILLS, LLC
dba Yogis Grill #22 – Yuma Foothills

Address: 11259 S. Frontage Rd. #106, Yuma, AZ 85367 [**Not Yet Open**]
Store #: 928-256-3107
Name: David Son

SUNGKOOK HONG
dba Yogis Grill #23 – Bosal Dr.

Address: 1103 W. Bosal Dr., Gilber, AZ 85233 [**Not Yet Open**]
Store #: 408-278-3339
Name: SungKook Hong

Company Owned Outlets

YOGIS TERIYAKI & GRILL, INC
dba Yogis Grill #1 – Mesa Fiesta

Address: 1130 W. Grove Ave. #104, Mesa, AZ 85210
Store #: 480-890-7990
Name: Won B. Kyeh

YOGIS TERIYAK & GRILL, INC
dba Yogis Grill #4 – Mesa Riverview

Address: 929 N. Dobson Rd. #103, Mesa, AZ 85201
Store #: 480-615-3356
Name: Sungho Na

YOGIS TERIYAKI & GRILL, INC
dba Yogis Grill #5 – Camelback

Address: 1645 E. Camelback Rd. #105, Phoenix, AZ 85016
Store #: 602-264-3229
Name: Frank Lee

YOGIS GRILL WOODLAND HILLS, INC
dba Yogis Grill #14 – Woodland Hills

Address: 4904 Topanga Canyon Blvd., Woodland Hills, CA 91364
Store #: 818-710-1641
Name: Jeffrey Na

Former Franchisee Information List
As of December 31, 2018

Kyung Ae Kim
Address: 8642 W. Buckhorn Trail, Peoria, AZ 85383
Mobile #: 337-255-8857
Sold Yogis Grill #9 to YCC Capital, Inc. and left on 4/15/2018

Exhibit G

Independent Auditor's Report

To the Shareholders and Board of Directors
Yogi's Grill Franchise Management, Inc.
Chandler, Arizona

I have audited the accompanying financial statements of Yogi's Grill Franchise Management, Inc., which comprise the balance sheets, as of December 31, 2018 and 2017, the related statements of income, retained earnings and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ; this includes 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted the audits in accordance with accounting principles generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yogi's Grill Franchise Management, Inc. as of December 31, 2018 and 2017, 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.

DUKMO SUNG, CPA

Phoenix, Arizona
February 25, 2019

2001 W. Camelback Rd # 235, Phoenix, AZ 85015 Tel: (602) 242-7886 Fax: (602) 242-7910 dukmosungcpa@gmail.com

YOGI'S GRILL FRANCHISE MANAGEMENT, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
Current Assets:		
Cash	$ 154,307.00	$ 91,093.00
Deposit in transit	0.00	0.00
Accounts Receivable	0.00	0.00
Due from Shareholders	0.00	0.00
Due from Affiliate	53,011.00	53,011.00
Total Current Assets	$ 207,318.00	$144,104.00
Other Assets:		
Start-up / consulting Costs	20,820.00	20,820.00
Accumulated Amortization	(20,820.00)	(20,820.00)
Total Other Assets	0.00	0.00
TOTAL ASSETS	$ 207,318.00	$144,104.00

Liabilities & Stockholders' Equity

	2018	2017
Current Liabilities:		
Payroll liabilities	$ 1,563.00	$ 1,012.00
Income taxes payables	15,852.00	8,447.00
Account Payable	431.00	0.00
Total Current Liabilities	17,846.00	9,459.00
Stokhoders' Equity:		
Capital Stock; common, $ 1 par value 100,000 shares authorized, 30,000 shares issued and outstanding	30,000.00	30,000.00
Retained earnings	159,472.00	104,645.00
Total Stockholders' Equity	189,472.00	134,645.00
TOTAL LIABILITIES & STOCKSHOLDERS' EQUITY	$ 207,318.00	$144,104.00

See Accountant's Audit Report and Accompanying Note

YOGI'S GRILL FRANCHISE MANAGEMENT, INC.
STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
REVENUE:		
Franxhise Fees	$ 70,000.00	$ 90,000.00
Royalties	417,247.00	305,545.00
Total Revneue	487,247.00	395,545.00
EXPENSES:		
Accountig fees	3,161.00	2,944.00
Advertising	60,300.00	32,831.00
Bank service charges	1,807.00	2,031.00
Consulting	26,000.00	2,500.00
Event / Expositions	0.00	6,750.00
Legal/Outside sevices	8,386.00	200.00
Office expenses	62.00	-
Payroll expenses	23,060.00	20,371.00
Printing	1,672.00	22,257.00
Salaries	299,515.00	262,500.00
Total Expesnse	423,963.00	352,384.00
GROSS INCOME (LOSS)	63,284.00	43,161.00
OTHER INCOME:		
Interest Income		
	0.00	0.00
OTHER EXPENSE:		
Amortization expense	0.00	0.00
Income tax expenses	8,447.00	2,668.00
Penalties	0.00	0.00
Total Other Expense	8,447.00	2,668.00
NET INCOME (LOSS)	$ 54,837.00	$ 40,493.00

DUKMO SUNG, CPA PC

February 25, 2019

Won B. Kyeh, President
Yogi's Grill Franchise Management, Inc
P O Box 13616
Chandler, Arizona 85248

I have audited the financial statements of Yogi's Grill Franchise Management, Inc. for the year ended December 31, 2018, and have issued my report thereon dated February 25, 2019. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated February 8, 2019. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Yogi's Grill Franchise Management, Inc. are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. I noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

2001 W. Camelback Rd # 235, Phoenix, AZ 85015 Tel: (602) 242-7886 Fax: (602) 242-7910 dukmosungcpa@gmail.com

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Additionally, certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement estimates and disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected one such misstatement. In addition, no other misstatements were detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated February 8, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditor. However, these discussions occurred in the normal course ofmy professional relationship and my responses were not a condition to my retention.

This information is intended solely for the use of Won B. Kyeh, President, charged with governance, and, if appropriate management of Yogi 's Grill Franchise Management, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly your

Dukmo Sung, CPA

2001 W. Camelback Rd # 235, Phoenix, AZ 85015 Tel: (602) 242-7886 Fax: (602) 242-7910 dukmosungcpa@gmail.com

YOGI'S GRILL FRANCISE MANAGEMENT, INC

NOTES FOR FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Yogis Grill Franchise Management, Inc. is an Arizona corporation formed on June 27, 2007. The Company is in the business of selling restaurant franchises inretail locations.

The Company engaged a professional franchising firm to prepare its Franchise Disclosure Document including various necessary contracts and agreements. The franchise disclosure document consists of 60 pages. To date, the Corporation has sold Seventeen (17) franchises. At December 31, 2018, seventeen (17) restaurants under the Yogi's Teriyaki & Grill, Inc. (a separate entity), are obligated to pay trademark royaltiesfrom salestransactions.

Management'sEstimates

The preparation of these financial statements requires the use of Management's estimates in accordance with generally accepted accounting principles in the United States of America.

Concentration of Credit Risk

At statement date, there are no concentrations of credit risk that exist. There are no accounts receivable nor does cash deposited in their financial institution exceed the insured amount by the Federal Deposit Insurance Corporation.

Advertising

Advertising expenses for 2018 were $60,300. Advertising expenses were $32,831 for the year ended December 31,2017.

YOGI'S GRILL FRANCISE MANAGEMENT, INC

NOTES FOR FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes

A provision for income taxes does exist. The company currently has recognized a federal tax liability of $12,853, and the state of Arizona liability is $2,999. The federal tax liability in 2017 was $6,367 and the state tax liability was $2,080. Management of the Company does not believe there are any uncertain tax positions that may materially impact the financial statements or related disclosures. Certain tax matters may be challenged by the taxing authorities, therefore the Company could be subject to additional tax, penalties and interest. Generally, the tax years before 2012 are no longer subject to examination by federal or state authorities.

Related Party Transactions

The amount due from stockholders at December 31, 2018 and 2017 was $-0- and $-0-, respectively. The Company in 2014 did advance a total of $70,000 to the related party entity known as Yogi's Teriyaki & Grill, Inc., to construct a new location in the state of California. The Company did receive principal payments applied against the loan of $16,989 in 2015. The prior year balance for $53,011 has not been changed. No schedule for the payment of monies loaned or borrowed currently exists. No interest rate was stated at the time of the loans. Any accrued interestwould be minimal.

Subsequent Events

Management has evaluated events through February 8, 2019, the date which the financial statements were available to beissued.

DUKMO SUNG, CPA PC

Independent Auditor's Report

To the Shareholders and Board of Directors
Yogi's Grill Franchise Management, Inc.
Chandler, Arizona

I have audited the accompanying financial statements of Yogi's Grill Franchise Management, Inc., which comprise the balance sheets, as of December 31, 2017 and 2016, the related statements of income, retained earnings and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ; this includes 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted the audits in accordance with accounting principles generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

2001 W. Camelback Rd # 235, Phoenix, AZ 85015 Tel: (602) 242-7886 Fax: (602) 242-7910 dukmosungcpa@gmail.com

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yogi's Grill Franchise Management, Inc. as of December 31, 2017 and 2016, 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.

DUKMO SUNG, CPA

Phoenix, Arizona
March 7, 2017

2001 W. Camelback Rd # 235, Phoenix, AZ 85015 Tel: (602) 242-7886 Fax: (602) 242-7910 dukmosungcpa@gmail.com

YOGI'S GRILL FRANCHISE MANAGEMENT, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2017 AND 2016

ASSETS

	2017	2016
Current Assets:		
Cash	$ 91,093.00	$ 42,632.00
Deposit in transit	0.00	0.00
Accounts Receivable	0.00	0.00
Due from Shareholders	0.00	0.00
Due from Affiliate	53,011.00	53,011.00
Total Current Assets	$ 144,104.00	$ 95,643.00
Other Assets:		
Start-up / consulting Costs	20,820.00	20,820.00
Accumulated Amortization	(20,820.00)	(20,820.00)
Total Other Assets	0.00	0.00
TOTAL ASSETS	$ 144,104.00	$ 95,643.00

Liabilities & Stockholders' Equity

	2017	2016
Current Liabilities:		
Payroll liabilities	$ 1,012.00	$ 1,491.00
Income taxes payables	8,447.00	1,951.00
Loan payable to Shareholders	0.00	0.00
Total Current Liabilities	9,459.00	3,442.00
Stokhoders' Equity:		
Capital Stock; common, $ 1 par value 100,000 shares authorized, 30,000 shares issued and outstanding	30,000.00	30,000.00
Retained earnings	104,645.00	62,201.00
Total Stockholders' Equity	134,645.00	92,201.00
TOTAL LIABILITIES & STOCKSHOLDERS' EQUITY	$ 144,104.00	$ 95,643.00

See Accountant's Audit Report and Accompanying Note

YOGI'S GRILL FRANCHISE MANAGEMENT, INC.
STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
REVENUE:		
Franxhise Fees	$ 90,000.00	$ 60,000.00
Royalties	305,545.00	223,766.00
Total Revneue	395,545.00	283,766.00
EXPENSES:		
Accountig fees	2,944.00	3,876.00
Advertising	32,831.00	8,000.00
Bank service charges	2,031.00	2,715.00
Consulting	2,500.00	-
Event / Expositions	6,750.00	0.00
Legal/Outside sevices	200.00	6,450.00
Payroll expenses	20,371.00	18,110.00
Printing	22,257.00	-
Salaries	262,500.00	231,000.00
Total Expesnse	352,384.00	270,151.00
GROSS INCOME (LOSS)	43,161.00	13,615.00
OTHER INCOME:		
Interest Income		
	0.00	0.00
OTHER EXPENSE:		
Amortization expense	0.00	0.00
Income tax expenses	2,668.00	1,950.00
Penalties	0.00	0.00
Total Other Expense	2,668.00	1,950.00
NET INCOME (LOSS)	$ 40,493.00	$ 11,665.00

YOGI'S GRILL FRANCISE MANAGEMENT, INC

NOTES FOR FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Yogis Grill Franchise Management, Inc. is an Arizona corporation formed on June 27, 2007. The Company is in the business of selling restaurant franchises inretail locations.

The Company engaged a professional franchising firm to prepare its Franchise Disclosure Document including various necessary contracts and agreements. The franchise disclosure document consists of 60 pages. To date, the Corporation has sold fifteen (15) franchises. At December 31, 2017, fifteen (15) restaurants under the Yogi's Teriyaki & Grill, Inc. (a separate entity), are obligated to pay trademark royaltiesfrom salestransactions.

Management'sEstimates

The preparation of these financial statements requires the use of Management's estimates in accordance with generally accepted accounting principles in the United States of America.

Concentration of Credit Risk

At statement date, there are no concentrations of credit risk that exist. There are no accounts receivable nor does cash deposited in their financial institution exceed the insured amount by the Federal Deposit Insurance Corporation.

Advertising

Advertising expenses for 2017 were $32,831. Advertising expenses were $8,000 for the year ended December 31,2016.

YOGI'S GRILL FRANCISE MANAGEMENT, INC

NOTES FOR FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes

A provision for income taxes does exist. The company currently has recognized a federal tax liability of $6,367, and the state of Arizona liability is $2,080. The federal tax liability in 2016 was $1,952 and the state tax liability was $716. Management of the Company does not believe there are any uncertain tax positions that may materially impact the financial statements or related disclosures. Certain tax matters may be challenged by the taxing authorities, therefore the Company could be subject to additional tax, penalties and interest. Generally, the tax years before 2012 are no longer subject to examination by federal or state authorities.

Related Party Transactions

The amount due from stockholders at December 31, 2017 and 2017 was $-0- and $-0-, respectively. The Company in 2014 did advance a total of $70,000 to the related party entity known as Yogi's Teriyaki & Grill, Inc., to construct a new location in the state of California. The Company did receive principal payments applied against the loan of $16,989 in 2015. The prior year balance for $53,011 has not been changed. No schedule for the payment of monies loaned or borrowed currently exists. No interest rate was stated at the time of the loans. Any accrued interestwould be minimal.

Subsequent Events

Management has evaluated events through March 7, 2018, the date which the financial statements were available to beissued.

Exhibit
H

ITEM 23. 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 Yogis Grill Franchise Management, Inc. offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Yogis Grill Franchise Management, Inc. does not deliver this disclosure document on time or if it contains a false or misleading misstatement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit D.

The franchisor is Yogis Grill Franchise Management, Inc., located at 1130 Grove Avenue, Suite 104, Mesa, AZ, 85210. Its telephone number is (949) 922-1245.

Issuance Date: February 25, 2019

The franchise seller(s) for this offering are Won Kyeh, Sung Ho Na, and Frank Lee, 1130 Grove Avenue, Suite 104, Mesa, AZ, 85210. Any additional individuals franchise sellers involved in offering the franchise are:

Yogis Grill Franchise Management, Inc. authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I have received a disclosure document dated February 25, 2019 that included the following Exhibits:

A. Preliminary Agreement
B. Franchise Agreement and Related Materials including State Addenda
C. Area Development Agreement
D. Confidentially Agreement
E. State Agents and State Administrators
F. Current and Former Franchisees
G. Financial Statements
H. Receipts

__________ ______________________________

Date Franchisee

Printed Name:________________________

You may return the signed receipt either by signing, dating, and mailing it to Yogis Grill Franchise Management, Inc., at 1130 Grove Avenue, Suite 104, Mesa, AZ, 85210, or by faxing a copy of the signed and dated receipt to Yogis Grill Franchise Management, Inc.at (949) 922-1245.

ITEM 23. RECEIPT (YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Yogis Grill Franchise Management, Inc. offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

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