



(Multistate)

FRANCHISE DISCLOSURE DOCUMENT

BENTO SUSHI FRANCHISE, INC.

A Delaware Corporation

501 Cambria Avenue, Suite 124

Bensalem, PA 19020

Telephone: 267-474-8220

Website: www.bentosushi.com

Email: franchising@bentosushi.com

The franchisee will engage in the business of preparing and selling foods from one or more BENTO SUSHI Counters at a grocery store, retail center, or other location owned by someone else.

The total initial investment necessary to begin operation of a Bento Sushi Full Service Location ranges from \$18,125 - \$163,000, including \$10,875 to \$139,500 you must pay the franchisor or its affiliates. The total initial investment necessary to begin operation of a Commissary-Based Bento Sushi Operation ranges from \$25,225 - \$197,750, including \$17,975 to \$174,250 you must pay the franchisor or its affiliates. The total initial investment necessary to begin operation of a Bento Sushi Limited Service Location ranges from \$15,975 - \$155,850, including \$10,125 to \$137,850 you must pay the franchisor or its affiliates. The total initial investment necessary to begin operation of a Bento Sushi Satellite Location ranges from \$4,600 to \$110,450, including \$3,400 to \$104,200 you must pay the franchisor or its affiliates. The total initial investment necessary to purchase an existing Bento Sushi Counter ranges from \$18,125 to \$173,000, including \$10,875 to \$149,500 you must pay the franchisor or its affiliate.

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 disclosures in a different format, contact Michelle Nur-Chowdhury at 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone 267-474-8220.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission ("FTC"). You can contact the FTC at 1-888-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The Issuance Date of this Franchise Disclosure Franchise Document is April 12, 2023.

STATE COVER PAGES

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Buffalo, New York. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate, or litigate with the franchisor in New York than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.

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

ADDENDUM FOR STATE OF MICHIGAN

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

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishing not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) Failure of the proposed transferee to meet the franchisor's then current

reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, franchisee has the right to request an escrow arrangement.

Any questions regarding the notice of this Offering should be directed to:

CONSUMER PROTECTION DIVISION
Michigan Attorney General's Office
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
P.O. Box 30213
Lansing, MI 48909
(517) 335-756

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

To simplify the language in this Franchise Disclosure Document, the Franchisor, Bento Sushi Franchise, Inc. will be identified as “BSFI” or “We.” “You” means the person (or owners) individually and collectively, who buy the franchise to own and operate a Bento Sushi Counter.

BSFI, a Delaware corporation formed on April 12, 2016, is in the business of selling franchises and developing branded products under the name “BENTO SUSHI.” BSFI’s primary business is offering and selling franchises in the United States. BSFI operates a franchise distribution system under a License Agreement dated April 29, 2016 (as described in Item 13) with Bento Inc., an affiliate of BSFI. The agents for service of process on BSFI are listed on Exhibit H.

BSFI’s Parent Company

Our immediate parent company is Bento Nouveau Inc. (“BNI”), a Delaware corporation incorporated on October 5, 2005. Other levels of parent company are as follows (in descending order, ending with Holdco Inc.):

| <u>Name of Parent</u> | <u>Principal Business Address</u> |
|--------------------------|---|
| SnowFox Topco Limited | Laytons LLP level 5, 2 More London Riverside, London, SE1 2AP, UK |
| Snowfox Midco 1 Limited | Laytons LLP level 5, 2 More London Riverside, London, SE1 2AP, UK |
| Snowfox Midco 2 Limited | Laytons LLP level 5, 2 More London Riverside, London, SE1 2AP, UK |
| Snowfox Bidco Limited | Laytons LLP level 5, 2 More London Riverside, London, SE1 2AP, UK |
| Yo! Sushi Limited | Laytons LLP level 5, 2 More London Riverside, London, SE1 2AP, UK |
| Snowfox US Holdco, LLC | 2021 Bingle Road, Houston, Texas 77055 |
| Snowfox US Holdco, Inc. | 2021 Bingle Road, Houston, Texas 77055 |
| YO! Sushi USA, Inc. (US) | 1101 Centre Road, Suite 322, Wilmington, DE 19805-1235 |

BSFI’s Predecessors

BSFI has no predecessors that must be disclosed in this disclosure document.

BSFI’s Affiliates

BNI is both our parent and our affiliate.

Our affiliate, Bento Inc. (“BI”), was incorporated in Canada on June 12, 1996. Its original name was Bento Nouveau, Ltd. On May 24, 2017, its name was amended to Bento Inc. BI owns the BENTO SUSHI trademarks that it licenses to BSFI

Our affiliate, Bento Sushi Franchise Ltd. (“BSFL”), was incorporated in Canada on May 22, 2013.

Our affiliate, Snowfox Midco 1 Limited, a limited company, was incorporated in England and Wales on October 28, 2015.

Our affiliate, Snowfox Retail Services, Inc. (“SRSI”), was incorporated in Delaware on December 22, 2022.

Our affiliate, Bento Sushi USA Inc., is a Delaware corporation formed on August 19, 2020.

The principal place of business of Bento Sushi Franchise, Inc. in the United States is 501 Cambria Avenue, Suite 124, Bensalem, PA 19020. The principal place of business of BNI, BI, and BSFI is 25 Centurian Drive, Suite 208, Markham, Ontario, Canada, L3R5N8. The principal place of business of Bento Sushi USA, Inc. is 1011 Centre Road, Suite 310, New Castle County, Wilmington, Delaware 19805.

Description of the Franchise

A Bento Sushi Counter will sell “Bento Sushi” branded sushi and related products authorized by us. The BENTO SUSHI franchised business will be a Sushi Counter operating under the name and mark “BENTO SUSHI” and will be located in grocery stores, retail stores and other locations (referred to as “Host Facility”). Customers will select the pre-packaged sushi meals from the Bento Sushi Counter and pay for them at the check-out counter of the Host Facility. You will not handle any money. There is no dine-in service, and the sushi meals are intended to be eaten at the customers’ home or other chosen location. Customer traffic will be generated primarily by the Host Facility.

You may be in competition with others offering comparable services and products to retail consumers. You will have to compete with other specialty sushi and Asian food stores and, to a lesser extent, with other outlets offering similar products. You should realize that this industry, including the retail sale of sushi, is highly competitive and such competition affects both BSFI and its franchisees.

You must comply with all applicable laws, rules and regulations of all government authorities, including but not limited to federal and state laws pertaining to wages, hours, working conditions, unlawful discrimination, sexual harassment, employment verification, record keeping, workers compensation, leaves of absence, restrictions on employment of minors and other labor laws, social security and unemployment insurance contribution requirements, disability insurance, income tax and other withholdings, contributions, deposits and reporting. You must also comply with all federal and state laws on operating a restaurant, health, safety and sanitation laws which also include health department inspections, menu and menu board labeling laws, food labeling laws, the Hazard Analysis and Critical Control Point (“HACCP”) food safety program adopted by the U.S. Food & Drug Administration and rules on handling, preparing and serving foods by people with communicable or infectious diseases. Your activities are regulated by, and you are solely responsible for complying with, at your own expense, the Food and Drug Administration (“FDA”) and the United States Department of Agriculture and those federal and state laws and regulations relating to food and nutrition labeling and claims, including the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §101 *et seq.* (the “Act”), as amended by the Affordable Care Act of 2010

and the regulations promulgated thereunder. You must also comply with the Hazard Analysis and Critical Control Point (“HACCP”) food safety program adopted by the U.S. Food & Drug Administration, and rules on handling, preparing and serving foods by persons with communicable or infectious diseases. Your Sushi Counter may also be subject to laws on disposing of hazardous wastes. Some states have laws requiring you to have an employee who is certified in food safety.

There are four (4) types of Sushi Counter Businesses, defined as follows:

1. We will grant to certain qualified persons (“you”) franchises to own and operate a Bento Sushi Full Service Sushi Counter Location (“Full Service Location”) at a specific location, under the Bento Sushi Marks in accordance with the terms of our standard Franchise Agreement (the “Franchise Agreement”) attached as Exhibit A. A Full Service Location is a sushi counter operated on a full time basis as a department within a Host Facility. This type of Sushi operation must be open and operational, with a full-time manager (which may be Franchisee) present at all times that the Host Facility is open for business. There must be a sushi chef on premises at the Full Service Location making fresh sushi while the Full Service Location is open for business. A Full Service Location has the capacity for the production, packaging, and sale of sushi and related products. If we grant you this right, you must sign the then-current Bento Sushi Full Service Location Addendum granting you the right to own and operate a Bento Sushi Full Service Location.
2. Under certain circumstances, we may permit you to operate a Limited Service Sushi Counter Location (“Limited Service Location”), from which you will sell Bento Sushi branded products. The Limited Service Location is the same as a Full Service Location, except that the manager or the sushi chef need be present on a limited basis, but not less than 4 hours per day. The Limited Service Location is available only for franchisees who already own a Full Service Location. If we grant you this right, you must sign the then-current Bento Sushi Limited Service Location Addendum granting you the right to own and operate a Bento Sushi Limited Service Location.
3. The Satellite Sushi Counter Location is located in a Host Facility, similar to the Full Service Location and the Limited Service Location, except that the sushi is made at the Franchisee’s Full Service Location or Limited Service Location, and is delivered to the Satellite Location. Neither a manager nor a sushi chef need be present at the Satellite Location. The Satellite Location is available only for franchisees who already own a Full Service Location. If we grant you this right, you must sign the then-current Bento Sushi Satellite Location Addendum granting you the right to own and operate a Bento Sushi Satellite Location.
4. Commissary-Based Bento Sushi Operation: The Commissary-Based Bento Sushi Operation consists of Bento Sushi Counters that are located on a university campus, a hospital, an office building, or another self-contained setting (“Complex”). The Commissary-Based Bento Sushi Operation will have a kitchen (“Kitchen”), where Franchisee prepares all the sushi to be sold at other locations (“Satellites”). This type of Sushi operation must be open and operational, with a full-time manager (which may be Franchisee) present for a minimum of 8 hours per day. There must be a sushi chef on premises at the Commissary-Based Bento Sushi Operation Location making fresh sushi and ensuring that the Satellite locations are adequately stocked and that any customer concerns can be addressed immediately. Depending on the specific university

campus, the Franchisee may or may not sell sushi at the Kitchen. If the Franchisee sells sushi at the Kitchen, then the Commissary-Based Bento Sushi Operation will be considered the same as a Full Service Location and will be governed by the Full Service Location Addendum. If the Franchisee does not sell sushi at the Kitchen, but only at the Satellites on campus, the Kitchen will be governed by the Commissary-Based Bento Sushi Operation Addendum.

BSFI's Franchising and Licensing History

BSFI has offered Bento Sushi franchises since May of 2016. BSFI has never operated a business similar to the type to be operated by you. BSFI has never conducted business in any other line of business, and it has never offered franchises in any other line of business.

Affiliates' Business and Franchising History

BI operates company-owned Bento Sushi outlets, and subcontracts other Bento Sushi outlets, all located in Canada. BI has engaged in these activities since 1996. These outlets are similar to the franchised outlets offered in this disclosure document. As of November 28, 2022, BI had over 700 company-owned and subcontracted outlets in Canada. In addition, BI operates 8 central production kitchens, which includes 5 in Canada and 3 in the U.S., servicing over 2,000 locations. BI has never offered franchises in any line of business.

BNI operates in the United States only. It owns company-owned Bento Sushi outlets that are similar to the franchised outlets offered in this disclosure document. BNI has engaged in these activities since 2005. As of November 27, 2022, BNI had outlets operated by subcontractors, all in the United States and primarily on the east coast. BNI has never offered franchises in any line of business.

Our affiliate, Bento Sushi Franchise Ltd. ("BSFL") offers franchises for Bento Sushi outlets only in Canada, consisting primarily of Sushi Counter front and inline units in malls, hospitals, and universities. BSFL has since May of 2013 offered Bento Sushi franchises in this line of business, but only in Canada. As of the issuance date of this disclosure document, BSFL had 15 franchised units in operation in Canada. BSFL has never operated a business of the type to be operated by you. BSFL has never conducted business in any other line of business, and it has never offered franchises in any other line of business.

In June of 2019, Snowfox Midco 1, Limited acquired the stock of JimKim Holdings Inc. ("JK Holdings"), a Delaware corporation, address 2021 Bingle Road, Houston, Texas 77055. JK Holdings is the parent company of JFE Franchising, Inc. ("JFE"), a Texas corporation, with the same address as JK Holdings. JFE franchises retail sushi businesses in the United States similar to those described in this disclosure document, but under the name and marks "JFE" and "Snow Fox." JFE has offered Snow Fox franchises since October 2013. As of November 27, 2022, JFE has approximately 1,373 sushi franchisees in 37 states. From 2013 to the date of this disclosure document, JFE operated business of the type it franchises. As of November 27, 2022, JFE operates 1 company Snow Fox location of the type JFE franchise.

JFE also offers franchises for retail fresh-cut fruit kiosks in the United States under the names and marks "JFE," "Snowfox," and "Snowfruit," except that the franchises JFE offers are for separate departments in supermarkets, grocery stores, and other facilities instead of fulfillment centers. JFE has offered JFE, Snowfox and Snowfruit retail fresh-cut fruit kiosks since February

of 2022. As of November 27, 2022, JFE had 386 retail fresh-cut fruit kiosks in 15 states. JFE also had 45 company-owned retail fresh-cut fruit kiosks in the United States.

Other than the sushi franchises and the fresh-cut fruit franchises, JFE has never offered franchises in any other business.

Our affiliate, Snowfox Retail Services, Inc. (“SRSI”), offers franchises for Commissary Produce businesses that are operated as separate departments within fulfillment centers and other facilities that are owned by third parties. Franchisees of SRSI do business under the names and marks “Snowfox” and “Snowfruit.” SRSI has been offering franchises since February of 2023, and it has one franchisee as of the issuance date of this disclosure document. SRSI has never conducted a business in any other line of business, and it has never offered franchises in any other business.

Our affiliate, Bento Sushi USA, Inc. (“Bento USA”) offers franchises for retail sushi businesses in the State of Hawaii under the name and marks “BENTO SUSHI.” Bento USA has offered Bento Sushi franchises since July of 2021. As of November 27, 2022, Bento USA had 38 franchisees in 1 state. Bento USA also had 0 company-owned sushi businesses in the United States similar to those described in this disclosure document. Bento USA has never conducted business in any other line of business, and it has never offered franchises in any other business.

ITEM 2 BUSINESS EXPERIENCE

President and CEO – DAVID S. JONES

Mr. Jones has been President and CEO of BI, BSFI, BNI, and Bento Sushi USA Inc., since July 2022. From July 2016 to July 2022, he was Senior Vice President-Operations for BI in Markham, Ontario, Canada. From January of 2009 to July 2016, he was Vice President-Operations for BI in Markham, Canada.

Chief Executive Officer Commissaries, North America – GLENN BROWN

Mr. Brown has been CEO Commissaries, North America, for BI in Markham, Ontario, Canada, since July 2022. From April of 2016 to the present, he has been Director of BSFI and Bento Sushi USA Inc., in Markham, Ontario, Canada. From April of 2016 until July 2022, he was President of BSFI and Bento Sushi USA Inc., in Markham, Ontario, Canada. From January 2016 to July of 2022, he was President and CEO of BI and BNI, in Markham, Ontario, Canada. From May of 2014 to December of 2015, he was President and Director of BI and BNI in Markham, Ontario, Canada. From October of 2005 to May of 2014, he was Executive Vice President and Director of BNI in Markham, Ontario, Canada. From July 2002 to May of 2014, he was Executive Vice President and Director of BI in Markham, Ontario, Canada.

Vice President, Operations, USA – MICHELLE NUR-CHOWDHURY

Ms. Nur-Chowdhury has been Vice President, Operations, USA, for BNI in Bensalem, Pennsylvania, since July 2022. From January 2021 to July 2022, she was Senior Director of

Operations for BNI in Bensalem, Pennsylvania. From July of 2016 to December 2020, she was Director of Operations for BNI in Bridgewater, New Jersey.

Chief Financial Officer, Bento & North American Commissaries – KEITH JACKSON

Mr. Jackson has been Chief Financial Officer, in Markham, Ontario, Canada, since May of 2018. From August of 2017 to May of 2018, he was Chief Financial Officer for Greenspace Brand in Toronto, Ontario, Canada.

Director of Operations U.S. ADAM J. FRIEDMAN

Mr. Friedman has been Director of Operations US (Maryland) for BNI in Bensalem, Pennsylvania, from July 2018 to present. From January of 2018 to July of 2018, he was Store Leader for Petsmart in Easton, Maryland.

Vice President, Operations, Canada East – SHIN HONG (SAM) CHOI

Mr. Choi has been Vice President, Operations, Canada East, for BI in Markham, Ontario, Canada, since July 2022. From June 2013 to July 2022 he was Director of Operations, Field Training and Development for BI, in Markham, Ontario, Canada. From August 2012 to June 2015, he was Area Manager of BNI, Markham, Ontario, Canada.

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

Franchise Fee Deposit

In the event the exact location and type of your Sushi Counter are not determined at the time you sign the Franchise Agreement, you may elect to pay a deposit in the amount of \$1,500 toward your franchise fee. You will not pay the deposit until you have had our disclosure document at least 14 days. The deposit is not refundable under any circumstances.

At the time that the location and type of Franchisee's Sushi Counters are determined, Franchisee shall pay to Franchisor the initial fee as described below, less the \$1,500 already paid.

Initial Franchise Fees

In the event the exact location and type of your Sushi Counter are determined at the time you sign the Franchise Agreement, you must pay an initial non-refundable franchise fee, payable upon execution of the Franchise Agreement. The initial franchise fee shall be fully earned when you pay it to us. The amount of the Initial Fee ranges from \$2,000 to \$100,000, depending on many factors. Those factors include:

- The type of Sushi Counter you open, from the following options:

- Bento Sushi Full Service Location Franchise
 - Bento Sushi Limited Service Location Franchise
 - Bento Sushi Satellite Location Franchise
 - Bento Sushi Commissary-Based Bento Sushi Operation

- Whether your Sushi Counter is located in a “non-traditional venue,” which includes airports, university campuses, hospitals, office buildings, or other location that is different from the typical grocery store setting.
- Certain characteristics of your location, including geographical area, people population, traffic patterns, demographics of income, age, and mobility, and other characteristics that we determine.

You and we will mutually agree on the initial Franchise Fee, which will be filled out in the final-form Franchise Agreement which you will receive at least 7 days before you sign it. If we cannot agree on the initial Franchise Fee, we will not grant a Bento Sushi franchise to you.

We offer qualified franchisee financing of up to 100% of the initial franchise fee; see Item 10 and Exhibit L-1.

Additional Fees and Pre-Opening Purchases: The following fees and purchases apply to each of the types of sushi counters purchased:

Ingredient Purchases

You must purchase certain goods, ingredients and other items from approved suppliers for use in your business. If you request that we pay the vendor for these purposes, we will pay the vendor and deduct that amount from the payment we make to you for the sales in your Counter. The range for these purchases is \$2,000 to \$10,000.

Label Machines with Printer and Scanner

You must purchase from BNI 2 label machines with printer and scanner at a cost of \$650 each (\$1,300 total).

Computer Equipment

You must purchase an iPad from us or our designated supplier, at a cost of up to \$1,000. In addition, you must pay a monthly maintenance fee of \$50 for the iPad.

Equipment/Smallware

You must purchase other equipment and smallware (rice cooker, utensils) from an approved supplier, which may be us or our affiliate. If you purchase these items from us or BNI, you must pay us the purchase price when we bill you. We estimate the cost of the equipment and smallware to be between \$2,000 and \$5,000.

Manual Lease Fee

You must pay us the Manual Lease Fee in the amount of \$200 prior to attending training. We will refund this amount when you return the Manual to us when your franchise agreement is terminated or expires.

Local Business License and Permits

If we have obtained your business license and permits for your Sushi Counter, you must reimburse us the amounts we paid. Payment is due at least 14 days before you commence business.

On-Site Training

We will furnish you training on-site at your Sushi Counter just before you open for business. The length of time for on-site training is determined by the Director of Training. Based on the type, volume, menu offering, and non-traditional venue, the training can range from 1 to 10 days. Training fees for on-site training are determined by the number of days and the number of trainers and management personnel that are present at your site. Training Fees for on-site training are \$450 per day per support team member. The fees for on-site training will range from \$900 for 2 day with 1 trainer, to \$18,000 for 10 days with 4 trainers and management personnel. Additional fees will be charged for travel and hotel accommodations for trainers and management personnel. We estimate the travel and lodging costs per trainer to be from \$1,300 to \$4,000 per trainer, so these costs could range from \$1,300 (1 trainer at your site, at the low end of costs) to \$18,000 (4 trainers at your site, at the high end of costs).

ServSafe Food Protection Training and Certification

Before you open for business, you and all your employees must attend and pass ServSafe Food Protection training and obtain certification. The cost is estimated at \$275 per person to be trained and certified. The training and certification is available through us or a third party. The total cost is \$275 to \$550, for 1 or 2 persons.

Manual Lease Fee

You must pay us a \$200 manual lease fee for each SOP/HACCP Manual we provide to you. The manual lease fee you pay is refunded to you when you return the manuals to us on termination or expiration of your agreement.

Uniforms

Before you open for business, you must purchase from us at least 2 uniforms for each employee who will work in the Sushi Counter. The uniforms contain our logoed mark. The cost is \$100 for 2 uniforms, and \$50 for each additional uniform. You typically purchase 2

uniforms for each employee, so the cost for uniforms ranges from \$50 to \$100 (for 1 or 2 employees).

Banners, Logos and Other Display Items

Before you open for business, you must purchase from BNI banners logos, and other display items. These include a showcase mat, allergy signage, shelf logo, a T-stand, and posters. The cost ranges from \$300 to \$400.

Purchase of Existing Company-Owned Bento Sushi Counter Business

If you purchase an existing Sushi Counter from us, we will charge you a purchase price based on its revenue levels. We estimate the purchase price will range between \$1,000 to \$100,000. There will be no assets or tangible property included in the sale of the business. You will sign our form of Business Sale Agreement attached as Exhibit K to this disclosure document. If we agree to finance some or all of the purchase price, you will sign the Promissory Note attached as Exhibit L-2 to this disclosure document.

Financing

We offer financing for qualified franchisees who purchase existing company-owned units from us. We do not offer any financing for franchisees in any other circumstances. See Item 10.

Refundability

None of the above fees in this Item 5 is refundable, except for the Manual Lease Fee, which we return to you if you return the Manual to us in good condition upon termination or expiration of your Franchise Agreement.

Variances in Franchise Fees.

During our most recent fiscal year (ended November 27, 2022), we did not charge any initial fees outside the ranges disclosed in this Item 5. However, we have in the past, and we reserve the right to in the future, reduce the initial franchise fee in circumstances where we are unable to find a franchisee for a location and/or the location was a high priority for our Host Facility.

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ITEM 6 OTHER FEES

| Name of Fee/ Expenditure | Amount | Due Date | Remarks |
|---------------------------------------|--|--------------------------------------|---|
| Host Facility's Margin | Varies, based on our agreement with the Host Facility. | Upon completion of each week's sales | This is the compensation you pay the Host Facility for having your Sushi Counter in its facility. The amount is typically 25% to 30% of your Gross Sales ¹ |
| Royalty Withholding | 10% of your Gross Sales | Weekly | We withhold your Royalty from your Gross Sales before remitting the Adjusted Net Sales to you. See note 2. |
| Royalty Remittance | Same as Royalty Withholding | Weekly | This fee is payable only in the event you collect receipts directly at your Sushi Counter |
| Failure to attend training | \$250 | 5 days after training was scheduled | Applicable if training missed without giving us 48 hours' prior notice of cancellation |
| Host Facility Rebate | Usually 0 – 10% of Gross Sales | Weekly | This is additional consideration charged by the Host Facility for having your Sushi Counter in its facility. |
| Banners, logo and other display items | \$200 - \$300 | 15 days after ordered | Prices vary depending on the supplier. These include T-stands, LED displays and signs. |
| Local Business License and Permits | \$100-\$1,000 | After license is received | Will be deducted from your next payment |
| Lost Manual Fee | \$500 | When billed | Payable only if you lose or destroy your copy of the Manual. The fee will be deducted by us from your next payment |
| Uniforms | \$100 | When billed | Payable if you need additional uniforms after you commence business. \$100 for 2 uniforms and \$50 per additional uniform. You purchase uniforms from BNI. |

| Name of Fee/ Expenditure | Amount | Due Date | Remarks |
|-------------------------------------|---|--|---|
| iPad Maintenance Fee | \$50/month | When billed | You must pay us to maintain your iPad, at a cost of \$50 per month, which includes software updates |
| Customer Satisfaction Fee | \$100 - \$1,000 | On demand | Charge to compensate us for our efforts in addressing and resolving customer complaints against you |
| Default Charge Fee | \$300 - \$50,000 per default | On demand | Payable if you default on the provisions of the operating manual or franchise agreement. The high end of this range is for defaults that cause a material detrimental impact on the brand, customer good will, and/or loss of relationship with the Host Facility |
| Website and Data Fee | \$100 per month per location | Monthly | Fee for accessing our website and programs offered for conducting business such as submitting PO, Audits, Training Materials, and Electronic Documents |
| Ingredient Purchases | Varies | When billed | Payable for food and other purchases you make from us |
| Renewal Fee | Equal to the greater of: (i) the franchise fee initially paid by the franchisee or (ii) what the franchise fee would be if the location were sold as a new location, based on factors we use in calculating initial franchise fees. | Upon renewal | |
| Transfer Fee | \$1,000 to \$10,000 per location | When you request our consent to transfer | Fee must be paid for each location to be transferred |

| Name of Fee/ Expenditure | Amount | Due Date | Remarks |
|--|---|---|--|
| Management Fee | \$250 per day per personnel assigned to your Sushi Counter | Upon request | Payable if we have to operate/manage your business for any period of time |
| Insurance | \$18.20 per \$1,000 of sales | Deducted weekly | You must have commercial liability insurance through our group policy. See Note 3 |
| Request for approval of New Product/Supplier | \$200 – \$500 | On demand | Payable if you request our approval for a new product or supplier |
| National Marketing Fund | Up to 2% of your Gross Sales | Weekly, when the Royalty Withholding Fee is due | Payable once the Fund is formed and operational |
| Audit Costs | Reimbursement of our costs | When billed | If we discover during an audit on your payroll and/or taxes that you have failed to pay any taxes due, you must reimburse us our costs of the audit, plus 10% of taxes we pay on your behalf |
| Lab and QA Test Fees | Up to \$350 per location | When billed | Payable after Quality Assurance audit/lab test is completed |
| Late Fee | 1% of past due amounts | On demand | |
| Interest on Payments Due | 15% per annum or the maximum allowed by law, whichever is lower | On demand | Payable on past due amounts |
| Administrative Fee | 10% | On demand | 10% of amount of taxes or insurance premiums we pay on your behalf |
| Reproduction, service and handling charge | Up to \$100 per shipment | When billed | You must pay this fee for our mailing and reproduction costs in sending you written materials, such as manuals and marketing materials. |

| Name of Fee/ Expenditure | Amount | Due Date | Remarks |
|-------------------------------------|---------------|-----------------|--|
| Attorney's Fee | Varies | As incurred | Payable to us if we prevail in any action against you or if we have to bring suit to collect payments due us under the Promissory Note |
| Indemnification | Varies | As incurred | You must reimburse us for any liability or cost incurred by it by reason of your operation of the Sushi Counter. |

¹ "Gross Sales" are the receipts, sales and revenues from the sale of all products from the Franchisee's Sushi Counter, excluding sales taxes, credits or refunds.

² You shall pay a Royalty Fee of 10% of your weekly Gross Sales on all your Bento Sushi Counters, including any Satellites you operate.

All fees are uniformly imposed by and are payable to us or our affiliates. All fees are non-refundable. All fees apply to each of the franchises offered unless so noted.

You do not receive direct payments from the sales of your products at the Sushi Counter. All sales will be through cash registers owned or operated by the Host Facility. The Host Facility forwards payments of your sales to us, less the Host Facility Margin. We deduct from the amount we receive from the Host Facility your Royalty Withholding Fee, plus any other amounts you owe us or our affiliates. We remit the balance ("Adjusted Net Sales") to you. We will pay you the Adjusted Net Sales within 30 days after we receive the sales report and payment from the Host Facility. On occasion some Host Facilities pay on a basis other than weekly, such as biweekly or monthly. In those cases, we adjust the timing of payments to you. Our sole responsibility is to remit to you the Adjusted Net Sales based on amounts we actually receive from the Host Facility. We have no responsibility to pay you Adjusted Net Sales on amounts not received by the Host Facility. If we pay your Adjusted Net Sales for any given week before receiving payment from the Host Facility, and the Host Facility does not pay us as required, you must reimburse us the amounts paid to you. You must also reimburse us any amounts paid to you, if we discover that amounts were paid in error. We will cover your location under our group insurance policy, then deduct your portion of our premium costs calculated based on sales (current rate \$18.20 per \$1,000 of sales, but we may revise the rate from time to time as we determine). Your portion of the premium will be deducted weekly.

³ We will cover your location under our group insurance policy, then deduct your portion of our premium costs calculated based on sales (current rate \$18.20 per \$1,000 of sales, but we may revise the rate from time to time as we determine). Your portion of the premium will be deducted weekly.

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ITEM 7 ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Full Service Location

| Type of Expenditure | Amount-Range Estimated | Method of Payment | When Payable | To Whom Payment is Made |
|---|-----------------------------|---------------------------------|--|---|
| Initial Franchise Fee – Full Service Sushi Counter ¹ | \$2,000 - \$100,000 | Lump sum | When you sign the franchise agreement | Us |
| Security Deposit, Rent, Leasehold Improvements, Utilities ² | \$0 | \$0 | \$0 | |
| Small Equipment/Signage/Furniture/Fixtures ³ | \$2,000 - \$5,000 | As incurred | As agreed | Us or Approved Suppliers |
| Label Machines with Scanner and Printer ⁴ | \$1,300 | As incurred | As agreed | Us |
| iPad Purchase and Monthly Maintenance | \$1,150 | As incurred | As agreed | Us or our designated supplier |
| Initial Inventory ⁵ | \$2,000 - \$10,000 | As incurred | As agreed | Us or Approved Suppliers |
| Insurance ⁶ | \$600 - \$1,800 | Deducted weekly from your sales | Weekly | Us |
| On-Site Training Fee ⁷ | \$900 - \$18,000 | Lump Sum | 2 days prior to commencement of training | Us |
| Travel and Living Costs while Training ⁸ | \$1,500 - \$6,500 | As arranged | As agreed | Transportation lines, hotels, restaurants |
| Professional Fees ⁹ | \$500 - \$1,500 | As incurred | As incurred | Professional advisors |
| Business License Fees & Permits ¹⁰ | \$100 - \$1,000 | As arranged | As incurred | Us or regulatory agencies |
| ServSafe Food Protection Manager Training and Certification ¹¹ | \$275 - \$550 | As arranged | As agreed | Us or 3 rd party trainer and certifier |
| Initial SOP/HACCP manual lease fees ¹² | \$200 | As arranged | Deducted from first payment | Us |
| Background, Credit and Drug test ¹³ | \$250 - \$500 | As arranged | When you sign the franchise agreement | 3 rd party vendor |
| Uniforms ¹⁴ | \$50 - \$100 | As arranged | As incurred | Us |
| Banners, Logos, and Other Display Items ¹⁵ | \$300 - \$400 | As incurred | As Agreed | Us or approved supplier |
| Additional Funds (1 st 3 months) ¹⁶ | \$5,000 - \$15,000 | As incurred | As incurred | You determine |
| TOTAL ESTIMATED INITIAL INVESTMENT¹⁷ | \$18,125 - \$163,000 | | | |

Commissary-Based Bento Sushi Operation

| Type of Expenditure | Amount-Range Estimated | Method of Payment | When Payable | To Whom Payment is Made |
|---|-----------------------------|---------------------------------|--|--|
| Initial Franchise Fee – University-Based Bento Sushi Operation ¹ | \$2,000 - \$100,000 | Lump sum | When you sign the franchise agreement | Us |
| Security Deposit, Rent, Leasehold Improvements, Utilities ² | \$0 | \$0 | \$0 | |
| Small Equipment/Signage/Furniture/Fixtures ³ | \$2,000 - \$5,000 | As incurred | As agreed | Us or Approved Suppliers |
| Label Machines with Scanner and Printer ⁴ | \$1,300 | As incurred | As agreed | Us |
| iPad Purchase and Monthly Maintenance | \$1,150 | As incurred | As agreed | Us or designated suppliers |
| Initial Inventory ⁵ | \$2,000 - \$10,000 | As incurred | As agreed | Us or Approved Suppliers |
| Insurance ⁶ | \$600 - \$1,800 | Deducted weekly from your sales | Weekly | Us |
| On-Site Training Fee ⁷ | \$900 - \$18,000 | Lump Sum | 2 days prior to commencement of training | Us |
| Travel and Living Costs while Training ⁸ | \$1,500 - \$6,500 | As arranged | As agreed | Transportation lines, hotels, restaurants |
| Professional Fees ⁹ | \$500 - \$1,500 | As incurred | As incurred | Professional advisors |
| Business License Fees & Permits ¹⁰ | \$100 - \$1,000 | As arranged | As incurred | Us or regulatory agencies |
| ServSafe Food Protection Manager Training and Certification ¹¹ | \$275 - \$550 | As arranged | As agreed | Us or 3 rd party trainer and certifier |
| Initial SOP/HACCP manual lease fees ¹² | \$200 | As arranged | Deducted from first payment | Us |
| Background, Credit and Drug test ¹³ | \$250 - \$500 | As arranged | When you sign the franchise agreement | 3 rd party vendor |
| Uniforms ¹⁴ | \$50 - \$100 | As arranged | As incurred | Us |
| Banners, Logos, and Other Display Items ¹⁵ | \$300 - \$400 | As incurred | As Agreed | Us or approved supplier |
| Satellites ¹⁸ | \$7,100 - \$34,750 | As incurred | As Agreed | Us, approved suppliers, insurance company, vendors |
| Additional Funds (1 st 3 months) ¹⁶ | \$5,000 - \$15,000 | As incurred | As incurred | You determine |
| TOTAL ESTIMATED INITIAL INVESTMENT¹⁷ | \$25,225 - \$197,750 | | | |

Limited Service Location

| Type of Expenditure | Amount- Range Estimated | Method of Payment | When Payable | To Whom Payment is Made |
|---|------------------------------|---------------------------------|--|---|
| Initial Franchise Fee – Limited Service Sushi Counter ¹ | \$2,000 - \$100,000 | Lump sum | When you sign the franchise agreement | Us |
| Security Deposit, Rent, Leasehold Improvements, Utilities ² | \$0 | \$0 | \$0 | |
| Small Equipment/Signage/ Furniture/Fixtures ³ | \$2,000 - \$5,000 | As incurred | As agreed | Us or Approved Suppliers |
| Label Machine with Scanner and Printer ⁴ | \$650 | As incurred | As agreed | Us |
| iPad Purchase and Monthly Maintenance | \$1,150 | As incurred | As agreed | Us or designated suppliers |
| Initial Inventory ⁵ | \$2,000 - \$10,000 | As incurred | As agreed | Us or Approved Suppliers |
| Insurance ⁶ | \$600 - \$1,800 | Deducted weekly from your sales | Weekly | Us |
| On-Site Training Fee ⁷ | \$900 - \$18,000 | Lump Sum | 2 days prior to commencement of training | Us |
| Professional Fees ⁹ | \$500 - \$1,500 | As incurred | As incurred | Professional advisors |
| Business License Fees & Permits ¹⁰ | \$100 - \$1,000 | As arranged | As incurred | Us or regulatory agencies |
| ServSafe Food Protection Manager Training and Certification ¹¹ | \$275 - \$550 | As arranged | As agreed | Us or 3 rd party trainer and certifier |
| Initial SOP/HACCP manual lease fees ¹² | \$200 | As arranged | Deducted from first payment | Us |
| Background, Credit and Drug test ¹³ | \$250 - \$500 | As arranged | When you sign the franchise agreement | 3 rd party vendor |
| Uniforms ¹⁴ | \$50 - \$100 | As arranged | As incurred | Us |
| Banners, Logos, and Other Display Items ¹⁵ | \$300-\$400 | As arranged | As incurred | Us or approved supplier |
| Additional Funds (1 st 3 months) ¹⁶ | \$5,000 - \$15,000 | As incurred | As agreed | You determine |
| TOTAL ESTIMATED INITIAL INVESTMENT¹⁷ | \$15,975 to \$155,850 | | | |

Satellite Location

| Type of Expenditure | Amount- Range Estimated | Method of Payment | When Payable | To Whom Payment is Made |
|--|----------------------------|--------------------------|---------------------------------------|-------------------------------|
| Initial Franchise Fee – Satellite ¹ | \$2,000 - \$100,000 | Lump sum | When you sign the franchise agreement | Us |
| Security Deposit, Rent, Leasehold Improvements, Utilities ² | \$0 | \$0 | \$0 | |
| Small Equipment/Signage/ Furniture/Fixtures ³ | \$500 - \$2,000 | As incurred | As agreed | Us or Approved Suppliers |
| Insurance ⁶ | \$600 - \$1,800 | Deducted from your sales | Weekly | Us |
| Banners, Logos, and Other Display Items ¹⁵ | \$300 - \$400 | As incurred | As agreed | Us or approved supplier |
| Ice Packs and Coolers ¹⁹ | \$100 - \$500 | As incurred | As arranged | 3 rd party vendors |
| Vehicle ²⁰ | \$100 - \$750 | As incurred | As arranged | Vehicle lessor, gas stations |
| Additional Funds (1 st 3 months) ¹⁶ | \$1,000 - \$5,000 | As incurred | As incurred | You determine |
| TOTAL ESTIMATED INITIAL INVESTMENT¹⁷ | \$4,600 - \$110,450 | | | |

A Satellite Location is a self-serve Counter where the food products are made at your Full Service Location or Limited Service Location and delivered to the Satellite Counter. You will have no employees at the Satellite Location. That means for a Satellite Location, you will not need equipment, furniture, fixtures, a Label Machine, inventory, training, a business license or permits, ServSafe training or certification, our manual, background or drug checks, or uniforms.

See additional notes 1, 2, 3, 6, 15, 16, 17, 18, 19, and 20 below.

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Purchase of an Existing Bento Sushi Counter

| Type of Expenditure | Amount- Range Estimated | Method of Payment | When Payable | To Whom Payment is Made |
|---|-----------------------------|--------------------------|---------------------------------------|---|
| Transfer fee ¹ | \$1,000 - \$10,000 | Lump sum | Upon transfer | Us |
| Purchase of Existing Bento Sushi Counter ¹ | \$1,000 - \$100,000 | Lump sum | When you sign the franchise agreement | Us |
| Security Deposit, Rent and Leasehold Improvements, Utilities ² | \$0 | | | |
| Small Equipment/Signage/ Furniture/Fixtures ³ | \$2,000 - \$5,000 | As incurred | As agreed | Us or Approved Suppliers |
| Label Machine with Scanner and Printer ⁴ | \$1,300 | As incurred | As agreed | Us |
| iPad Purchase and Monthly Maintenance | \$1,150 | As incurred | As agreed | Us |
| Initial Inventory ⁵ | \$2,000 - \$10,000 | As incurred | As agreed | Us or Designated and Approved Suppliers |
| On-Site Training Fee ⁷ | \$900 - \$18,000 | Lump Sum | Prior to attending training | Us |
| Travel and Living Costs while Training ⁸ | \$1,500 - \$6,500 | As arranged | As agreed | Transportation lines, hotels, restaurants |
| Insurance ⁶ | \$600 - \$1,800 | Deducted from your sales | Weekly | Us |
| Professional Fees ⁹ | \$500 - \$1,500 | As incurred | As incurred | Professional advisors |
| Business License Fees & Permits ¹⁰ | \$100 - \$1,000 | As arranged | As incurred | Us or regulatory agencies |
| ServSafe Food Protection Manager Training and Certification ¹¹ | \$275 - \$550 | As arranged | As incurred | Us or 3 rd party trainer and certifier |
| Initial SOP/HACCP manual lease fees ¹² | \$200 | As arranged | Deducted from first payment | Us |
| Background, Credit and Drug test ¹³ | \$250 - \$500 | As arranged | When you sign the franchise agreement | 3 rd party vendors |
| Uniforms ¹⁴ | \$50 - \$100 | As arranged | As incurred | Us |
| Banners, Logos, and Other Display Items ¹⁵ | \$300 - \$400 | As incurred | As agreed | Us or approved supplier |
| Additional Funds (1 st 3 months) ¹⁶ | \$5,000 - \$15,000 | As incurred | As incurred | You determine |
| TOTAL ESTIMATED INITIAL INVESTMENT¹⁷ | \$18,125 - \$173,000 | | | |

These tables provide estimates for the Full Service Location, Limited Service Location, Satellite Location, or the Purchase of an Existing Bento Sushi Counter inside a Host Facility. The tables estimate your initial investment from the period before your Sushi Counter opens for business, through the first 3 months of operation. We used our affiliate's 3 years of experience in opening and operating company-owned Sushi Counters in the United States to make these estimates. These are only estimates. Unless indicated otherwise, all amounts payable are non-refundable. See item 10 for financing we provide.

Footnotes:

- (1) The initial franchise fee ranges from \$2,000 to \$100,000, as described in Item 5. If you purchase an existing Bento Sushi Counter, you pay a Transfer Fee of between \$1,000 and \$10,000 per location. For the purchase of an existing Sushi Counter, we establish the purchase price based on many factors, including the level of gross sales, the location, the length of time it has been open, and other factors we take into consideration in determining the purchase price.
- (2) Security Deposit, Rent, Leasehold Improvements, Utilities. The Host Facility will perform the leasehold improvements at its cost. You are not required to pay a security deposit, rent or utilities. The Host Facility is compensated for these items from the Host Facility Margin, which is its percentage share of your Gross Sales, as set forth in the Host Facility Agreement between the Host Facility and BSFI or its affiliate.
- (3) Small Equipment/Signage/Furniture/Fixtures. The Host Facility will usually purchase and own the display case(s), signage, refrigerator, ice machine, preparation tables, storage racks, sinks and similar equipment. The estimates shown are your costs of purchasing smallware and additional equipment consisting of items like a rice cooker, storage containers, utensils, pricing guns, thermometer, and related items. For the Satellite Location, you will only need to purchase signage; the other items are not needed for the Satellite Sushi Counter.
- (4) The estimated cost for each Label Machine with scanner and printer, for printing prices and ingredient labels for the products, is \$650. For the Full Service Location and the purchase of an existing Bento Sushi Counter, you must purchase 2 Label Machines. For the Limited Service Location, you must purchase 1 Label Machine. For the Satellite Location you do not need to purchase any Label Machines.
- (5) The estimated cost for opening food inventory depends on the extensiveness of the menu your Sushi Counter offers and the anticipated volume of sales you will experience.
- (6) We will cover your location under our group insurance policy, then deduct your portion of our premium costs calculated based on sales (current rate \$18.20 per \$1,000 of sales, but we may revise the rate or waive your contribution from time to time as we determine). Your portion of the premium will be deducted weekly. For satellite locations, we require you to obtain automobile insurance with the coverage amounts we determine. Payments for this insurance don't begin until you open your Sushi Counter for business.
- (7) We furnish you an initial training program which is conducted on-line.. We will also go to your Sushi Counter location just before it opens and train your personnel onsite. You must pay for the on-site training at the rate of \$450 per day that our trainee is at your

Location. The low estimate for on-site training is based on your receiving on-site training for 2 days by 1 trainer. The high estimate is based on your receiving on-site training lasting 10 days with 4 trainers.

- (8) The estimated expenses incurred for travel and living costs while attending training vary depending on how many persons attend training, how many days your training lasts, whether you require food certification training, your distance from the training location, the price point you select for your hotels and meals, and other factors. These estimates do not include salary for any employees who attend training.
- (9) You may incur professional fees in retaining attorneys and/or accountants.
- (10) Estimated costs for retail food licenses and business licenses which typically must be obtained from the City, County and/or State. At our election, we have the right, but no obligation, to obtain any required licenses and permits in your name. You grant us a power of attorney to apply for any required licenses, permits and any renewals of these for your food service counter(s). You reimburse us for any costs and fees incurred by us in applying for these licenses and/or permits on your behalf, plus a 10% administrative fee.
- (11) Before you open for business, you and all your employees must attend and pass ServSafe Food Protection training and obtain certification. The cost is estimated at \$275 per person to be trained and certified. The low estimate is based on 1 person being trained and certified; the high range is based on 2 persons being trained and certified.
- (12) You must pay us a manual lease fee for each SOP/HACCP Manual we provide to you. The Manual includes SOP (Standard Operating Procedures for a Bento Sushi Counter) and policies and procedures relating to Hazard Analysis and Critical Control Point (“HACCP”) food safety program adopted by the U.S. Food & Drug Administration, and rules on handling, preparing and serving foods by persons with communicable or infectious diseases. The manual lease fee you pay is refunded to you when you return the manuals to us on termination or expiration of your agreement.
- (13) If we request, you must obtain a background, credit, drug, and/or tuberculosis or other chemical and disease testing. The low estimate of \$250 is for 1 person, and the high estimate of \$500 is for 2 persons subject to these checks, tests, and investigations. If you fail any required drug, tuberculosis or other chemical and disease testing (which we or the Host Facility requires) or any criminal background investigation we may cancel the franchise agreement and keep the fees paid to us.
- (14) You must purchase 2 uniforms for each employee who will work at your Sushi Counter. The low estimate is based on 1 employee, and the high estimate is based on 2 employees.
- (15) You must purchase from our affiliate, BNI, banners logos, and other display items. These include a showcase mat, allergy signage, shelf logo, a T-stand, and posters.
- (16) We recommend that you have some additional funds for opening cash and expenses to cover 3 months of operations, employee salaries (excluding yourself), supplies, administrative costs and funds of on-going inventory purchases. You should not assume that you will break even by the end of the 3 month period, and you may need amounts in excess of the estimated amounts before your business breaks even. NOTE: These figures do

not include draw or salary for you. You should have additional sources for payment of personal living expenses.

- (17) These figures are estimates and we cannot guarantee that you will not have additional expenses in starting your Sushi Counter. Your costs will depend on factors such as how closely you follow our methods and procedures, your business management and marketing experience, local economic conditions, the local market for your products and services, the prevailing wage rates, competition, and the sales level reached during the first 3 months.

- (18) #18 applies only to the Commissary-Based Location

The Commissary-Based Location must include Satellite Locations on the same Complex as the Kitchen. The estimates are based on a Commissary having 5 to 10 Satellites from which you will sell sushi.

- #19 and 20 apply only to the Satellite Location

- (19) For the Satellite Location, you will need to purchase coolers and ice packs to allow you to transport the food from your Full Service Location (or Limited Service Location) to your Satellite Location.

- (20) For the Satellite Location, you will need access to a vehicle to transport the food from your Full Service Location (or Limited Service Location) to your Satellite Location. The low estimate assumes you already have a vehicle, and that you need only incur the cost of fuel. The high estimate assumes you rent a vehicle.

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ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain the high standards of the Bento Sushi Counters, you must use in the development and operation of the Sushi Counter only those brands and models of equipment, fixtures, display items, merchandise, materials and supplies for use in operation of the Sushi Counter which meet our specifications and quality standards and/or are purchased from suppliers we approve. You must purchase all food and drink products from suppliers we approve. We reserve the right to require that certain food and drink products or additional ingredients be purchased exclusively from us, our affiliates or other designated sources in the future.

We may provide you a list of approved products, brands, and/or suppliers for food products and other items necessary to operate the Sushi Counter(s), identifying manufacturers, brands, suppliers, and products and services that we have approved to be carried or used in the Bento Sushi System. We may revise the list at any time. Your suppliers must agree to deliver their products to the location of your sushi counter. Any exceptions to this delivery requirement must be consented to in writing by us, in which event, you may pick up your order from the supplier's facility.

You shall use only items or ingredients that conform to our specifications and quality standards and/or are purchased from suppliers we approved (which may include Franchisor and/or its Affiliates). If you propose to offer at your Sushi Counter(s) any brand of product, or to use any item or ingredient not then approved by us or to purchase from a supplier not then designated by us as an approved supplier, you shall first submit your request in writing to us before making any purchase. You shall pay us a reasonable charge for the cost of inspection and evaluation, including a reasonable amount for our costs of personnel to conduct the inspection and evaluation. You shall submit samples and other information that we require for examination and/or testing or to otherwise determine if the product or proposed supplier meets our specifications and quality standards. Our Vice President of Procurement will research the supplier to determine the quality of products and check the supplier's references. We will communicate to you within 30 days our determination on whether we approve the supplier or item for your use. We may impose limits on the number of suppliers and/or brands for any ingredient or food or beverage product used or served by the Sushi Counter. We do not make available to you or your proposed supplier our criteria for products. We are not under any obligation to approve the requested product or supplier and you must comply with our decision. We reserve the right to re-inspect facilities and products of any supplier and to revoke any approval previously given. We may also revoke approval if we receive any complaints on quality of ingredients, or if we find a better or more cost effective supplier.

All goods and services used in operating the Sushi Counter(s) that are not specifically required to be purchased according to our approved suppliers list, shall conform to specifications and standards that we establish. We may modify the minimum standards and specifications and/or the list of approved brands and/or suppliers. You shall also comply with any source restrictions imposed by the Host Facility to maintain quality control or an identifiable source for products in the event of product recalls.

For each Bento Sushi Counter, you must purchase from us or our affiliate a label machine with printer and scanner ("Label Machine"). The purpose of the Label Machine is for you to print labels, with applicable prices, for the pre-packaged sushi meals and other food products.

You must also purchase a computer system meeting our specifications with Internet connectivity capabilities to permit you to submit purchase orders online and to obtain information

on new products, product specifications and other information we designate.

We may develop proprietary or private-labeled products for the Sushi Counter. To monitor the manufacture, packaging, processing and sale of these products we shall: (a) manufacture, supply and sell the proprietary or private labeled products to franchisees; and/or (b) disclose the designs or specifications of these products to a limited number of suppliers whom we will authorize to make them to our specifications and to sell them to franchisees. You acknowledge that you will be required to purchase the proprietary or private labeled products from us, or from a limited number of suppliers we designate.

You must purchase from us or our affiliate uniforms for each of your employees.

As of the date of this Franchise Disclosure Document, there are no other goods, services, supplies, fixtures, equipment, inventory, or computer systems which you must purchase from us or any designees. However, we reserve the right to require you to purchase additional items from us or our designated source in the future. We or our affiliates may derive revenue or other material consideration from your purchases from us or our designated source in the future.

In fiscal 2022 ended November 27, 2022, we derived \$502,746 or 10.4% of our total revenue of \$4,826,005 in fiscal year 2022, from the sale of fees for background checks and agreement fees to franchisees in the United States. Other than revenue from the sale of background check and agreement fees, we did not derive any revenue from the sale of products or services to franchisees in the United States in fiscal 2022. These figures are from our audited financial statements for the period ended November 27, 2022.

In fiscal year 2022, our affiliates derived \$0 in revenue from the purchase of goods or services by our franchisees.

These purchases which must be made in accordance with our specifications or from suppliers approved by us represents approximately 5% to 15% of your total purchases in establishing your Sushi Counter and approximately 5% to 15% of your total expenses in operating the Sushi Counter.

Some of our officers have an ownership interest in our affiliates, which are approved suppliers.

There are no purchasing or distribution cooperatives. We have negotiated, and may in the future negotiate, arrangements with suppliers for the purchase of food products to be offered by our Franchisees.

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers.

You must maintain the following insurance coverages with limits that are set forth in the Franchise Agreement: commercial general liability insurance, workers' compensation, employer's liability, and other insurance to meet statutory requirements. If you have a Satellite Unit, you must maintain automobile liability insurance for owned and non-owned automobiles, including personal injury, wrongful death, and property damage.

We will provide you commercial general liability insurance for the Sushi Counter under our group insurance policy and deduct your portion of the premium costs on a weekly basis. Your premium is calculated on the amount of sales at the Franchisee's Sushi Counter.

All insurance policies must be issued by an insurance carrier or insurance carriers acceptable to us and must contain a waiver of the insurance company's right of subrogation against us, and must provide that we will receive 30 days' prior written notice of termination, expiration, or cancellation of the policy. You must submit to us upon request a copy of the certificate of or other evidence of the renewal or extension of each insurance policy.

We can require you to obtain different or additional kinds of insurance and may increase the amount of coverage required. You must name on each insurance policy described in this paragraph both the Host Facility and Bento Sushi Franchise, Inc. (25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8) as additional insured on a primary basis.

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ITEM 9. FRANCHISEE'S OBLIGATIONS

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

| Obligation | Section in Franchise Agreement (unless otherwise specified) | Item in Franchise Disclosure Document |
|--|--|--|
| a. Site Selection and acquisition/lease | 3.1. | 11 |
| b. Pre-opening purchases/leases | 5.1, 11.17, 11.18, 11.19 | 5, 7, 8 |
| c. Site development and other pre-opening requirements | None | 7, 11 |
| d. Initial and ongoing training | 11.25, 11.26, 11.27, 11.28, 11.29 | 6, 11, 15 |
| e. Opening | None | 11 |
| f. Fees | 9 | 5, 6, 7 |
| g. Compliance standards /Operations Manual | 11.1 | 8, 11, 14, 16 |
| h. Trademarks and proprietary information | 4, 5, 6 | 11, 13, 14 |
| i. Restrictions on products/services | 11.4, 11.9, 11.10 11.11 | 8, 16 |
| j. Warranty and customer service requirements | 11.23 | 16 |
| k. Territorial development | Not Applicable | Not Applicable |
| l. Ongoing product/service purchases | 11.9, 11.10, 11.11 | 8, 16 |
| m. Maintenance, appearance and remodeling | 11.2 | 8 |
| n. Insurance | 12 | 6, 7, 8 |
| o. Advertising | 8 | 6, 7, 11 |
| p. Indemnification | 4.4, 12.2 | 6, 13 |
| q. Owner's participation/ management staffing | 11.16, Full Service Addendum Sec. 6, Limited Service Addendum Sec. 7, Satellite Addendum Sec. 8. | 15 |
| r. Records/reports | 10 | 6 |
| s. Inspections/audits | 10.4 | 6, 11 |
| t. Transfer | 15 | 6, 17 |
| u. Renewal | 13 | 6, 17 |
| v. Post-termination obligations | 17 | 17 |
| w. Non-competition covenants | 6.4 | 17 |
| x. Dispute resolution | 18.9 | 17 |

ITEM 10. FINANCING

There are 2 types of financing we (the franchisor) may offer:

- a. Initial Franchise Fee
- b. Other costs of opening a new or existing Bento Sushi Counter

a. Initial Franchise Fee

We may offer financing to qualified franchisees for up to 100% of their initial franchise fee. The financing terms for this type of financing are as follows, as well as in the Promissory Note attached as Exhibit L-1 to this disclosure document.

- 1) Amount of Financing. Up to 100% of the amounts set forth above.
- 2) Down Payment: None
- 3) Annual Percentage Rate. You pay an administrative charge equal to the greater of (a) 1% per month of the amount due until the total amount of this Note is paid; or (b) \$100.00 total (exclusive of any late charges or the Default Interest Rate, if applicable).
- 4) Term. 4 to 30 weeks
- 5) Guaranty. All the owners of the Franchisee entity must sign a personal guaranty and be personally obligated under the Promissory Note.
- 6) Security. None
- 7) Prepayment. You may prepay the Note with no penalty.
- 8) Liability Upon Default. Upon default, we may, without notice, demand or presentment, declare the entire principal balance of the note immediately due and payable. This balance shall bear an interest rate of 15% per year. You must pay all of our costs and expenses of collection, including reasonable attorneys' fees, court costs and expenses.
- 9) Late Charges. If we have not received the full amount of any weekly payment within 5 days of its due date, we will charge a late charge fee in the amount of 1% of the overdue weekly payment
- 10) Loss of Legal Rights Upon Default. Upon default, you waive your right to presentment, demand for payment, protest, notice of dishonor, notice of protest and notice of default of the note
- 11) Conditions. You must meet our credit requirements.

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b. Other Costs of Opening a New or Existing Bento Sushi Counter

We may offer financing to qualified franchisees who are:

- opening a new Bento Sushi Counter, or
- who are acquiring an existing Bento Sushi Counter from another franchisee, or
- who are purchasing an existing company-owned Bento Sushi Counter from us.

The amount of financing we may offer for the above purchases is as follows:

- for franchisees opening a new Bento Sushi Counter, up to 75% of the estimated initial investment, as shown in Item 7 of this disclosure document. We will finance the opening of a Limited Service Location and Satellite Locations, but only if they are opened at the same time as your Full Service Location or Commissary-Based Operation.
- For franchisees who are either acquiring an existing Bento Sushi Counter from another franchisee The terms are as follows in #1 and 2 below, and in #5 through #13 below. See the Promissory Note attached as Exhibit L-2 to this disclosure document.

The amount of financing for franchisees acquiring an existing Bento Sushi Counter from another franchisee or from us is up to 75% of the purchase price, subject to our approval as to the reasonableness of the purchase price.

The financing terms for this type of financing are as follows, as well as in the Promissory Note attached as Exhibit L-2 to this disclosure document.

- 1) Amount of Financing. Up to 75% of the amounts set forth above.
- 2) Down Payment: 25% of the amounts set forth above
- 3) Annual Percentage Rate. The annual percentage rate shall be 12% (1% per month).
- 4) Term. 1 year, in weekly payments
- 5) Guaranty. All the owners of the Franchisee entity must sign a personal guaranty and be personally obligated under the Promissory Note.
- 6) Security. None
- 7) Prepayment. You may prepay the Note with no penalty.
- 8) Liability Upon Default. Upon default, we may, without notice, demand or presentment, declare the entire principal balance of the note immediately due and payable. This balance shall bear an interest rate of 15% per year. You must pay all of our costs and expenses of collection, including reasonable attorneys' fees, court costs and expenses.
- 9) Late Charges. If we have not received the full amount of any weekly payment within 5 days of its due date, we will charge a late charge fee in the amount of 1% of the overdue weekly payment
- 10) Loss of Legal Rights Upon Default. Upon default, you waive your right to presentment, demand for payment, protest, notice of dishonor, notice of protest and notice of default of the note
- 11) Conditions. You must meet our credit requirements.

Examples of Financing for Franchisee opening a new Bento Sushi Counter:

| Type of Location | Full Service Location | | Full Service Location with 1 Limited Service Location | | Full Service Location with 1 Satellite | | Commissary with 5 Satellites | |
|--------------------------------|-----------------------|-------------|---|-------------|--|-------------|------------------------------|-------------|
| | Low | High | Low | High | Low | High | Low | High |
| Initial Investment (Item 7) | \$14,475 | \$40,950 | \$22,900 | \$67,500 | \$15,975 | \$45,100 | \$24,575 | \$35,225 |
| Amount Financed (75%) | \$10,856 | \$30,712 | \$17,175 | \$50,625 | \$11,981 | \$33,825 | \$18,431 | \$26,419 |
| Down Payment (25%) | \$3,619 | \$10,238 | \$5,725 | \$16,875 | \$3,994 | \$11,275 | \$6,144 | \$6,806 |
| Weekly Payments (52) | \$221.79 | \$627.44 | \$350.88 | \$1,034.26 | \$244.78 | \$691.04 | \$376.54 | \$539.74 |
| Total Interest Paid | \$676.84 | \$1,914.93 | \$1,070.90 | \$3,156.55 | \$747.04 | \$2,109.04 | \$1,149.21 | \$1,647.21 |
| Total Paid, including Interest | \$11,532.84 | \$32,626.93 | \$18,245.90 | \$53,781.55 | \$12,728.04 | \$35,934.04 | \$19,580.21 | \$28,066.21 |

If you enter into a financing agreement with us, you will authorize us to deduct, from the Adjusted Net Sales owed to you as a result of your operation of your Bento Sushi Counter, an amount sufficient to meet your weekly loan payment and interest.

We do not offer other direct or indirect financing. We do not finance any debt to a 3rd party. We do not guarantee your note, lease or obligation. We do not have any intent to sell, assign or discount to a 3rd party all or part of the Promissory Note.

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

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

Before Opening of the Sushi Counter

We will provide the following services and guidance in connection with the establishment of your Sushi Counter, except as noted:

Typically, we will already have arranged with a grocery store chain or other retail establishments ("Host Facilities") that we consider suitable for Bento Sushi Counters. We or our affiliate enter into an agreement with the Host Facilities ("Host Facility Agreement") to establish the terms and conditions for the operation of Bento Sushi Counters in the Host Facilities' premises. At the time you sign your Franchise Agreement, we will offer you 1 or more specific Host Facilities within which to open your Bento Sushi Counter. (Section 3.1, Franchise Agreement). Neither you nor we will own, lease, or sublease the premises where your Sushi Counter is located. The Host Facility will be the owner or lessee of the store within which your Sushi Counter is located. The Host Facility Agreement includes financial terms, which are generally a percentage of your Gross Sales, as consideration for the operation of your Sushi Counter within the Host Facility. You do not sign a lease or sublease, but you must comply with the Host Facility Agreement. The Host Facility performs the necessary build-out, constructing, remodeling, equipping, fixturing, and decorating the space for your Sushi Counter, according to our specifications and requirements.

If we have not entered into a Host Facility Agreement prior to your signing the Franchise Agreement with us, we will endeavor to identify a suitable location for your business (Exhibit B of Franchise Agreement).

We may obtain your business license and permits for you (Section 11.15., Franchise Agreement).

We will enter into the applicable Addendum to your Franchise Agreement, designating the type of your Sushi Counter (Section 3.1, Franchise Agreement).

We will furnish you, your managers, and your other employees an initial training program, as described below in this Item 11 (Section 11.25, Franchise Agreement).

We will provide you ongoing advice and support on operating the business. We will develop new products, services, techniques and other enhancements to your business (Sections 7.1 and 11.23, Franchise Agreement).

We will lease you a Bento Guest Experience Manual (the "Operations Manual") (Section 5.1., Franchise Agreement).

We will sell you the Label Machine that you will use to print labels for your food products (Section 11.19., Franchise Agreement)

We will sell you an iPad that you will use to records sales, receive and send emails, access the web, submit purchase orders online and to obtain information on new products, product specifications and other information we designate.

We will sell you your initial supply of employee uniforms (Section 11.17., Franchise Agreement).

We may sell you your initial supply of ingredients and smallware (Sections 11.14 and 11.19., Franchise Agreement).

Site Selection and Sushi Counter Opening

At the time you sign the Franchise Agreement, the location of your Sushi Counter may or may not be identified.

If at the time you sign the Franchise Agreement, the exact location and type of your Sushi Counter are not determined, we will sign Exhibit “B,” Addendum when Location Not Determined. We will then endeavor to search for a suitable location and type of Sushi Counter for you to operate. There is no time limit or deadline for us to determine the location and type of your Sushi Counter. If we propose a location for your Sushi Counter, and you do not find it acceptable, we will continue to search for a location acceptable to you. In no event are any fees paid by you (franchise fee deposit) refundable under any circumstances.

Once the location and type are determined, the parties will complete the applicable Addenda for Franchisee’s Sushi Counters, including the exact location, based on the type of Sushi Counter (Full Service Location, Limited Service Location, Satellite Location, Commissary-Based Location, Satellite Location to Kitchen, attached to the Franchise Agreement as Exhibits C through G).

We consider the following factors in entering into the Host Facility Agreement: the demographic characteristics, traffic patterns, parking, character of neighborhood, competition from other businesses within the area, the reputation of the Host Facility, and the size, appearance and other physical characteristics of the Host Facility’s premises. We do not guarantee the viability and ultimate profitability of the location of your Sushi Counter.

The Host Facility Agreement may be month-to-month and can be terminated by the Host Facility on short notice.

You are responsible for obtaining all required licenses and permits to operate your Sushi Counter, and to hire and train employees.

The estimated length of time from the date the Franchise Agreement is signed to the opening of the Sushi Counter ranges from 2 weeks to 12 months. Factors affecting this length of time include the time it takes to identify the location of your Sushi Counter, obtain the required licenses, and the date required by the Host Facility to open. Additional factors could include the build-out and leasehold improvements within the Host Facility, delivery of inventory and equipment, and successful completion of the initial training program.

After the Opening of the Sushi Counter

During the operation of the Sushi Counter:

We will provide additional on-site training at your location near the time of the Sushi Counter opening. Such training will be given by one of our employees (Section 11.27, Franchise Agreement).

We continue to lend you the Operations Manual, and may provide you modifications to the manuals to reflect changes in specifications, standards and operating procedures (Section 5.1, Franchise Agreement).

We will indemnify and defend you in any legal proceeding brought against you by reason of your proper use of the BENTO SUSHI Marks (Section 4.4, Franchise Agreement).

We will conduct such testing and review as necessary to determine whether a product or supplier proposed by you should be approved (Section 11.10, Franchise Agreement).

We may establish and administer a Marketing Fund to conduct marketing and promotional programs (Section 8.4., Franchise Agreement).

We will review all local advertising and promotional materials which you propose to use and determine whether the advertising should be approved for use (Section 8.1., Franchise Agreement).

We will review all local advertising and promotional materials which you propose to use and determine whether the advertising should be approved for use (Section 8.1., Franchise Agreement).

We will interview and evaluate any proposed purchaser of said Sushi Counter to determine whether the transferee meets its then-current qualifications for franchisees (Section 15.6, Franchise Agreement).

We may delegate to a third party some or all of the ongoing services listed above.

Marketing and Promotion

We do not currently require you to contribute to a National Marketing Fund. However, we reserve the right, upon 30 days' notice, to implement a National Marketing Fund. In the event we implement a National Marketing Fund, you must contribute an amount we determine, not to exceed 2% of the Gross Sales of your Sushi Counter. Company-owned and affiliate-owned stores will not contribute to the National Marketing Fund. We will direct all marketing programs financed by the Marketing Fund with sole discretion over the creative concepts, materials and endorsements and the geographic market and media placement and allocation. The Marketing Fund is intended to enhance recognition of the Marks and drive customer traffic to the Bento Sushi Counter Locations. We are not obligated to make expenditures for you that are equivalent or proportionate to your Marketing Fund Contribution or to ensure that you or any particular franchisee benefits directly or proportionately from expenditures by the Marketing Fund. The Marketing Fund is not a "savings account" or an escrow fund from which franchisees can draw to support their marketing campaigns.

The Marketing Fund may be used to pay the costs of written advertising and promotional materials, both inside and outside the location, administering multi-regional advertising programs, including purchasing direct mail and other media advertising and employing advertising agencies; and supporting public relations, market research and other advertising and marketing activities.

The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the Marketing Fund and its marketing programs, including conducting market research, preparing advertising, promotional and marketing materials and collecting and accounting for contributions to the Marketing Fund.

We are not required to have the Marketing Fund audited. We will furnish you an unaudited annual report of the Marketing Fund upon written request.

If all Marketing Fund Contributions are not spent in the fiscal year in which they accrue, the monies are simply rolled over for use in the next year. We may terminate the Marketing Fund by giving 30 days written notice of termination. We will have the right to reinstate the Marketing Fund under the same terms and conditions as herein set forth by giving you 30 days prior written notice of reinstatement.

Initially, you do not have to participate in an advertising cooperative of any type. However, we reserve the right, in the future, to designate a geographic region that includes your Sushi Counter(s) and at least 1 other Bento Sushi Counter as a local, regional or national cooperative area, for the purpose of developing a cooperative program. If we implement a cooperative program, you shall participate in and contribute your share to the cooperative designated by us, as determined according to the cooperative's operating procedures. Company-owned and affiliate-owned stores will not participate in advertising cooperatives. The cooperative shall operate according to written governing documents prepared by or consented to by us. We shall have the right to veto any decision of the cooperative. We shall have the power to form, change, dissolve or merge cooperatives, at our discretion.

Other than for the National Marketing Fund and cooperative advertising, we do not require that you spend any minimum amount on advertising.

There is no advertising council composed of franchisees that advises us on advertising policies.

You are not permitted to use your own advertising material unless you receive our prior written approval.

You are strictly prohibited from creating a Social Media account or posting anything on Social Media sites involving your Sushi Counter or that uses our Marks. We reserve the right to require you to obtain our approval of any message involving your Sushi Counter or that uses our Marks that you send or post over Social Media.

Computer Requirements

For your Full Service Bento Sushi Counter, you must purchase from us 2 label machines with printer and scanner (“Label Machine”). The purpose of the printer and scanner is to produce labels that are affixed to the products you sell; they do not have any data generated or stored on them. For your Limited Service Location, you must purchase 1 Label Machine. For your Satellite Location, you do not need a Label Machine. The purpose of the Label Machine is for you to print labels, with applicable prices, for the pre-packaged sushi meals and other food products. The Label Machine is not proprietary, but the scan sheets we furnish you for use with the Label Machines contain proprietary data. The estimated cost of the Label Machine is \$650 each. During your 1st year of operation, we will maintain and repair your Label Machine(s) at no cost other than your cost in shipping it to us. After the 1st year of operation, you are responsible for repairing and replacing your Label Machine at your own expense, estimated at 200 per year. You are not required to maintain or upgrade your Label Machine or scan sheets.

You must purchase an iPad meeting our specifications with Internet connectivity capabilities to permit you to record sales, receive and send emails, access the web, submit purchase orders online and to obtain information on new products, product specifications and other information we designate. We do not have a specific brand or other computer system specifications you must comply with. The estimated cost to purchase the computer system is \$1,000. You must maintain upgrade your iPad, for which you will pay us a monthly fee of \$50, or \$600 a year.

We do not have access to information and data pertaining to your Sushi Counter produced by and/or stored on your computer system, however we reserve the right in the future to access your information and data.

We may, in the future, develop or designate software for performing various functions for the Sushi Counter. In that event, you shall implement and use the software in operating the Sushi Counter(s) and comply with all standards prescribed by Franchisor regarding the Software.

We use email for many of our communications with you. You must have Broadband (DSL or cable) high speed internet access and e-mail.

Operations Manual

The Table of Contents of the Operations Manual is attached as Exhibit J. As of the issuance date of this Franchise Disclosure Document, the total number of pages in the Operations Manual was 260.

Training

You (or, if you are a corporation, partnership, or limited liability company, its controlling shareholder, managing partner, or member) must complete the initial training program to our satisfaction prior to opening your business.

Initial Online Training. The initial training program is on-line and is held generally no more than 2-4 weeks prior to opening. Online training will be conducted via instruction on a computer. You will be responsible to secure a quiet, and internet accessible location to perform the Online training.

The total time provided for Online training is generally 5 days. You may have additional individuals attend the Online training. We do not charge you any fees for the Online training. Since it is Online, you may take this training wherever you have access to a computer.

On-Site Training. We will furnish you training on-site at your Sushi Counter just before you open for business. The length of time for on-site training is determined by the Director of Training. Based on the type, volume, menu offering, and non-traditional venue, the training can range from 2 to 10 days. We charge a Training Fee for On-Site Training, which is determined by the number of days and the number of trainers and management personnel that are present at your site. Training Fees are \$450 per day per support team member. The fees for on-site training will range from \$900 for 2 days with 1 trainer, to \$18,000 for 10 days with 4 trainers and management personnel. Additional fees will be charged for travel and hotel accommodations for trainers and management personnel.

Training will be conducted as needed, so new Franchisees will not have to wait more than 1 month after they are ready for training, per our criteria. Training will consist of all phases of the operation including sushi counter operations, sushi production, food safety, and customer service.

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**TRAINING PROGRAM
ONLINE/OFF-SITE AND ON-THE-JOB TRAINING**

| SUBJECT | HOURS OF ONLINE/OFF- SITE TRAINING | HOURS OF ON-THE-JOB TRAINING | LOCATION |
|--|---|---|--------------------------------------|
| Introduction and Orientation General and Legal | 4 hrs | None | Online or other selected location |
| Food Safety and Sanitation Food Handlers Certification, Serve Safe, etc. | 8-16 hrs | Up to 8 hrs | Online or other selected location |
| Sushi Production Recipes and GMP's | 0-8 hrs | 8-40 hrs | Online or other selected location |
| Daily Sushi Counter Management Production Planning etc. | 4 hrs | Up to 8hrs | Online or other selected location |
| Guest Experience Customer Service, Sampling | 4 hrs | Up to 8 hrs | Online or other selected location |
| Franchise Management Ordering, Inventory, Marketing, Compliance | 8-16 hrs | Up to 8 hrs | Online or other selected location |
| Totals | 28 – 52 hrs | 8 – 72 hrs | |

The training time designated as “On-the-Job Training” is held at a designated Bento Sushi Counter in operation for the initial training and later at your own new Sushi Counter. The location of the initial training program is subject to change. As noted above, the training program may be conducted in different locations and ways, in the event of circumstances beyond our control.

The materials used to teach these subjects are a combination of tools including the Operations Manual, supplemental handouts, video presentations and lecture.

The training program is currently under direction of our trainer and Vice President, Shin Hong (Sam) Choi. Mr. Choi has at least 8 years of experience in all the subjects he will teach franchisees. We reserve the right to make changes in training staff at any time.

Additional Training Programs. We may also provide refresher and supplemental training programs; however, none is planned at this time. You must attend the refresher or supplemental training programs. You will be responsible for your transportation and living expenses in attending training.

ITEM 12. TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We may establish other franchised or company owned locations that may compete with your location.

You are granted the right to operate a Bento Sushi Counter from 1 specified location only. Your location will be set forth on the Addendum to your Franchise Agreement.

We will approve relocation of your Sushi Counter if you lose the right or consent by the Host Facility to operate your Sushi Counter, or if the Host Facility objects to your Sushi Counter, without your fault. We will attempt to identify a new location for you, and will consent to relocation of the affected Sushi Counter to an alternate location and site acceptable to us. You do not have an absolute right to relocate your Sushi Counter, and any relocation is at our sole discretion. Any relocation shall be at your sole expense. Relocation may not be possible before expiration of the term of the Franchise Agreement, or at all. It is possible that the new location will not be comparable to the former location. Relocation, even if possible, could involve a substantial interruption in operating a Sushi Counter until a new location is identified and prepared. You must release Franchisor and its affiliates, and each of their respective officers, directors, agents and employees from any loss of right or consent to operate at the location, and further agree not to hold Franchisor liable for any such event during the term of this Agreement or thereafter.

You have no options, rights of first refusal or similar rights to acquire additional franchises in any other locations.

BSFI (on behalf of itself and its affiliates) retains the right, in its sole discretion:

- (1) to itself operate, or to grant other persons the right to operate, Bento Sushi Counters at such locations and on such terms and conditions as BSFI deems appropriate, without regard to proximity to your Sushi Counter; and
- (2) to sell the products and services authorized for Bento Sushi Counters under the Marks through such similar and dissimilar channels of distribution (including the internet, catalog sales, telemarketing, or other direct marketing sales) and under such terms and conditions as BSFI deems appropriate (“alternative distribution channels”). You will receive no compensation for such sales by BSFI.
- (3) to sell the products and services authorized for Bento Sushi Counters under other trademarks, service marks and commercial symbols through such similar and dissimilar channels of distribution (including the internet, catalog sales, telemarketing, or other direct marketing sales) and under such terms and conditions as BSFI deems appropriate (“alternative distribution channels”). You will receive no compensation for such sales by BSFI.

You may not use alternative distribution channels (including use of a toll-free number, catalog, website, or the internet, or any other computer on-line service) to make sales anywhere.

BNI operates company-owned sushi outlets that are similar to the franchised outlets offered in this disclosure document and using the same name “Bento Sushi”

We currently do not have a prescribed method for resolving any conflicts between BNI’s outlets and BSFI franchisees regarding territory, customers or franchisor support. We anticipate that each situation would be handled on a case by case basis.

Continuation of your operation at the franchised location is not dependent upon you attaining any particular volume or other contingency.


Neither BSFI, nor any of its affiliates has established franchised, company-owned, or affiliated-owned Sushi Counters selling similar products or services under different service marks and trademarks, but they reserve the right to do so in the future.

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ITEM 13. TRADEMARKS

Under the Franchise Agreement, BSFI grants you the right to use the trademarks and service marks listed below, and other such trademarks, service marks, and commercial symbols as BSFI authorizes (collectively, the “Marks”).

The following mark has been registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”). All required affidavits and renewal applications have been filed.

| <u>Mark</u> | <u>Date of Registration</u> | <u>Registration #</u> |
|---|------------------------------------|------------------------------|
|  | April 28, 2015 | 4,726,431 |

(BENTO SUSHI & Design)

We derive the right to use the “BENTO SUSHI” Marks under a License Agreement dated April 29, 2016 (“License Agreement”) with BI.

Information Regarding All Marks

BSFI derives the right to use the Marks under a License Agreement dated April 29, 2016 (“License Agreement”) with our affiliate, Bento Inc. (“BI”), the owner of the Mark. The License Agreement permits BSFI to license to our franchisees the use of the name and mark “Bento Sushi” and the Proprietary System developed by BI. The term of the License Agreement is 20 years, which may be renewed upon mutually agreeable terms. We have the non-exclusive right to use the Marks and Proprietary System in connection with the offer and sale of franchises to third parties to own and operate Bento Sushi Franchised Sushi Counters. BI may terminate our rights under the License Agreement in the event of our breach. Under the License Agreement BSFI must furnish BI with samples of all Franchise Agreements, literature, brochures, advertising, videos, labels, manuals, signs, contracts and other materials prepared by BSFI. The License Agreement does not limit the rights of BSFI or you to use the name or the Proprietary System. There are no other agreements currently in effect that significantly limit the rights of BSFI or you to use the Bento Sushi name or the Proprietary System.

BSFI's license is not exclusive, and BI has licensed others, including BNI and BSFL to use or license the Marks. BI may in the future license others to use or license the Marks.

There are no effective material determinations of the United States Patent and Trademark

Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, any pending interference, opposition, or cancellation proceedings involving any of the above-referenced Trademarks. There are no other agreements currently in effect that significantly limit our rights to use or license the use of the Trademarks listed in this section in a manner material to you. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Trademarks in this state or any other state in which the franchised business is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Trademark.

Except as otherwise stated above, there are no agreements currently in effect which significantly limit the rights of BSFI to use or license the use of the above mentioned trademarks, service marks, trade names, logotypes, or other commercial symbols in any manner material to the franchise.

There are no infringing uses actually known to BSFI which could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols in the state in which your Sushi Counter is to be located.

We have the right to require you to use new marks and to discontinue or modify your use of any name or commercial symbol. If it becomes advisable at any time, in BSFI's sole discretion, for BSFI and/or you to modify or discontinue use of any Mark and/or use 1 or more additional or substitute trademarks or service marks, you agree to do so within a reasonable time after notice by us. In the event we require you to discontinue the use of any name or commercial symbol and to use a substitute mark or commercial symbol, BSFI's sole obligation will be to reimburse you your out-of-pocket expenses of complying with this obligation.

Under the Franchise Agreement, you acknowledge that your right to use the Marks is derived solely from the Franchise Agreement and is limited to the operation of the Sushi Counter under and in compliance with the Franchise Agreement and all applicable standards and operating procedures we prescribe. Any unauthorized use of the Marks by you constitutes an infringement of BSFI's rights in and to the Marks. You agree that your use of the Marks and any good will established thereby inure to the exclusive benefit of BSFI, and you acknowledge that the Franchise Agreement does not confer any good will or other interests in the Marks upon you. You may not at any time during the Franchise Agreement or after its termination or expiration, contest the validity of ownership of any of the marks or assist any others in contesting the validity or ownership of any of the Marks.

You specifically agree to use the Marks as the sole identification of the Sushi Counter, but you must identify yourself as the independent owner in the manner prescribed by BSFI. You may not use any mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, nicknames, terms, designs or symbols, or in any modified form (including, without limitation, any local or special adaptations or artistic variations of any of the Marks), nor may you use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by BSFI. You agree not to register the Marks on the internet or any other electronic service, including Social Media and smart phone marketing applications, or use or register the Marks on the internet in any other manner. You are strictly prohibited from creating or maintaining a website for your Sushi Counter, or a website that uses BSFI's Marks. BSFI has the sole right to create, establish, own, and control the website for your Sushi Counter. You agree

to display the Marks prominently and in the manner prescribed by BSFI on signs, forms, and other materials and articles. Further, you agree to give such notices of trademark or service mark ownership or registration and copyrights as BSFI specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law. Any and all uses of the Marks will be subject to BSFI's prior written approval, and a request for such approval will include such information and samples as BSFI may require. You may not use the name "Bento Sushi," "BSFI," or a derivative of those names in your corporate or other formal name.

Under the Franchise Agreement you must notify BSFI immediately in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person other than BSFI or its affiliates of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You may not communicate with any person other than BSFI and its counsel in connection with such infringement, challenge or claim. BSFI has sole discretion to take such action as it deems appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You further agree under the Franchise Agreement to sign any and all instruments and documents, render such assistance and do whatever may be necessary or advisable to protect and maintain the interests of BSFI in any such litigation, U.S. Patent and Trademark Office proceeding or other administrative proceedings or otherwise to protect and maintain the interests of BSFI in the Marks.

BSFI agrees to indemnify you against and to reimburse you for all direct, but not consequential (including, but not limited to, loss of revenue and/or profits), damages for which you are held liable in any proceedings arising out of your proper use of the BENTO SUSHI Mark under and in compliance with the Franchise Agreement, and for all costs reasonably incurred by you in the defense of any such claim brought against it or in any such proceeding in which it is named as a party, provided that you have timely notified BSFI of such claim or proceeding and have otherwise complied with the Franchise Agreement.

The remainder of this page is left blank intentionally.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Except as noted below, we do not own any rights in or to any patents or copyrights which are material to the Franchise. We and our affiliates claim copyrights in our Operations Manual, and related materials used in the operation of the Franchise. Such copyrights have not been registered with the United States Registrar of Copyrights but have been protected under the copyright laws of the United States by virtue of BSFI and its affiliates placing the appropriate notice of copyright on such items. You may use the Manuals and materials during the term of your Franchise Agreement.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our copyrights, nor are there any currently effective agreements between us and third parties pertaining to our copyrights that will or may significantly limit your use of our copyrighted materials. Furthermore, there are no infringing uses actually known to BSFI which could materially affect your use of the copyrighted materials in any state where the Franchise is to be located. We are not obligated under any agreement to protect or defend our copyrights.

To preserve and enhance the reputation and goodwill associated with BSFI's Marks, and to maintain uniform standards of operation for franchisees, you must operate the Franchise in full compliance with the Operations Manual. You also understand that the Manuals and other training and operational aids contain certain proprietary and confidential information and remain the property of BSFI and its affiliates. There will be no duplication or any disclosure of the proprietary and confidential information, except to your employees on a need-to-know basis, and you must take all reasonable precautions we prescribe to prevent unauthorized use or disclosure of proprietary information of BSFI and its affiliates. You must keep copies of the Manuals current by inserting the updates furnished by BSFI on an ongoing basis, and, in the event of any dispute as to Manuals' contents, BSFI's master copy shall control.

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

For a Full Service Location, you or your principal owner must either directly or through a manager, devote your full time to managing the Sushi Counter and your employees. We require you to supervise, but not personally manage, the Sushi Counter. The Sushi Counter must be directly supervised "on-premises" by a manager, who has completed BSFI's training program.

For a Limited Service Location, you or your principal owner must either directly or through a manager, operate the Sushi Counter on a part-time basis each day that the Host Facility is open for business. As a Limited Service Location, you are not required to be personally present or have a manager personally present at the Sushi Counter more than 4 hours per day.

For a Satellite Location, you must perform all food preparation only at your Full Service Location or Limited Service Location. The Satellite Location must be inspected, and the display case restocked at least once daily with sufficient amounts of sushi and/or other food products no later than 11:00 a.m. each day. We may revise these requirements.

If you operate more than one Sushi Counter location, then at least 1 trained employee with ServSafe Manager certification shall act as manager for those other Sushi Counter locations. To assure we are aware of whom to contact in the event of your absence, you shall provide us a written list of every manager you employ. You shall update and provide a revised manager list to us in writing within 24 hours of: (1) any new manager being hired; and/or (2) any manager leaving your employment.

In addition, all employees you hire must have successfully complete ServSafe Manager certification, whether or not they are managers.

The on-premises manager may not have an interest or business relationship with any of BSFI's business competitors. The manager need not have an ownership interest in a corporate or partnership franchisee.

The manager must sign a separate written agreement with you incorporating nondisclosure and noncompetition clauses in a form satisfactory to us, including naming BSFI as an intended third party beneficiary. An example of an agreement we currently consider satisfactory, including provisions to confirm our ownership of Ideas (as defined in Section 6.c. of the Franchise Agreement) is the Confidentiality and Non-Competition Agreement attached to the Franchise Disclosure Document as Exhibit D. The requirement for the Nondisclosure and Noncompetition Agreement between you and your employees, including the provision that makes BSFI an intended third party beneficiary, shall not create an employee or joint employee relationship between BSFI and your employees, nor does it constitute control by BSFI over your employees' conditions of employment.

If the Franchisee is a corporation, limited liability company (LLC), or partnership, all owners of the corporation, LLC or partnership must agree jointly and severally to guarantee the obligations of Franchisee under the Franchise Agreement, and must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement.

If your spouse is involved in the franchised business, then the spouse of Franchisee, or if Franchisee of a legal entity, the spouse of any owner, must execute the Guaranty and Assumption of Obligations attached to the Franchise Agreement, as if each spouse were an original party to this Agreement in his or her individual capacity. Franchisor shall make the final determination whether a spouse of Franchisee or of an owner of Franchisee must sign the Guaranty and Assumption of Obligations.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are not permitted to sell, distribute or use any products or other items not approved for the uniform operation of all Bento Sushi Counters in the system by BSFI, and your premises may not be used for any business purpose other than the operation of the Sushi Counter as authorized by BSFI.

You must sell all food items that we authorize. We have the right to add additional authorized services and products that you must offer. There are no limits on our rights to make product or service changes.

You must only sell products to end customers who are physically present at your Sushi Counter. You may not engage in the resale of any product or supply at wholesale, retail or through other means without our written consent. You must not offer and sell products through the use of a toll-free number, catalog, smart phone application or on any internet site including but not limited to Social Media.

You must not discriminate in your dealings with customers (in the services or products you provide, in the access to your services and products, or by refusing to provide services and products) on the basis of race, color, religion, age, sex, sexual orientation, gender identity, marital status, national origin or disability, and you must comply with our antidiscrimination standards.

If you are a Bento Sushi Satellite Location franchisee, the sushi sold in your Sushi Counter must be supplied by either (1) your own Bento Sushi Full Service Location, or (2) your own Bento Sushi Limited Service Location.

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ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the Franchise Agreement. You should read these provisions in the agreement attached to this Franchise Disclosure Document.

| Provision | Provision in Franchise Agreement (unless otherwise specified) | Summary |
|---|---|---|
| a. Length of the franchise term | Section 2 | 3 years for the Full Service Location or for the Commissary-Based Bento Sushi Operation if there is no sushi sales at the Kitchen; 1 year for the Commissary-Based Bento Sushi Operation if there are sushi sales at the Kitchen |
| b. Renewal or extension of the term | Section 13 | If you are in good standing, you can renew on the then current terms |
| c. Requirements for Franchisee to renew or extend | Section 13.2 | Give notice, maintain premises, attend refresher training, sign general release, pay renewal fee which is equal to the greater of: (i) the franchise fee initially paid by the franchisee or (ii) what the franchise fee would be if the location were sold as a new location, based on factors we use in calculating initial franchise fees, sign renewal agreement. The renewal agreement may contain materially different terms and conditions than your original contract, but the royalty fee will not be greater than the royalty fee that we then impose on similarly-situated renewing franchisees |
| d. Termination by Franchisee | Not Applicable (except for New York, see Exhibit M, New York Addendum to FA, Paragraph 3) | Not applicable (except for New York franchisees) |
| e. Termination by Franchisor without cause | 3.3, 16.2 | Your right to operate the Sushi Counter at your location is derived from an agreement between us and the Host Facility. If the relationship between us and the Host Facility changes, your right to operate the Sushi Counter may be modified or terminated. If the relationship between us and the Host Facility is terminated for any reason, your right to operate the Bento Sushi Counter at the Host Facility will terminate. Your Franchise Agreement will not automatically terminate in that event, and we will endeavor to find you a new location for your Sushi Counter franchised operation. If within 3 months from the date your Sushi Counter closes, we do not offer you a new location within 15 miles of your original location, then your Franchise Agreement will be terminated by us without cause and the covenant not to compete set forth in Section 17.2 will be void following said 3-month period. |
| f. Termination by Franchisor with cause | Section 16.1, 16.2 | We can terminate only if you commit any 1 of several listed violations |
| g. "Cause" defined – curable faults | Section 16.2 | You have 15 days to cure any defaults not listed in Section 16.1. |

| Provision | Provision in Franchise Agreement (unless otherwise specified) | Summary |
|---|--|--|
| h. "Cause" defined – non-curable defaults | Section 16.1 | Failure to complete initial training; failure to pass required criminal background check and drug or disease testing; abandonment, conviction of felony, unauthorized transfers, unauthorized use or disclosure of confidential information or Operations Manual, unauthorized use of Marks, creation of a threat to public health or safety, repeated defaults (even if cured), unapproved transfer upon your death or permanent incapacity, violation of in-term covenant not to compete; material complaint expressed by the Host Facility; danger to public health; or safety; material misrepresentation in acquiring the franchise; false reports; interference with BSFI's contracts with 3 parties; termination of other agreement between BSFI and you. |
| i. Franchisee's obligations on termination/ nonrenewal | Sections 6.4, 17 | Pay outstanding amounts, complete de-identification, return Manual and confidential information, covenant not to compete, continuing obligations, assign to BSFI possessory interest in Sushi Counter; assign to BSFI telephone number |
| j. Assignment of contract by Franchisor | Section 15.1 | No restrictions on our right to assign |
| k. "Transfer" by Franchisee – definition | Section 15.2 | Includes transfer of any interest in Franchise Agreement, assets or ownership change in you |
| l. Franchisor's approval of transfer by Franchisee | Section 15.2 | Franchise Agreement: We have the right to approve all transfers, but will not unreasonably withhold consent. |
| m. Conditions for Franchisor's approval of transfer | Section 15.6 | Transferee qualifies, Host Facility consents; transferee attends training; transferee completes training, transfer fee paid, general release signed; transferee signs our then-current Franchise Agreement, which may contain materially different terms than your Franchise Agreement; Franchisee furnishes Franchisor the sale agreement and Franchisor determines that the terms of the sale and/or assignment, including the sale price and financing terms, are not unduly burdensome to the assignee |
| n. Franchisor's right of first refusal to acquire Franchisee's business | Section 15.4 | We can match any offer for your business or an ownership interest in you |
| o. Franchisor's option to purchase Franchisee's business | Section 17.4 | We can purchase the Assets of your Sushi Counter at fair market value and non-perishable inventory at product cost paid by you. |
| p. Death or disability or Franchisee | Section 15.7, 15.8 | Franchise or ownership interest in you must be assigned to approved buyer within 180 days after death of incapacity |
| q. Non-competition covenants during the term of the franchise | Section 6.4 | No involvement in competing business anywhere Non-competition provisions are subject to state law. |

| Provision | Provision in Franchise Agreement (unless otherwise specified) | Summary |
|---|--|--|
| r. Non-competition covenants after the franchise is terminated or expires | Section 17.2, 17.3 | No competing business for 2 years within 5 miles (within a major city) or within 10 miles (within a metropolitan area) or 15 miles (within a rural area) of any other Sushi Counter operated by BSFI or any other franchisee or licensee. If the relationship between us and the Host Facility is terminated, and within 3 months from the date your Sushi Counter closes, we do not offer you a new location within 15 miles of your original location, then your Franchise Agreement will be terminated by us without cause and the covenant not to compete set forth in Section 17.2 will be void following said 3-month period. Non-competition provisions are subject to state law. |
| s. Modification of the agreement | Section 18.4. | No modifications generally, but Operations Manual, and standards and specifications subject to change |
| t. Integration/merger clause | Section 18.3 | Terms of Franchise Agreement (including exhibits, attachments, Operations Manual and other written materials) are binding (subject to state law). Any representations or promises made outside the disclosure document and the franchise agreement or other agreements may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Section 18.9 | In accordance with the American Arbitration Association in Buffalo, New York (subject to state law) |
| v. Choice of forum | Section 18.8 | Arbitration must be in Buffalo, New York (subject to state law) |
| w. Choice of law | Section 18.8. | Governed by the laws of the State of Delaware (subject to state law) |

ITEM 18. PUBLIC FIGURES

BSFI does not use any public figure to promote its franchise.

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ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchise outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections on your future income, you should report it to the franchisor's management by contacting Michelle Nur-Chowdhury at 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone 267-474-8220, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

For Fiscal Years 2020, 2021 and 2022

(For Tables 1 through 4 the 2020, 2021 and 2022 figures are for the full fiscal years ending November 29, 2020, November 28, 2021 and November 27, 2022 respectively.)

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|--------------------|-----------------|---|---------------------------------------|-------------------|
| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
| Franchised | 2020 | 246 | 239 | -7 |
| | 2021 | 239 | 241 | +2 |
| | 2022 | 241 | 95 | -146 |
| Company-Owned | 2020 | 33 | 16 | -17 |
| | 2021 | 16 | 2 | -14 |
| | 2022 | 2 | 4 | 2 |
| Total Outlets | 2020 | 279 | 255 | -24 |
| | 2021 | 255 | 243 | -12 |
| | 2022 | 243 | 99 | -144 |

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Table 2
Transfers from Franchisees to New Owners (other than Franchisor)
Fiscal Years 2020, 2021 and 2022

| Column 1 | Column 2 | Column 3 |
|----------------------|-----------------|----------------------------|
| State | Year | Number of Transfers |
| Connecticut | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| District of Columbia | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Maine | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Maryland | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Massachusetts | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| New Hampshire | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| New Jersey | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 1 |
| New York | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Pennsylvania | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 1 |
| Tennessee | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 1 |
| Vermont | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 0 |
| Total | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 3 |

Table 3
Status Franchised Outlets
For Fiscal Years 2020, 2021 and 2022

| Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 |
|----------------------|---------------|---------------------------------|-----------------------|---------------------|---------------------|---------------------------------|--|-----------------------------------|
| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets at End of the Year |
| Alabama | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 1 | 2 |
| Arizona | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| California | 2020 | 1 | 2 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| Connecticut | 2020 | 6 | 7 | 0 | 0 | 0 | 5 | 8 |
| | 2021 | 8 | 0 | 3 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| Delaware | 2020 | 7 | 0 | 1 | 0 | 1 | 0 | 6 |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 1 | 5 |
| District of Columbia | 2020 | 9 | 3 | 0 | 0 | 0 | 1 | 11 |
| | 2021 | 11 | 0 | 1 | 0 | 0 | 0 | 10 |
| | 2022 | 10 | 0 | 0 | 0 | 0 | 8 | 2 |
| Florida | 2020 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 1 | 1 | 0 | 0 | 0 | 5 |
| Hawaii | 2020 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Indiana | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Kentucky | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

| Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 |
|----------------|---------------|---------------------------------|-----------------------|---------------------|---------------------|---------------------------------|--|-----------------------------------|
| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets at End of the Year |
| Louisiana | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 4 | 1 | 0 | 0 | 1 | 2 |
| Maine | 2020 | 34 | 11 | 0 | 0 | 2 | 11 | 34 |
| | 2021 | 34 | 1 | 0 | 0 | 0 | 0 | 35 |
| | 2022 | 35 | 0 | 0 | 0 | 0 | 34 | 1 |
| Maryland | 2020 | 24 | 6 | 0 | 0 | 0 | 5 | 25 |
| | 2021 | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| | 2022 | 25 | 1 | 0 | 0 | 0 | 22 | 4 |
| Massachusetts | 2020 | 8 | 1 | 0 | 0 | 0 | 1 | 8 |
| | 2021 | 8 | 0 | 1 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 0 | 0 | 7 | 0 |
| Michigan | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Mississippi | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Hampshire | 2020 | 27 | 4 | 0 | 0 | 0 | 4 | 27 |
| | 2021 | 27 | 0 | 0 | 0 | 0 | 0 | 27 |
| | 2022 | 27 | 0 | 0 | 0 | 0 | 27 | 0 |
| New Jersey | 2020 | 34 | 6 | 7 | 0 | 0 | 5 | 28 |
| | 2021 | 28 | 1 | 5 | 0 | 0 | 0 | 24 |
| | 2022 | 24 | 2 | 0 | 0 | 0 | 6 | 20 |
| New York | 2020 | 40 | 16 | 10 | 0 | 1 | 14 | 32 |
| | 2021 | 32 | 0 | 1 | 0 | 0 | 0 | 31 |
| | 2022 | 31 | 0 | 1 | 0 | 0 | 28 | 2 |
| North Carolina | 2020 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 3 | 0 | 0 | 0 | 1 | 4 |
| Pennsylvania | 2020 | 15 | 2 | 4 | 0 | 0 | 0 | 13 |
| | 2021 | 13 | 7 | 0 | 0 | 0 | 0 | 20 |

| Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 |
|----------------|--------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations Other Reasons | Outlets at End of the Year |
| | 2022 | 20 | 4 | 1 | 0 | 0 | 2 | 21 |
| Rhode Island | 2020 | 2 | 0 | 2 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Tennessee | 2020 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 1 | 0 | 0 | 0 | 2 | 3 |
| Texas | 2020 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Vermont | 2020 | 10 | 1 | 0 | 0 | 0 | 1 | 10 |
| | 2021 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2022 | 10 | 0 | 0 | 0 | 0 | 10 | 0 |
| Virginia | 2020 | 12 | 3 | 0 | 0 | 0 | 2 | 13 |
| | 2021 | 13 | 1 | 0 | 0 | 0 | 0 | 14 |
| | 2022 | 14 | 0 | 0 | 0 | 0 | 11 | 3 |
| Washington | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Totals | 2020 | 246 | 65 | 23 | 0 | 4 | 49 | 239 |
| | 2021 | 239 | 13 | 11 | 0 | 0 | 0 | 241 |
| | 2022 | 241 | 20 | 5 | 0 | 0 | 161 | 95 |

Table 4
Status of Company-Owned Outlets
For Fiscal Years 2020, 2021 and 2022

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|-----------------------------|-------------|-------------------------------------|-----------------------|---|-----------------------|-----------------------------------|-----------------------------------|
| Connecticut | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 1 | 0 |
| | 2022 | 0 | 0 | 0 | 1 | 0 | 0 |
| Delaware | 2020 | 0 | 0 | 1 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| District of Columbia | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maine | 2020 | 0 | 0 | 2 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maryland | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Massachusetts | 2020 | 4 | 0 | 0 | 0 | 4 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Jersey | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|----------------------------|------|----|---|---|---|----|----|
| | 2022 | 0 | 3 | 0 | 0 | 0 | 3 |
| New York | 2020 | 18 | 0 | 1 | 0 | 8 | 10 |
| | 2021 | 10 | 0 | 0 | 0 | 9 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 1 | 0 |
| Pennsylvania | 2020 | 4 | 0 | 0 | 0 | 2 | 2 |
| | 2021 | 2 | 1 | 0 | 0 | 1 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| Rhode Island | 2020 | 2 | 0 | 0 | 2 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vermont | 2020 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 3 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| State of Washington | 2020 | 1 | 0 | 0 | 0 | 1 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 2020 | 33 | 0 | 4 | 2 | 15 | 16 |
| | 2021 | 16 | 0 | 0 | 0 | 14 | 2 |
| | 2022 | 2 | 4 | 0 | 1 | 1 | 4 |

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Table 5
Projected Openings for One-Year Period as of November 28, 2022

| STATE | FRANCHISE AGREEMENTS SIGNED BUT SUSHI COUNTER NOT OPEN | PROJECTED FRANCHISED NEW SUSHI COUNTERS IN THE NEXT FISCAL YEAR | PROJECTED COMPANY OR AFFILIATE OWNED OPENINGS IN NEXT YEAR |
|--------------|--|---|--|
| California | 0 | 1 | 0 |
| Illinois | 0 | 0 | 0 |
| Indiana | 0 | 0 | 0 |
| Louisiana | 0 | 1 | 0 |
| Maryland | 0 | 0 | 0 |
| Michigan | 0 | 0 | 0 |
| Minnesota | 0 | 0 | 0 |
| New York | 0 | 0 | 0 |
| North Dakota | 0 | 0 | 0 |
| Pennsylvania | 0 | 1 | 0 |
| Rhode Island | 0 | 0 | 0 |
| South Dakota | 0 | 0 | 0 |
| Tennessee | 0 | 1 | 0 |
| Texas | 0 | 2 | 0 |
| Virginia | 0 | 0 | 0 |
| Washington | 0 | 0 | 0 |
| Wisconsin | 0 | 0 | 0 |
| Other | 0 | 20* | 0 |
| Total | 0 | 26 | 0 |

*Projected new university accounts across the United States

Exhibit E is the list of current franchisees (95) as of November 27, 2022.

Exhibit F lists the name and last known city, state and business telephone number of every franchisee (166) who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the issuance date of this Franchise Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We have not created, sponsored, or endorsed any franchisee associations. There are no franchisee associations that have asked to be disclosed in our Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit B is the audited balance sheet of BSFI as of November 27, 2022, and the Statement of Loss and of Cash Flows for the period then ended, including the related notes.

Attached as Exhibit B is the audited balance sheet of BSFI as of November 28, 2021, and the Statement of Income and of Cash Flows for the period then ended, including the related notes.

Attached as Exhibit B is the audited balance sheet of BSFI as of November 29, 2020, and the Statement of Income and of Cash Flows for the period then ended, including the related notes.

Attached as Exhibits are the unaudited balance sheet as of January 31, 2023, and the income statement for the 2 months then ended.

Our fiscal year end is usually the last Sunday in November.

ITEM 22. CONTRACTS

Attached are the following contracts:

- Exhibit A Franchise Agreement for Bento Sushi Counter with Addenda for Full Service Location, Limited Service Location, and Bento Sushi Satellite Location
- Exhibit C Disclosure Acknowledgement Statement
- Exhibit I General Release (to be signed upon renewal or assignment of the franchise)
- Exhibit K Business Sale Agreement

Exhibit L-1 Promissory Note for financing the initial franchise fee

Exhibit L-2 Promissory Note for financing a portion of the investment for opening a new business or for the purchase price of existing business

Exhibit M State Addenda (if applicable)

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

ITEM 23. RECEIPTS

You will find two receipt pages as the last pages of this Franchise Disclosure Document. The final page is a detachable receipt for you to sign and return to us.

The remainder of this page is left blank intentionally

EXHIBIT A TO FRANCHISE DISCLOSURE DOCUMENT

Franchise Agreement

EXHIBIT A

FRANCHISE AGREEMENT

between

BENTO SUSHI FRANCHISE, INC.

AND

FRANCHISEE: _____

DATED: _____

LOCATION OF HOST FACILITY IN WHICH BENTO SUSHI COUNTER IS LOCATED:

A. This Franchise Agreement is for a (check one); the applicable Addendum is attached to this Agreement

- _____ **Full Service Location (Exhibit C)**
- _____ **Limited Service Location (Exhibit D)**
- _____ **Satellite Location (for Full Service Location) (Exhibit E)**
- _____ **Commissary-Based Bento Sushi Operation (Exhibit F)**
- _____ **Satellite Location (for Commissary-Based Bento Sushi Operation) (Exhibit G)**

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FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made and entered into on _____, 20__ between Bento Sushi Franchise Inc. a Delaware corporation whose address is Suite 208, 25 Centurian Drive Markham Ontario Canada L3R 5N8 (Franchisor"), and _____ whose address is _____ ("Franchisee").

RECITALS

A. Franchisor operates a franchise distribution system pursuant to a trademark licensing agreement with Bento Nouveau Inc. ("Licensor") to use and to grant franchises to use trademarks, know-how, trade secrets and other intangible property comprising a system (the "Bento Sushi System") for developing and operating sushi counters in grocery stores, retail stores, university campuses, hospitals, office buildings, and other locations (referred to as "Host Facility") under the name and mark "BENTO SUSHI." Such franchised Sushi Counters ("Sushi Counter" or "Bento Sushi Counter") will also be operated in accordance with certain required formats, systems, methods of distribution, standards and procedures, and trade dress, all of which may be improved, further developed or otherwise modified from time to time by Franchisor.

B. There are four (4) types of Sushi Counter Businesses, defined as follows:

- i. Full Service Sushi Counter Location ("Full Service Location"): a sushi bar operated on a full time basis as a department of a retail supermarket or in another type of location, such as a college campus, hospital or office building. This type of Sushi Counter must be open and operational, with a manager (which may be Franchisee) present at all times that the Host Facility is open for business. There must be a sushi chef on premises at the Full Service Location making fresh sushi while the Full Service Location is open for business.
- ii. Limited Service Sushi Counter Location ("Limited Service Location"): The same as a Full Service Location, except that the manager or sushi chef need be present on a limited basis, but not less than four (4) hours per day. The Limited Service Location is available only for franchisees who already own a Full Service Location.
- iii. Satellite Sushi Counter Location ("Satellite Location"): The Satellite Location is located in a Host Facility, similar to the Full Service Location. The Satellite Location is available only for franchisees who already own a Full Service Location. For the Satellite Location, the sushi is made at the Franchisee's Full Service Location or Limited Service Location, and is delivered to the Satellite Location. Neither a manager nor a sushi chef need be present at the Satellite Location.

- iv. **Commissary-Based Bento Sushi Operation:** The Commissary-Based Bento Sushi Operation consists of Bento Sushi Counters that are located on a university campus, hospital campus, office building, or other self-contained setting (referred to as the “Complex”). The Commissary-Based Bento Sushi Operation will have a kitchen (“Kitchen”), where Franchisee prepares all the sushi to be sold at other locations (“Satellites”). This type of Sushi operation must be open and operational, with a full-time manager (which may be Franchisee) present for a minimum of 8 hours per day. There must be a sushi chef on premises at the Commissary-Based Bento Sushi Operation Location making fresh sushi and ensuring that the Satellite locations are adequately stocked and that any customer concerns can be addressed immediately. Depending on the specific Commissary-Based Bento Sushi Operation Location, the Franchisee may or may not sell sushi at the Kitchen. If the Franchisee sells sushi at the Kitchen, then the Commissary-Based Bento Sushi Operation will be considered the same as a Full Service Location and will be governed by the Full Service Location Addendum. If the Franchisee does not sell sushi at the Kitchen, but only at the Satellites on campus, the Kitchen will be governed by the Commissary-Based Bento Sushi Operation Addendum attached as Exhibit F.

C. A Franchisee may operate a Limited Service Location or a Satellite Location only if that Franchisee operates a Full Service Location Sushi Counter or a Kitchen.

D. Franchisor grants to certain persons who meet Franchisor's qualifications a franchise ("Franchise") to own and operate a Bento Sushi Counter utilizing the Marks and System.

E. Franchisee has applied for a license to own and operate a Bento Sushi Counter at the location described in the Franchise Addendum(s) attached to this Agreement. Such application has been approved by Franchisor in reliance upon all of the representations made therein. Franchisee represents to Franchisor, as an inducement to Franchisor's entry into this Agreement, that Franchisee has made no misrepresentations in obtaining the Franchise herein granted.

F. Franchisor is willing to grant a franchise to Franchisee on the terms in this Agreement. If this Agreement is for multiple locations, Franchisee will execute the applicable Franchise Addenda for the types and locations of the Sushi Counters Franchisee will operate pursuant to this Agreement.

G. Accordingly, the parties now agree as follows:

A G R E E M E N T

1. Grant of Franchise.

1.1 Franchisor grants to Franchisee, and Franchisee accepts, the right to operate one or more Bento Sushi Counter(s) (the “Sushi Counter(s)”) at the location(s) identified in the Franchise

Addendum(s) attached to this Agreement (the “Franchise Addendum(s)”) using the Bento Sushi System as it may be modified or further developed by Franchisor, all according to the terms in this Agreement

1.2 In the event the location(s) of Franchisee’s Sushi Counters are not determined as of the date Franchisee signs this Agreement, the parties will sign the Addendum to Franchise Agreement for Location Not Determined, which is attached as Exhibit B to this Agreement. Once the location(s) of Franchisee’s Sushi Counters are determined, the parties will complete the applicable Addenda for Franchisee’s Sushi Counters, based on the type of Sushi Counter (Full Service Location, Limited Service Location, Satellite Location, Commissary-Based Location, Satellite Location to Kitchen, attached to this Agreement as Exhibits C through G).

1.3 Franchisee acknowledges that the Franchise Addendum(s) may be comprised of one or more of the following: Full Service Location Franchise Addendum (Exhibit C), Limited Service Location Franchise Addendum (Exhibit D) and/or Satellite Location Addendum (Exhibit E). Franchisee shall use Franchisee’s best efforts to develop and expand the market for the goods and services offered by the Sushi Counter(s) and shall cooperate with Franchisor in accomplishing the purposes of this Agreement. Franchisee must be a legal entity (corporation, limited liability company) and must comply with the provisions of Section 14 below.

2. Term.

The term of this Agreement shall be either: (a) one (1) year if Franchisee will operate a Commissary-Based Bento Sushi Operation, and if there are sushi sales in the Kitchen, or (b) three (3) years if Franchisee will operate a Full Service Sushi Counter, or if Franchisee will operate a Commissary-Based Bento Sushi Operation, and if there are no sushi sales in the Kitchen. The term will start on the date stated in the introductory paragraph of this Agreement and ending on the first or third anniversary (as the case may be) of that date, notwithstanding any start date stated in any Franchise Addendum between Franchisee and Franchisor. Regardless of the term, this Agreement is subject to earlier termination as provided in Sections 16.1 through 16.5.

3. Location(s).

3.1. Initial Location(s). Franchisee shall operate the Sushi Counter(s) only at the location(s) identified in the Franchise Addendum(s). The Sushi Counter(s) shall be located within another retail facility (typically a grocery store) or a self-contained setting, such as a university campus, a hospital, or an office building, which shall be referred to in this Agreement as the “Host Facility.”

3.2. Relocation. In the event of the loss of the right or consent to operate at any of Franchisee’s Sushi Counter location(s), or if the Host Facility objects to Franchisee, without fault of Franchisee, Franchisor shall attempt to identify a new location for Franchisee, and shall consent to relocation of the affected Sushi Counter to an alternate location and site acceptable to Franchisor. Franchisee does not have an absolute right to relocate the Sushi Counter, and any

relocation is at Franchisor's sole discretion. Any relocation shall be at Franchisee's sole expense. Franchisee acknowledges that relocation may not be possible before expiration of the term of this Agreement, or at all; that any new location may not be comparable to the old; and that relocation, if possible, could involve a substantial interruption in operating a Sushi Counter until a new location is identified and prepared.

3.3. Acknowledgment. Franchisee acknowledges that the right to locate any Sushi Counter at a particular location, may be derived from an agreement between Franchisor (or an entity affiliated with Franchisor, such as Bento Nouveau Inc.) and the Host Facility; that the agreement may be modified or terminable by the Host Facility at any time and on short notice; and/or the Host Facility may object to Franchisee operating there; and that modification, termination or objection by the Host Facility may therefore result in the need for relocation and resulting disruption and interruption to Franchisee or adjustment to the franchise operations (such as if the Host Facility requests that the operations be converted from a Full Service Location to a Satellite Location, or a Limited Service Location, and vice versa). If the relationship between Franchisor and the Host Facility is terminated for any reason, Franchisee's right to operate the Sushi Counter at the Host Facility will terminate. Franchisee's Franchise Agreement will not automatically terminate in that event, and it will continue in full force and effect. Franchisor will endeavor to find a new location for Franchisee's Bento Sushi franchised operation. If within three (3) months from the date Franchisee's Bento Sushi Counter closes, Franchisor does not offer Franchisee a new location within fifteen (15) miles of Franchisee's original location (as identified in the Franchise Addenda), then this Franchise Agreement will be terminated by Franchisor without cause, and the covenant not to compete set forth in Section 17.2 below will be void. Franchisee also acknowledges that the Host Facility may require changes to the type of food products offered at the Sushi Counter and other changes. Franchisee acknowledges that the choice of its Sushi Counter location (identified in the Franchise Addendum(s)), types of food offered at the location, types of operations (Full Service, Limited Service, or Satellite) and right to continue operating at the location is subject to the Host Facility's consent.

3.4. No Exclusivity. This Agreement does not include any territory or marketing exclusivity. Franchisor shall have the right to operate or grant franchises or licenses to others to operate Sushi Counters under the marks "Bento," "Bento Sushi", "Bento Nouveau", "Pan Asia Fresh", "Bento At Home" or any other mark anywhere, regardless of how close they are to the Sushi Counter(s) that Franchisee operates; to sell products and other items to anyone and anywhere (even in the facilities where Franchisee operates), including pre-packaged products identified by the Marks (as defined below) or other marks, whether or not such marks are authorized for use by Franchisee, as well as other products or services under the Marks and other trademarks and service marks. Furthermore, Franchisor shall have the right to use other channels of distribution, such as the Internet, telemarketing, catalog sales, other direct marketing sales and other means to advertise, sell and distribute products to anyone and anywhere; and other BSFI/Bento Sushi Counters (regardless of who owns or operates them) may advertise to and solicit prospective customers regardless of geographic location. Franchisor shall have no obligation to compensate Franchisee for any sales made through these methods or any other methods. Additionally, Franchisor reserves the right to acquire or be acquired by a company establishing businesses identical or similar to the

Bento Sushi Counter, even if the other business operates, franchises, and/or licenses competitive businesses anywhere, including in close proximity to the Bento Sushi Counter.

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

4. Trademarks.

4.1. Ownership. Franchisee acknowledges that Franchisee owns no right, title, interest or goodwill in the trademarks "Bento Nouveau", "Bento At Home", "Bento Sushi," the Bento Sushi logo, "Pan Asia Fresh," the Bento mark/logo or any other marks or trade dress that Franchisor adopts and permits Franchisee to use from time to time (collectively, the "Marks"); that as between Franchisee and Franchisor all right, title and interest in and to the Marks shall be deemed to be owned by Franchisor; that all usage of the Marks and goodwill established by that use is exclusively for Franchisor's benefit; and that this Agreement does not confer any goodwill or other interests in the Marks on Franchisee.

4.2. Use. Franchisee shall not use any Mark or portion of any Mark as part of the name of any business entity. Franchisee shall not use any Mark in selling any unauthorized product or service or in any manner not expressly authorized in writing by Franchisor. Franchisee shall not establish an Internet web site or the like using any domain name containing the words "Bento Sushi," "Bento Nouveau," "BNI," "BSFI," or any variation without Franchisor's prior written consent. Franchisee shall give notices of trademark and service mark registration that Franchisor specifies and obtain fictitious or assumed name registrations as may be required by applicable law. Franchisee shall restrict use of the Marks as may be required by each owner of Host Facility.

4.3. Notice. Franchisee shall notify Franchisor immediately of any claim or demand arising from any attempt by any other person or entity to use the Marks or any similar marks or if Franchisee discovers anyone else is infringing the Marks. Franchisor shall have the sole right and obligation to decide what action, if any, to take with regard to any such matter and Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions that Franchisor requests with regard to the matter.

4.4. Indemnification of Franchisee Relating to Franchisee's Use of BENTO SUSHI Marks. Franchisor agrees to indemnify Franchisee against and to reimburse Franchisee for all direct, but not consequential (including, but not limited to, loss of revenue and/or profits), damages for which Franchisee is held liable in any proceeding arising out of Franchisee's proper use of the BENTO SUSHI Mark pursuant to and in compliance with this Agreement, and for all costs reasonably incurred by Franchisee in the defense of any such claim brought against it or in any such proceeding in which it is named as a party, provided that Franchisee has timely notified

Franchisor of such claim or proceeding and has otherwise complied with this Agreement, and that Franchisor shall have the right to defend any such claim. If Franchisor defends such claim, Franchisor shall have no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

4.5. Change. If it becomes advisable at any time, in Franchisor's sole discretion, for Franchisor to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions to do so at Franchisee's cost and expense.

4.6. Inspection. To preserve the validity and integrity of the Marks and to assist Franchisor in steps seeking to assure that Franchisee operates according to this Agreement and uses the Marks properly in operating the Sushi Counter(s), Franchisor or its agents shall have the right to enter and inspect the Sushi Counter(s), and to interview customers, suppliers or others, at all reasonable times. Franchisee shall fully cooperate with Franchisor in any inspection or visit Franchisor conducts and shall provide Franchisor's personnel full access to the Sushi Counter(s) for this purpose. Any obstruction, interference or prohibition by Franchisee of Franchisor's right to inspect the Sushi Counter(s), including, without limitation, to investigate threats or dangers to public health and safety, shall constitute a material breach of this Agreement. If Franchisor, in its sole discretion, determines that a lab test is required to test the quality, safety and freshness of the foods sold at any Sushi Counter operated by Franchisee, Franchisor shall have the right to assess Franchisee a lab fee of up to Three Hundred Fifty (\$350) for each sample tested.

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

5. Confidential Operations Manuals.

5.1. Lease of Operations Manuals. Franchisor shall lease to Franchisee during the term of this Agreement one copy of Franchisor's confidential Operations Manual and one copy of Franchisor's Standard Sanitation Operating Procedure and Methods Manual (collectively the "Manuals") for each Sushi Counter operated by Franchisee, except, no Manuals shall be provided for a Satellite location. The Manual Lease Fee is Two Hundred Dollars (\$200.00), which Franchisor will refund to Franchisee if Franchisee returns the Manuals to Franchisor in good condition upon termination or expiration of this Agreement. The Manuals shall contain mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor for Bento Sushi Counters. Franchisor shall have the right to make reasonable modifications to the Manuals from time to time. No such modification shall alter Franchisee's fundamental rights under this Agreement. Franchisee shall comply with the Manuals, as modified by Franchisor. Franchisee shall pay Franchisor's then current manual lease fee for each Manual received from Franchisor. The manual lease fee paid by Franchisee shall be refunded to Franchisee when Franchisee returns the Manuals to Franchisor within 30 days of the termination or expiration of this Agreement or any applicable addendum. For purpose of

clarification, there shall be no refund if Franchisee fails to return the Manual(s) or returns any manual more than 30 days after expiration or termination of this Agreement or any applicable addendum.

5.2. Lost Manual Fee. In the event Franchisee loses or destroys any of the Manuals, Franchisee shall pay Franchisor a Lost Manual Fee in the amount of Five Hundred Dollars (\$500.00) per lost or destroyed Manual.

5.3 Ownership. The Manuals shall be at all times the sole property of Franchisor. Franchisee shall return the Manuals immediately on expiration or termination of this Agreement. Franchisee shall not make and shall not let Franchisee's personnel make any copy of all or part of the Manuals.

5.4. Confidentiality. Franchisee acknowledges that the Manuals contain confidential information and that its loss or disclosure would cause substantial damage to Franchisor. Franchisee shall protect the Manuals as a trade secret of Franchisor.

6. Confidential Information.

6.1. Secrets. Franchisee acknowledges that Franchisor's product recipes, methods of preparing the products, and operating procedures for a Sushi Counter are valuable and secret, are not generally known to competitors of Franchisor, and give Franchisee a competitive advantage in operating its business. Accordingly, these receipts, methods and procedures constitute trade secrets and are protectable under the law. Other information that Franchisor designates as confidential shall be deemed confidential for this Agreement, except information that Franchisee proves he or it knew before disclosure from Franchisor; or lawfully entered the public domain, through publication by others.

6.2. Protection. Franchisee shall maintain the confidentiality of all trade secrets during and after the term of this Agreement. Franchisee shall not use this information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee shall reveal the trade secrets to employees only to the extent they need the information to perform their jobs. Franchisee shall use reasonable precautions to require employees to keep the information confidential; and shall take any additional steps to protect confidentiality that Franchisor requests from time to time.

6.3. Acknowledgments. Franchisee acknowledges that (a) the trade secrets also include information that cannot be removed from Franchisee's knowledge and memory and that would inevitably be used and disclosed if Franchisee held interests in any competitive business; (b) Franchisor could not protect the trade secrets against unauthorized use or disclosure, could not readily assure compliance with Sections 6.1 through 6.2 if Franchisee held interests in any competitive business; and that (c) involvement by Franchisee in any competitive business would create a high level of temptation and opportunity to use Franchisor's trade secrets.

6.4. Exclusive Dealing. Franchisee acknowledges that Franchisor enters into this Agreement in consideration of, and reliance on Franchisee's agreement to deal exclusively with Franchisor and to refrain from using any of Franchisor's trade secrets in any activity competitive with Franchisor, and to refrain from transferring the goodwill associated with the Marks to any other business. Therefore, during the term of this Agreement, Franchisee and, collectively and individually all directors, officers and holders of any direct or indirect beneficial ownership interest of five percent (5%) or more of the securities or other equity interests of Franchisee, or of any corporation, limited liability company, partnership or other form of entity affiliated with or directly or indirectly controlling or controlled by Franchisee, and each relative of each such person who is an individual, including each such person's mother, father, husband, wife, son, daughter or sibling who has worked in a Bento Sushi Counter (collectively "Covered Persons"), shall not: (a) have any interest as an owner, investor, partner, lender, director, officer, member, manager, employee, consultant, representative or agent or in any other capacity in any business anywhere in the world selling Asian style foods, sushi or fresh fish products, steamed foods or any other retail food business without Franchisor's prior written consent, or (b) in any way, assist in soliciting, diverting, taking away or interfering with any of Franchisor's business, customers, trade or patronage.

6.5. Exceptions. The restrictions in Section 6.1 through 6.4 shall not apply to ownership of (a) securities listed on a stock exchange or traded on the over the counter market that represent two percent (2%) or less of the number of shares of the class of securities issued and outstanding; or (b) other Sushi Counters that Franchisee has an interest in pursuant to a written agreement with Franchisor.

6.6. Separate Covenants. Each of the covenants in Sections 6.1 through 6.4 and each portion thereof, shall be construed as independent of any other covenant or provision. If all or any portion of a covenant is unenforceable due to its scope in terms of geography, duration, or activity covered or otherwise, but could be enforced if reduced in scope, then the parties agree to be bound by any lesser covenant subsumed within the terms of such covenant imposing the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of the applicable provision within Sections 6.1 through 6.4.

6.7. Interference. During the term of this Agreement and for 12 months after this Agreement expires or is terminated, Franchisee shall not employ or seek to employ any person who is then employed by Franchisor, Bento Sushi Franchise Inc., another franchisee of Franchisor, or the Host Facility or otherwise directly or indirectly induce or seek to induce any such person to leave his or her employ, and shall not employ any person who was, within the prior six months, employed by Franchisor, another franchisee of Franchisor or the Host Facility, without obtaining the express prior written consent of Franchisor, the affected franchisee or the Host Facility.

7 **System Changes.**

7.1. Changes by Franchisor. Franchisee acknowledges that periodically Franchisor may modify any aspects of the Bento Sushi System. Franchisor may develop new products, services, techniques and other enhancements for the operation of the Sushi Counter. Franchisor shall

communicate modifications through the Manuals or other ways. Franchisee shall comply with all modifications that Franchisor makes from time to time, at Franchisee's expense.

7.2. No Changes by Franchisee. Franchisee shall not modify or deviate from any aspect of the Bento Sushi System without Franchisor's prior written consent.

8 **Advertising.**

8.1. Approval. Franchisee shall submit to Franchisor for prior approval, all advertising and promotion that Franchisee proposes to use, whether for print, broadcast, electronic or other media (including on the Internet), as well as novelty items, signs and containers. Franchisee shall use those materials only after receiving Franchisor's written consent, and shall not use any material without first obtaining Franchisor's written consent. Franchisor may withhold or later revoke consent, or may condition consent on modifications or other restrictions. Delay by Franchisor to require compliance or cure does not waive Franchisor's rights under this Section 8.1.

8.2. Advertising Restrictions. Franchisor shall have the right to impose geographic and/or other restrictions on advertising that Franchisee conducts or proposes to conduct. Franchisee shall include trademark and copyright notices and notices of independent ownership in advertising as Franchisor requests from time to time.

8.3. Phone Directory. Franchisor shall have the right to require Franchisee to maintain a listing in local telephone directories, according to standards set by Franchisor.

8.4. National Marketing Fund. Franchisor does not currently require Franchisee to contribute to a National Marketing Fund. However, Franchisor reserves the right, upon thirty (30) days' notice, to implement a National Marketing Fund. In the event Franchisor establishes a National Marketing Fund, Franchisee shall contribute an amount Franchisor determines, not to exceed two percent (2%) of the Gross Revenues of Franchisee's Counter(s).

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

8.6. Technology. "Technology" includes websites and Social Media, as defined below.

a. **Website.** As used in this Agreement, the term "website" means an interactive electronic document, contained in a network of computers linked by communications software, that Franchisor operates or authorizes others to operate and that refers to the Franchisee's Franchised Business, Proprietary Marks, Franchisor and/or the System. The term website includes, but is not limited to, internet and World Wide Web home pages. In connection with any website, Franchisee agrees to the following:

(i) Franchisee is strictly prohibited from creating or maintaining a website for Franchisee's Sushi Counter, or a website that uses Franchisor's Marks, and

(ii) Franchisor will have the sole right to create, establish, own, and control the website for Franchisee's Sushi Counter.

b. **Social Media.** As used in this Agreement, the phrase "Social Media" means the various forms of electronic communication through which users create online communities to share information, ideas, personal messages and other content, such as Facebook, YouTube, LinkedIn, Twitter, Vine, Google+, Instagram, Pinterest, blogs, or other similar communication methods, including smartphone applications. In connection with all Social Media, Franchisee agrees to the following:

(i) Franchisee is strictly prohibited from creating a Social Media account or posting anything on Social Media involving Franchisee's Sushi Counter, or that uses Franchisor's Marks, and

(ii) Franchisor will have the sole right to create, establish, own, and monitor all Social Media postings for Franchisee's Sushi Counter. Franchisee may participate in the content and maintenance of Social Media for Franchisee's Sushi Counter, only in accordance with Franchisor's guidelines and subject to Franchisor's right to alter or delete postings made by Franchisee.

8.7 Host Facility Objection. Franchisee shall not conduct any advertising that is objectionable to the Host Facility.

9. Fees

9.1 Initial Franchise Fee. Franchisee shall pay to Franchisor the initial franchise fee as specified in the applicable Location Addendum attached to this Agreement. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location may be less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial franchise fee(s) in a lump sum on signing each Full Service Location Addendum. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However,

if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

9.2. Customer Payments. Franchisee acknowledges that under the Bento Sushi System's initial structure, Franchisee shall not receive direct payments from customers for sales of goods and services of the Sushi Counter(s); and that those payments will be made directly or indirectly from customers to the Host Facility, which shall then remit all payments to Franchisor, less an amount ("Host Facility's Margin") to be retained by the Host Facility, pursuant to the Host Facility's separate agreement with Franchisor. The amount or percentage of the Host Facility's Margin is set forth on the Addendum attached to this Agreement. Franchisee acknowledges that under the Bento Sushi System, all sales will be sold by and through cash registers owned or operated by the owner of the Host Facility. Franchisee shall not make any sales through cash registers of Franchisee without prior written consent of Franchisor. Franchisor shall have the right, but not the obligation, to modify this payment arrangement from time to time.

9.3. Payments to Franchisee. Franchisor shall remit to Franchisee the Adjusted Net Sales stated in the applicable Franchise Addendums attached to this Agreement. "Adjusted Net Sales" shall be calculated as follows:

"Gross Sales" (which is defined as the receipt, sales and revenues from the sale of all products from Franchisee's Sushi Counter) less the amount paid to the Host Facility as the Host Facility's Margin, and less the Royalty Withholding Fees set forth in Section 9.5 below, and less any other amounts owed by Franchisee to Franchisor or Franchisor's Affiliates under this Agreement or any other agreement in effect.

Franchisor shall have the right to deduct all amounts owed by Franchisee to Franchisor from the payments to Franchisee provided for in the applicable Franchise Addendum, or elsewhere, either as lump sum deductions or partial deductions made over time, until such deductions equal the full amounts owed to Franchisor. Franchisee acknowledges that Franchisor's sole responsibility shall be to remit to Franchisee the Adjusted Net Sales on amounts actually received from the Host Facility. Franchisor shall have no responsibility to pay any Adjusted Net Sales to Franchisee on amounts not received from the Host Facility. If Franchisor pays Franchisee's Adjusted Net Sales for any given week before receiving payment from the Host Facility, and the Host Facility does not pay Franchisor as required, Franchisee shall reimburse Franchisor the Adjusted Net Sales paid. Franchisee shall reimburse Franchisor any amounts paid to Franchisee, that Franchisor discovers were paid in error. At Franchisor's discretion, Franchisor shall have the right (in lieu of Franchisee reimbursement) to withhold from future payments due to Franchisee such amounts paid in error.

9.4. Payment Responsibility. Franchisee shall be solely responsible to pay when due all costs and expenses of the Sushi Counter(s), including but not limited to the purchase price of food items and inventory, utilities, employee compensation, sales and any other taxes imposed on,

required to be collected, or paid on account of goods or services furnished by Franchisee. Franchisee acknowledges and agrees that if the Host Facility, due to labor contracts or otherwise, requires Sushi Counter(s) employees to be employed directly by the Host Facility, and Franchisor is asked to reimburse the Host Facility for these employment costs, that Franchisor shall have the right to and shall deduct such payments from the amounts due to Franchisee pursuant to Section 9.3 of this Agreement.

9.5. Royalty Fees. There are two (2) types of Royalty Fees: “Royalty Withholding” and “Royalty Remittance.” The amounts of these Royalty Fees are set forth on the Addendum attached to this Agreement. The Royalty Withholding Fees are deducted from Franchisee’s Gross Sales, as set forth in Section 9.3 and on the Addendum. The Royalty Remittance Fees only apply in the event Franchisee directly collects revenues from sales at its Sushi Counter. In that event, Franchisee shall remit to Franchisor the Royalty Remittance Fee in the amount set forth on the Addendum on a weekly basis.

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

9.7 Default Charge Fee. Franchisor shall have the right to assess Franchisee up to Fifty Thousand Dollars (\$50,000) per violation of any term, obligation or requirement of the Manuals or this Agreement. Franchisor’s assessment of this fee shall not constitute a waiver by Franchisor of its rights to seek damages and/or other relief against Franchisee arising from the violation.

9.8 Website and Data Fee. Upon activation of a Franchisee portal on the franchisor’s website, the franchisor reserves the right to charge the Franchisee a monthly fee of up to \$100 per Sushi Counter operated by Franchisee to gain access to Franchisor’s website pages which will enable Franchisee to submit purchase orders online as well as information on new products, product specifications and other information.

9.9 Bankruptcy By Host Facility. If the Host Facility where Franchisee’s Sushi Counter(s) is/are located files for bankruptcy, or other similar proceeding, Franchisor’s sole responsibility shall be to remit to Franchisee the agreed percentage on amounts actually received from the Host Facility.

9.10 Late Fee. Franchisor shall have the right to assess Franchisee a late fee equal to one percent (1%) on past due amounts.

9.11 Interest. Franchisor shall have the right to charge Franchisee interest on past due amounts at the rate of fifteen percent (15%) per annum, but not greater than the maximum rate allowed by applicable state law.

10. Accounting.

10.1. Recordkeeping. Franchisee shall maintain full, complete and accurate books, records and accounts of the sales and expenses of the Sushi Counter(s). Franchisee shall conform these records to any accounting system that Franchisor may prescribe in the Manuals or otherwise in writing. Franchisee shall retain all books and records relating to the Sushi Counter(s) for at least four years.

10.2. Reports. Franchisee shall provide Franchisor each week on or at other frequencies that Franchisor specifies from time to time, in the form approved by Franchisor, a report of sales for the week ending the prior day (Sunday). Franchisee shall provide Franchisor at frequencies that Franchisor requests, profit and loss statements and balance sheets for months, quarters and years, all as Franchisor specifies. These financial statements shall be certified to be true and correct by Franchisee. Franchisee shall provide Franchisor copies of all federal and state income tax returns and sales tax returns. Franchisee shall submit to Franchisor other periodic reports, forms and records as Franchisor requests from time to time.

10.3. Discrepancies. In any discrepancy between data as reported by Franchisee and as reported by the Host Facility, the data reported by the Host Facility shall control. Franchisee shall notify Franchisor in writing within 30 days of receipt of the statement from the Host Facility of any alleged discrepancy. Franchisee shall have no right to seek adjustments for any discrepancy after such 30 day period.

10.4. Audit and/or Inspection. Franchisor or its designated agents shall have the right at reasonable times to examine and copy books, records and tax returns, including sales tax returns, of Franchisee. If an inspection reveals a failure by Franchisee to comply with any laws or tax requirements, Franchisee shall be in default of this Agreement and must cure said default within thirty (30) days of notice from Franchisor. If Franchisor elects to pay any deficiency of Franchisee for trade or tax obligations, Franchisee shall reimburse Franchisor for said payments, plus an administrative fee of ten percent (10%) of the amounts paid by Franchisor. In addition Franchisee shall reimburse Franchisor for all costs and expenses connected with the inspection. These remedies shall be in addition to any other remedies Franchisor may have.

11. Training, Quality and Performance Standards.

11.1. Compliance with System/Reports. Franchisee shall comply with the Manuals and all other written policies provided to Franchisee by Franchisor. Franchisee shall not make any material changes to the operation or structure or facilities of the Sushi Counter(s) nor make any material replacement or alterations to equipment, fixtures, signs or decor without Franchisor's prior written consent. Franchisee shall submit to Franchisor such periodic reports, forms and records as Franchisor requests from time to time, including but not limited to, cleaning schedules, daily production reports, delivery logs, overnight rice cooling logs, pH logs, temperature logs and sushi cooling logs. Franchisee shall obtain and provide Franchisor an email address to which Franchisor may send written communications and sales reports to Franchisee.

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

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

11.4. Proprietary Products. Franchisor has developed and may continue to develop other proprietary food products, sauces and spices. To protect Franchisor's trade secrets and maintain quality control, Franchisor shall have the right to require Franchisee to purchase such proprietary items only from Franchisor or third parties that Franchisor designates.

11.5. Complete Menu. Franchisee shall offer for sale and sell at the Sushi Counter(s) all food items that Franchisor authorizes from time to time; and shall not offer for sale or sell at the Sushi Counter(s) any other category of products. Franchisee shall have the right to offer additional prepared food items from time to time on a special or market test basis, provided that Franchisee shall notify Franchisor in writing at least 30 days in advance and shall comply with any request by Franchisor to refrain from offering any one or more such items.

11.6. New Products. From time to time, Franchisor may introduce new products, or reintroduce previously introduced new products. Franchisee shall purchase, maintain and display reasonable inventories of such new products for at least 120 days. Franchisor may require Franchisee to again purchase, maintain and display the products regardless of prior compliance with this section 11.6. Franchisee shall not introduce, offer or sell any new items that have not been approved by franchisor in writing.

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

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

11.9. Suppliers. From time to time, Franchisor may provide Franchisee a list of approved products, brands, and/or suppliers for food products and other items necessary to operate the Sushi Counter(s), identifying manufacturers, brands, suppliers, and products and services that Franchisor has approved to be carried or used in the Bento Sushi System. Franchisor may revise the list from time to time. All suppliers must agree to deliver their products to the location of Franchisee's sushi counter. Any exceptions to this delivery requirement must be consented to in writing by Franchisor, in which event, Franchisee may pick up its order from the supplier's facility.

11.10. Proposed Products. Franchisee shall use only items or ingredients that conform to Franchisor's specifications and quality standards and/or are purchased from suppliers approved from time to time by Franchisor (which may include Franchisor and/or its Affiliates). If Franchisee proposes to offer at the Sushi Counter(s) any brand of product, or to use any item or ingredient not then approved by Franchisor or to purchase from a supplier not then designated by Franchisor as an approved supplier, Franchisee shall first submit Franchisee's request in writing to Franchisor before making any purchase. On Franchisor's request, Franchisee shall submit samples and other information that Franchisor requires for examination and/or testing or to otherwise determine if the product, or proposed supplier meets Franchisor's specifications and quality standards. Franchisee shall pay Franchisor a reasonable charge for the cost of inspection and evaluation, including a reasonable amount for Franchisor's costs of personnel to conduct the inspection and evaluation. Franchisor may impose limits on the number of suppliers and/or brands for any ingredient or food or beverage product used or served by the Sushi Counter. Franchisor is not under any obligation to approve the requested product or supplier and Franchisee shall comply with Franchisor's decision. Franchisor reserves the right to re-inspect facilities and products of any supplier and to revoke any approval previously given.

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

11.12. Inventory. Franchisee shall always maintain an inventory of food and other products, materials and supplies to permit operation of the Sushi Counter(s) at maximum capacity.

11.13. Private Label. Franchisor may develop proprietary or private-labeled products for the Sushi Counter(s). To monitor the manufacture, packaging, processing and sale of these

products Franchisor shall: (a) manufacture, supply and sell the proprietary or private labeled products to franchisees; and/or (b) disclose the designs or specifications of these products to a limited number of suppliers who Franchisor will authorize to make them to Franchisor's specifications and to sell them to franchisees. Franchisee acknowledges that Franchisee shall be required to purchase the proprietary or private labeled products from Franchisor, or from a limited number of suppliers designated by Franchisor.

11.14. Charges for Purchases. From time to time Franchisee may purchase food and other items from Franchisor. Franchisor shall have the right to charge, and Franchisee shall pay, freight, and other ancillary charges for such items, as well as Franchisor's prices for such items.

11.15. Licenses. Franchisee shall obtain and maintain all required licenses, permits and certificates needed to operate the Sushi Counter(s) and provide copies of such licenses and permits to Franchisor. At Franchisor's election, Franchisor shall have the right, but not the obligation, to obtain any required licenses and permits in Franchisee's name. Franchisee hereby grants Franchisor a power of attorney to apply for any required licenses, permits and any renewals of these for Franchisee's Sushi Counter(s). Franchisee shall reimburse Franchisor for any costs and fees incurred by Franchisor in applying for these licenses and/or permits on Franchisee's behalf. Payment of this amount is due at least fourteen (14) days prior to Franchisee commencing business. Franchisee shall operate the Sushi Counter(s) in full compliance with all applicable laws, ordinances and regulations, including but not limited to health, safety and sanitation laws.

11.16. Personal Involvement. Franchisee's principal owner (or such other person/manager), shall participate in day-to-day operation of the Sushi Counter(s), and shall directly supervise the operation of the Sushi Counter(s) and its employees. If Franchisee operates more than one Sushi Counter location, then at least one trained employee with ServSafe Manager certification shall act as manager for those other Sushi Counter locations. To assure Franchisor is aware of whom to contact in the event of Franchisee's absence, Franchisee shall provide to Franchisor a written list of every manager employed by Franchisee. Franchisee shall update and provide a revised manager list to Franchisor in writing within 24 hours of: (1) any new manager being hired; and/or (2) any manager leaving Franchisee's employment. Franchisee shall abide by lawful requests of the business owner or manager of the premises regarding any employee or prospective employee. Before start of employment, Franchisee shall require each manager to undergo training and to sign a confidentiality and non-disclosure agreement in a form satisfactory to Franchisor requiring the manager to protect Franchisor's trade secrets and any other property rights Franchisor specifies in writing from time to time. Franchisee shall ensure each manager is trained before start of employment. An example of a confidentiality and non-disclosure agreement currently considered satisfactory to Franchisor, is the Confidentiality and Non-Competition Agreement attached to the Franchise Disclosure Document as Exhibit D.

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

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

11.19. Printer and Scanner. Franchisee shall purchase from Franchisor a label machine with printer and scanner ("Label Machine") to permit Franchisee to print labels and conduct other functions prescribed by Franchisor. Franchisee shall be solely responsible for the Label Machine, including maintaining and repairing it when necessary. Franchisor may require Franchisee to upgrade and/or update the Label Machine at Franchisee's cost.

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

11.21. Operating Hours; Staffing. Franchisee or Franchisee's approved manager shall operate each Sushi Counter every day that the Host Facility is open for business and subject to any additional requirements in any applicable Franchise Addendum attached to this Agreement. Franchisee shall ensure each Sushi Counter is adequately staffed and managed. In Sushi Counter locations operated by a manager, Franchisee shall remain personally and actively involved in the Sushi Counter(s) operations and shall remain responsible for operating the Sushi Counter(s) and supervising employees. Franchisee shall notify and communicate clearly with its employees in all dealings, including without limitation, its employment applications, written and electronic correspondence, paychecks, employee handbooks, employment policies and procedures, other materials, that Franchisee (and only Franchisee) is their employer and that Franchisor is not their employer. Franchisee must, on all employment applications given to employee applicants, have printed on said applications: "You are applying for a job to work for an independently owned Franchise and not for the Franchisor or any other company."

11.22. Host Facility's Rules. Franchisee shall comply with the rules, policies and guidelines of the Host Facility and sign any code of conduct or equivalent document required by the Host Facility. If required by the Host Facility, Franchisee shall obtain proof of employability for each prospective employee by completing the Department of Homeland Security's electronic employee verification system (E-Verify) before hiring.

11.23. Complaints. Franchisee shall promptly notify Franchisor in writing of any complaints from the owner(s) or manager(s) of the Host Facility, or from the public of problems relating to operation of the Sushi Counter or its products. Franchisee shall be primarily responsible

to resolve and remedy all complaints to the satisfaction of the complaining person or entity.

11.24. Pricing. Franchisor may recommend resale prices or pricing schedules to Franchisee and may provide pricing labels conforming to these recommendations. When allowed by law, Franchisor shall have the right to specify maximum and minimum prices for products sold at the Sushi Counter(s), and Franchisee shall abide by these specifications.

11.25 Initial Training. Franchisor shall provide Franchisee an initial training program consisting of online training at the location selected by Franchisee, and on-site training at Franchisee's Sushi Counter location. For the online portion of the training program, Franchisee shall be responsible for securing an internet accessible location. The on-site training portion is described below in Section 11.27. There is no fee for the online portion of training. Each of Franchisee's Principal Owners shall be required to attend training. For this Section 11.25, the term "Principal Owner" shall mean any individual owning directly or indirectly thirty percent (30%) or more of Franchisee. Training shall cover Franchisor's methods and techniques to prepare fresh sushi and/or other products, as well as various aspects of the operation of a retail Sushi Counter, with emphasis on techniques and examples used in the operation of Sushi Counters bearing the Marks. Topics to be covered may include, but are not limited to legal compliance, sanitation, sushi and other food preparation and evaluation, cooking and evaluation (if applicable to the franchise), franchise management, including basic accounting, operations, business insurance, inventory control, employee management, marketing, license and permitting requirements. Franchisor shall have the right to reduce the scope of any training provided, if Franchisor, in its sole discretion, determines that Franchisee already has experience in these subjects. Franchisee shall be solely responsible for all travel and living expenses incurred for Franchisee, Franchisee's Principal Owners and other staff to attend the training program. If Franchisee or any owner of Franchisee attending the training fails to complete the training to Franchisor's satisfaction, Franchisor may cancel this Agreement in Franchisor's sole judgment on written notice to Franchisee. There shall be no refunds of any sums paid to Franchisor if Franchisor cancels this Agreement under this Section 11.25. Franchisor reserves the right to waive the training requirement in Franchisor's absolute discretion where Franchisor is satisfied that Franchisee or Franchisee's principals have sufficient skill, knowledge and experience with both the operational requirements and Franchisor's prescribed and preferred procedures. Franchisor may also exempt Franchisee from some or all training (at Franchisor's sole discretion) if Franchisee or any affiliate of Franchisee already owns or operates a Sushi Counter or the Franchise Agreement is executed as a Renewal Franchise Agreement (as defined in Section 13.1). Training is subject to modification in the event of activities described in Section 18.19 below (force majeure).

11.26 ServSafe Manager Training and Certification. Before starting operations, Franchisee and all Franchisee's employees, whether managerial or non-managerial, shall also be required to take and pass the ServSafe Manager certification.

11.27 Pre-Opening On-Site Training. Franchisor shall provide Franchisee between 2 to 10 days of pre-opening training at Franchisee's Sushi Counter location. Franchisee shall pay Franchisor its per diem fee for each trainer and management support team person for this pre-

opening training.

11.28 Post Opening On-Site Training. At Franchisee's request, Franchisor will provide post opening training at Franchisee's Sushi Counter location. Franchisee shall pay Franchisor its per diem fee for this post opening training.

11.29. Additional Training. From time to time Franchisor may require Franchisee or any personnel of Franchisee to attend and satisfactorily complete additional training programs at Franchisor's headquarters or other location designated by Franchisor. Franchisor shall have the right to charge Franchisee Franchisor's then current fee for each person for whom Franchisor provides any additional training, even if that training was required by Franchisor. Franchisee shall be solely responsible for all travel and living expenses incurred to attend any training programs. If Franchisee fails to attend any mandatory additional training, Franchisor shall have the right to assess Franchisee a \$250 fee for the failure to attend.

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

11.31 Testing and Criminal and Credit Background Checks. Whenever requested by Franchisor or the Host Facility where Franchisee is located, Franchisee shall require specified personnel (which may also include Franchisee), to undergo drug, tuberculosis and other chemical and disease testing, and/or criminal and credit background investigation. The foregoing obligations are subject to the condition that the request is lawful in the jurisdiction where the Franchisee and Franchisee's personnel are located. Franchisee shall pay all costs of the testing and investigation, complete all forms and consents, and take all other action needed to comply with such request. If Franchisee fails any required test or background check, Franchisor may cancel this Agreement on written notice to Franchisee. There shall be no refunds of any sums paid to Franchisor if Franchisor cancels this Agreement under this Section 11.30.

11.32 Ongoing Support. Franchisor will provide Franchisee ongoing advice and support on operating the business.

11.33 Food Safety Issues.

a. Franchisor has the right to require Franchisee to close its Sushi Counter if Franchisor determines that Franchisee's Sushi Counter has deficiencies relating to food safety and cleanliness; Franchisee may not reopen the Sushi Counter until Franchisor has re-inspected it and determined that it meets Franchisor's standards.

b. Franchisee is strictly prohibited from speaking or communicating with the media in the event of an outbreak of a food borne illness, whether at Franchisee's Sushi Counter or at any other Bento Sushi Counter. Franchisor has the right to be the sole spokesperson

on these issues.

12. Insurance.

12.1 Insurance.

(a) Franchisor will provide commercial general liability insurance for the Sushi Counter under Franchisor's group insurance policy and deduct Franchisee's portion of the premium costs on a weekly basis, which amount is calculated on the amount of sales at the Franchisee's Sushi Counter. Franchisee will at all times during the term of this Agreement maintain in force, at its sole expense, on a primary, rather than on a participatory basis with Franchisor, the following insurance, naming Franchisor and the Host Facility as additional insured:

- (i) Worker's compensation, employer's liability, and other insurance to meet statutory requirements; and
- (ii) For any Satellite Unit and as may be required by Franchisor, automobile liability insurance for owned and non-owned automobiles, including personal injury, wrongful death, and property damage, with a single limit coverage as reasonably required by Franchisor.

(b) All insurance policies must be issued by an insurance carrier or insurance carriers acceptable to Franchisor and must name Franchisor as an additional insured, must contain a waiver of the insurance company's right of subrogation against Franchisor, and must provide that Franchisor will receive 30 days' prior written notice of termination, expiration, or cancellation of the policy. Franchisor may reasonably increase the minimum liability protection requirement annually and require at any time on reasonable prior notice to Franchisee different or additional kinds of insurance to reflect inflation, changes in standards of liability, or higher damage awards in public, product, or motor vehicle liability litigation or other relevant changes in circumstances. Franchisee will submit to Franchisor upon request a copy of the certificate of or other evidence of the renewal or extension of each insurance policy. Franchisee's obligations to obtain and maintain the insurance described are not limited in any way by reason of any insurance maintained by Franchisor, nor does Franchisee's performance of obligations relieve Franchisee of any indemnification obligations contained in this Agreement.

12.2. Indemnity. Franchisee shall defend, indemnify and hold harmless Franchisor, Franchisor's affiliated entities, and the owner(s) and lessee(s) of the Host Facility, and each of their respective members, shareholders, managers, partners, directors, officers, employees, agents, and representatives and other personnel from all losses, costs and expenses incurred in connection with any claim, action, suit or other proceeding, based on actual or alleged acts or omissions of Franchisee, Franchisee's personnel, or others, arising from or related to the operation of the Sushi Counter(s).

12.3. Disclaimers. Franchisor does not represent or warrant, and hereby expressly disclaims making, any guaranty or other assurance, that Franchisee will derive income or profits from or as a result of entering into and/or performing this Agreement; or that Franchisor will repurchase, or refund all or part of any payment or purchase of, any products, equipment supplies or other items.

13. **Renewal.**

13.1. Renewal. If Franchisee fully complied with all conditions for renewal in Sections 13.2 through 13.3, and if this Agreement has not previously been terminated, then Franchisee shall have the right, but not the obligation, on expiration of this Agreement, to enter into a renewal Franchise Agreement (the "Renewal Agreement") for one consecutive term. The renewal term shall be three (3) years, unless Franchisee's franchise is for a Commissary-Based Bento Sushi Operation with sushi sales in the Kitchen, in which case the renewal term shall be one (1) year (the "Renewal Term"). Each of the conditions stated in Sections 13.2 through 13.3 shall be conditions precedent to Franchisee's right to enter into a Renewal Agreement.

13.2. Conditions to Renewal. As conditions to the right to enter into a Renewal Agreement, Franchisee shall have (a) complied with all provisions of this Agreement and any applicable Addendum during its entire term, including the time when Franchisee gives notice of intent to renew; (b) the ability to maintain possession of all Sushi Counter locations operated by Franchisee under this Agreement; (c) attended refresher training as required by Franchisor; (d) given written notice of renewal to Franchisor as provided in Section 13.3; (e) signed Franchisor's then-current form of Franchise Agreement and applicable addendum(s) at least 30 days before the expiration date; (f) signed a release releasing Franchisor of all claims; and (g) paid the renewal fee, which is equal to the greater of: (i) the initial franchise fee paid by the Franchisee, or (ii) the amount of initial franchise fee that would be charged if the location were being granted as a new location, based on factors used by the Franchisor in calculating initial franchise fees. The renewal Franchise Agreement will contain appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a renewal franchise. The terms of the renewal Franchise Agreement may differ materially from the terms in this Agreement including, without limitation, different payment amounts or arrangements. Franchisee's failure to provide the notice in Section 13.3 or otherwise comply with each obligation under this Section 13.2 by the applicable deadline shall be deemed, at Franchisor's option, Franchisee's desire not to renew this Agreement.

13.3. Notice of Renewal. If Franchisee desires to enter into a Renewal Agreement, then before expiration of this Agreement, Franchisee shall give Franchisor written notice of its desire at least 180 days but not more than 360 days prior to the expiration of the initial term of this Agreement. Renewal shall also be conditioned on Franchisee's compliance with this Agreement through termination of the initial term and Franchisee retaining all Sushi Counter locations operated by Franchisee under this Agreement.

14. Entity Requirements.

14.1 Requirement to be an Entity. Franchisee must be a legal entity either prior to signing this Franchise Agreement, or at least twenty-one (21) days prior to commencing for business. The Franchisee entity must satisfy all the following conditions precedent: (a) the entity is newly organized and its activities will be limited to acting as an BSFI franchisee; (b) the entity's name shall not include the words "BSFI," "Pan Asia Fresh," "Bento Sushi," "Bento Express" or any variant, or words confusingly similar thereto without Franchisor's prior written consent; (c) Franchisee shall be the sole owner of at least 51% of the ownership of the entity and any remaining ownership is owned only by Franchisee's spouse or children; (d) the entity's articles of incorporation, articles of organization and bylaws state that the issuance and transfer of any interest in the entity are restricted by this Agreement; and (e) all the entity's ownership certificates provide the notice stated in Section 14.3.

14.2. Entity Documents. Franchisee shall provide Franchisor a copy of its charter documents (operating agreement, regulations, articles of incorporation; partnership agreement, bylaws; and other governing documents designated by Franchisor), list of owners including the ownership interest of each, managers, directors and officers, all amendments to these documents, and all other information about the organization, structure and personnel that Franchisor requests from time to time. Franchisee shall promptly notify Franchisor in writing of any change in any information provided under this Section 14.2.

14.3 Notice of Restrictions. Franchisee shall place on the face of each certificate, agreement and other instrument evidencing ownership of the entity constituting Franchisee, the following statement in conspicuous typeface:

The transfer of the interest in [name of Franchisee] evidenced by this certificate [or instrument] is subject to the terms of a Franchise Agreement with Bento Sushi Franchise Inc. dated [state date of this Agreement]. Any purported transfer made without complying with those terms is void and of no effect.

15. Transfer Restrictions.

15.1. Assignment by Franchisor. Franchisor shall have the right to transfer or assign any or all rights and obligations under this Agreement in whole or in part, on one or more occasions, to any person, corporation or other entity.

15.2. Assignment by Franchisee. Franchisee acknowledges that Franchisor entered into this Agreement and each Franchise Addendum in reliance on characteristics personal to Franchisee, Franchisee's principal owners and officers, and specific to the entity constituting Franchisee. Therefore, Franchisee shall have no right or power to, and shall not purport to sell, transfer, assign, sublicense, give, mortgage, pledge or encumber any interest in this Agreement, in any Franchise Addendum, in the business contemplated by this Agreement, or if Franchisee is an entity, a majority of the shares of stock or ownership interests in that entity (collectively, "Transfer"),

without the prior written consent of Franchisor. Franchisor shall have the right to withhold consent to any sale or transfer proposed to be entered into within 2 years of the date of the applicable addendum for the Sushi Counter location proposed to be sold or transferred. Franchisor shall also have the right to withhold approval to any proposed sale or transfer, at Franchisor's discretion, if such sale or transfer involves the sale/transfer of some but not all of Franchisee's Sushi Counter locations operated under this Agreement.

15.3. Right of First Refusal. Franchisor shall have a right of first refusal itself to accept the terms of any sale, transfer or assignment of any interest in any Sushi Counter operated by Franchisee, this Agreement or in Franchisee, offered by Franchisee or offered to and proposed to be accepted by Franchisee, whether voluntarily, by operation of law or otherwise. If Franchisor exercises the right of first refusal, then Franchisor will also have the right but not the obligation to substitute cash for any form of payment proposed in the offer; and will have sixty (60) days after notifying Franchisee of its election to exercise the right of first refusal to prepare for closing. If a proposed transaction would involve more than 20% of the stock or other ownership interest of Franchisee then Franchisor will also have the right, but not the obligation, to purchase not only the interest involved but also all the remaining interests, to acquire up to 100% of the interest in Franchisee, at a price proportionate to the price of the interests initially involved. If Franchisor exercises the right of first refusal, then at Franchisor's request, Franchisee shall also take all action necessary to cause any agreements designated by Franchisor, to be assigned from Franchisee to Franchisor.

15.4. Exercise of Right of First Refusal. To provide Franchisor the opportunity to exercise the right of first refusal, Franchisee shall deliver to Franchisor a written notice stating all the terms of any proposed sale, transfer or assignment covered by the right of first refusal and shall provide any additional information that Franchisor requests about the proposed transaction. Franchisee shall require its owners to provide Franchisee sufficient information to enable Franchisee to comply with this obligation with regard to a transaction proposed by any of the owners of Franchisee. Within forty-five (45) days after Franchisor receives the notice and the additional information requested by Franchisor, Franchisor will notify Franchisee whether Franchisor accepts for itself or its nominee the terms in the notice.

15.5. Waiver. If Franchisor elects not to exercise the right of first refusal and consents to the proposed sale, assignment or transfer, then Franchisee will be authorized to complete the proposed transaction with the proposed assignee on the terms in the original notice to Franchisor. Any change to the terms constitutes a new proposal which again requires compliance with the procedures in Sections 15.3 through 15.4 (and this Section 15.5, if applicable). Franchisor's election not to exercise the right of first refusal for any proposed transaction does not affect Franchisor's right of first refusal for any other transaction and does not constitute approval of the proposed transferee or assignee or of the transaction. Franchisee and any proposed transferee or assignee shall comply with all provisions in this Agreement relating to transfer and assignment.

15.6. Sale To Third Party. If Franchisor elects not to exercise the right of first refusal, then Franchisor's consent to a proposed sale, transfer and/or assignment by Franchisee shall not be

unreasonably withheld. It shall be deemed to be reasonable for Franchisor to require, as conditions precedent to consenting to the proposed sale, transfer and/or assignment, among other requirements, that (a) Franchisee first comply with the right of first refusal provisions in Sections 15.3 through 15.4; (b) the proposed assignee apply to Franchisor to become a franchisee; provide information that Franchisor requests to assess the proposed transferee's/assignee's skills, qualifications, integrity, honesty and resources (financial and otherwise) sufficient in Franchisor's judgment to operate the Sushi Counter(s) in a manner that Franchisor expects to be satisfactory; (c) the proposed assignee cooperates in arranging one or more personal interviews at times and places designated by Franchisor; (d) consent is obtained, of the Host Facility if the Host Facility has the right to consent pursuant to an agreement with the Franchisor or Franchisor's affiliate; (e) the proposed assignee attends and successfully completes Franchisor's initial training program and any other training Franchisor requires, all at the proposed transferee's/assignee's expense; (f) at Franchisor's option, the proposed assignee, either: (i) signs Franchisor's then current form of Franchise Agreement, modified to delete any initial franchise fee, and to expire on the expiration date of this Agreement or (ii) signs Franchisor's then current form of Franchise Agreement for a full term and pays Franchisor's the franchise fee that selling Franchisee initially paid]; (g) Franchisee pays all moneys owed to Franchisor and to any affiliated entities of Franchisor and in addition pays Franchisor a transfer fee of between One Thousand Dollars (\$1,000) and Ten Thousand Dollars (\$10,000) for each Sushi Counter location to be transferred; (h) Franchisee and the principal owners of Franchisee execute a general release in a form satisfactory to Franchisor of all claims against Franchisor, its owners, directors, officers, members, managers and employees; (i) Franchisee agrees not to retain any security interest in any assets of the franchise or business following the transfer; (j) Franchisee furnishes Franchisor a complete copy of the sale agreement negotiated between Franchisee and the transferee; (k) that the terms of the sale and/or assignment, including the sale price and financing terms, not be unduly burdensome to the assignee in Franchisor's judgment; and (l) that the sale, transfer and/or assignment close within 90 days of Franchisor's election not to exercise the right of first refusal. The terms of the then-current Franchise Agreement the transferee must sign may differ materially from the terms in this Agreement including, without limitation, different payment amounts or arrangements.

15.7. Transfer On Death or Incapacity of Principal Owner. If Franchisee's Principal Owner dies or becomes permanently incapacitated, then Franchisor shall allow the surviving spouse, heirs, or estate of the Principal Owner or the incapacitated person's legal representative, the opportunity to participate in ownership of Franchisee during one hundred eighty (180) days after the death or incapacity, provided that during that time the surviving spouse, heirs or estate or legal representative (a) maintains all standards required of Franchisee under this Agreement, performs all obligations of Franchisee and satisfies all then current qualifications for a purchaser of a franchise or, (b) in accordance with the requirements of Sections 15.2 and 15.3 through 15.6 sells that person's ownership interest in Franchisee and the Sushi Counter(s) to a person who satisfies Franchisor's then current standards for new franchisees.

15.8. Death or Incapacity of Individual (Non-Principal) Affiliated with Entity. The death or incapacity of a shareholder, owner, director, manager, officer or partner of Franchisee, which person is not a Principal Owner, shall not constitute an assignment or transfer of this Agreement

under Section 15.2, provided that during one hundred eighty (180) days after the death or incapacity the surviving spouse, heirs or estate or the incapacitated person's legal representative (a) maintains all standards of the franchise, performs all obligations of Franchisee and satisfies all then current qualifications for a purchaser of a franchise or, (b) in accordance with the requirements of Sections 15.2 and 15.3 through 15.6 sells that person's ownership interest in Franchisee and the Sushi Counter(s) to a person who satisfies Franchisor's then current standards for new franchisees.

15.9. Operation by Franchisor. From the date of death or incapacity of the Principal Owner until Franchisor is satisfied that a qualified and trained individual has assumed full service operational supervision of the Sushi Counter(s), Franchisor shall have the right, but not the obligation, to enter and operate the Sushi Counter(s). Any decision by Franchisor to do so shall be deemed to be an accommodation to assist Franchisee. Franchisor makes no representation or warranty regarding its ability to operate the Sushi Counter(s) profitably, and Franchisor shall not be responsible for results of operation. Franchisee shall reimburse all Franchisor's expenses incurred to operate the Sushi Counter(s) pursuant to this Section 15.9, including but not limited to travel, lodging, meals, and personnel compensation; and shall pay Franchisor, in addition to all other amounts provided for in this Agreement, a management fee of up to Two Hundred Fifty (\$250) per day per person Franchisor sends for the period of operation by Franchisor. Franchisor shall have the right to increase this daily rate effective on delivery of written notice to Franchisee. Franchisor shall have the right to cause itself to be paid and reimbursed any or all these amounts from revenues of the Sushi Counter(s), as well as all other amounts required to be paid under this Agreement.

16. **Default and Termination.**

16.1. Immediate Termination Without Opportunity to Cure. Franchisee shall be deemed to be in default and Franchisor shall have the right to terminate this Agreement and/or any applicable addendum, without allowing Franchisee any opportunity to cure the default, effective immediately on delivery to Franchisee of written notice of termination, on the occurrence of any of the following events:

- a. Franchisee is adjudicated bankrupt or insolvent or any substantial part of Franchisee's assets is assigned to or for the benefit of any creditor, or a petition in bankruptcy is filed by or against Franchisee and not immediately contested and dismissed within sixty (60) days after filing, or a bill in equity or other proceeding for appointment of a receiver or other custodian of Franchisee or any assets of Franchisee is filed and consented to by Franchisee, or a court appoints a receiver or other temporary or permanent custodian of all or part of Franchisee's assets, or proceedings for a composition or arrangement with creditors under any federal or state law are instituted by or against Franchisee;
- b. Franchisee is voluntarily or involuntarily dissolved;
- c. Execution is levied against Franchisee or any real or personal property of

Franchisee is sold after levy by a government body or official.

- d. Franchisee stops operating or abandons the franchise by failing to operate at any Sushi Counter for three (3) consecutive days when Franchisee is required to operate, or any shorter period of time in which it is reasonable in the circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Sushi Counter(s).
- e. Any material complaint or subjective dissatisfaction expressed by the owner(s) or managers of the facility where any Sushi Counter operated by Franchisee is located, regardless of the reason for such complaint or subjective dissatisfaction; or the owner(s) or managers of the facility object for any reason to the continued operation of the Sushi Counter at the facility.
- f. Franchisee (or any owner, member, partner, director, manager or officer of Franchisee) is convicted of or pleads no contest to a felony, fraud, crime involving moral turpitude, or other crime or offense which Franchisor reasonably believes is related to Franchisee's operation of the Sushi Counter(s) or is likely to have an adverse effect on the Bento Sushi System, the Marks or the goodwill associated with the Marks.
- g. Franchisor determines that a threat or danger to public health or safety may result from Franchisee's continued operation of any Sushi Counter and/or Franchisee fails to cure any health and safety violation within twenty-four (24) hours after notice of the violation.
- h. Franchisee engages in any unlawful act, form of harassment or discrimination.
- i. Franchisee (or any owner, member, partner, director, manager, or officer of Franchisee) purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or any Sushi Counter operated by Franchisee, or any security interest, to any third party in violation of any terms or without satisfying any of the conditions within Sections 15.2 through 15.8.
- j. There occurs any breach of any of the covenants in Sections 5.3, 6.1 through 6.4, 6.7 or 15.2 through 15.8.
- k. Franchisee makes any material misrepresentations relating to the acquisition of the franchise or engages in conduct which reflects materially and unfavorably on the operation and reputation of the franchise or franchise system.
- l. Franchisor discovers that Franchisee knowingly or with reckless disregard maintained false books or records, or submitted a false report to Franchisor; intentionally concealed revenues; attempted to defraud Franchisor; misdirected or appropriated for Franchisee's own use any funds withheld from wages of employees; failed to properly withhold taxes, FICA, insurance or other benefits from employee wages; appropriated for Franchisee's own use any funds or other property of Franchisor; or knowingly permitted or, having discovered the facts, failed to take action against or discharge any employee

who embezzled funds or other property of any customer of Franchisor, or anyone else.

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

n. Franchisee repeatedly fails to comply with one or more provisions of this Agreement, whether or not cured after notice.

o. Franchisee fails to cure any default under this Agreement that materially impairs the goodwill associated with the Marks within forty-eight (48) hours after delivery of written notice to cure;

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

q. Any act of dishonesty or moral turpitude, either in Franchisee's operations, or in dealings with the Host Facility where Franchisee's Sushi Counter(s) is/are located or in Franchisee's interactions with Franchisor.

16.2. Termination After Notice and Opportunity to Cure. Except as stated in Section 16.1, Franchisee shall have fifteen (15) calendar days after delivery by Franchisor of written notice to cure the breach or default under this Agreement and/or any applicable addendum, or if it cannot be cured in that time, to take within that time, and continue, all available steps to cure and to provide proof of those steps to Franchisor. Failure to cure in this time, or within this time to take and continue all available steps to cure, shall at Franchisor's election, result in termination of this Agreement and/or the applicable Franchise Addendum, effective on expiration of the period allowed for cure as specified in the notice of default. However, if applicable law requires Franchisor to allow a larger period of time, then Franchisee shall have the period of time required by law to cure the breach or default.

16.3 Cross Default. Franchisee's breach of one agreement/addendum with Franchisor shall, at Franchisor's election also constitute a breach of every other agreement/addendum between Franchisee and Franchisor. A breach by franchisee of this Agreement shall also constitute, at Franchisor's election, a breach of all other agreements/addendums between Franchisee and Franchisor. Franchisor's election to enforce or not enforce this provision shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee hereunder.

16.4 Acts of Others. Franchisee shall be responsible for all acts and/or omissions of Franchisee's employees, managers, independent contractors and family members, regardless of whether Franchisee had actual notice of such actions/omissions.

16.5. Notice Required By Law. If any applicable law or regulation limits Franchisor's right

to terminate this Agreement or requires greater notice or time to cure than stated in this Agreement, then Franchisor may allow additional time to conform to the minimum notice or cure period or restriction on termination required by that law or regulation. This Section 16.5 does not waive any right of Franchisor to challenge the validity or application of such law or regulation.

16.6. Operation by Franchisor. If Franchisor determines that operation of the Sushi Counter(s) may be in jeopardy or if a default occurs, then in addition to all Franchisor's other rights and remedies, Franchisor shall have the right to operate the Sushi Counter(s) in the manner and on the terms provided in Section 15.9, for as long as Franchisor believes necessary or practical.

16.7 Termination Resulting from Change in Franchisor's Relationship with Host Facility. As provided in Section 3.3 of this Agreement, Franchisee's right to own and operate a Sushi Counter may be terminated in the event of a change in the relationship between Franchisor and the Host Facility.

16.8 Franchisor's Right to Operate Sushi Counter(s) Pending Effectiveness of Termination. In the event the basis for termination of this Agreement by Franchisor is Section 16.1(g) above, and Franchisee fails to cure within said twenty-four (24) hour period, Franchisor shall have the right to immediately take possession and operate Franchisee's Sushi Counter(s). This right applies notwithstanding applicable law where the Sushi Counter(s) are located, which may require Franchisor to give Franchisee notice and opportunity to cure that is longer than twenty-four (24) hours. Franchisor has the right to operate the Sushi Counter(s) on Franchisee's behalf until the date the termination of this Agreement becomes effective according to said applicable law. Franchisor shall be entitled to a Management Fee as set forth in Section 15.9.

17. Rights of Franchisor and Obligations of Franchisee Upon Termination or Expiration of the Franchise.

17.1. Franchisee's Obligations. On termination or expiration of this Agreement without renewal, Franchisee shall do all of the following:

- a. Immediately pay all amounts due and owing to Franchisor and all sums due and owing to any third party relating to the operation of each of Franchisee's Sushi Counter(s);
- b. Immediately stop using the Marks, and permanently refrain from doing business using any name or in any way that could tend to give the public the impression that Franchisee is or previously was operating a Sushi Counter associated with Franchisor; and refrain from using, in any manner, or for any purpose, any confidential information or trade secrets of Franchisor;
- c. Immediately take all action needed to cancel any assumed name or equivalent registration pertaining to the Sushi Counter(s);
- d. Revise all websites controlled by Franchisee to remove references to the Sushi

Counter(s) and Franchisor's Marks and System; and at Franchisor's request, assign to Franchisor all Internet domain names owned by Franchisee relating to the Sushi Counter(s).

e. Pay Franchisor all expenses incurred by Franchisor as a result of any breach or default by Franchisee, including, but not limited to, expenses Franchisor incurs on account of travel, lodging, meals, personnel compensation and operational costs;

f. At Franchisor's request, assign to Franchisor all of Franchisee's possessory interest in the Sushi Counter(s) operated by Franchisee; vacate the premises and provide all necessary assistance to enable Franchisor to take possession thereof;

g. Immediately return to or, as applicable, deliver to Franchisor the Manuals, all customer lists, all promotional material, all materials, signs and related items bearing the Marks; all forms and other materials or property of Franchisor, and any copies of these, in Franchisee's possession or control. Franchisee shall also return to the Host Facility, all property of the Host Facility including, but not limited to, the Host Facility's manuals, equipment, assets and any other items owned by the Host Facility in Franchisee's possession;

h. Assign to Franchisor or its designee, all right, title and interest in and to the phone numbers of the Sushi Counter(s), notify the phone company and all listing agencies that Franchisee's right to use the phone numbers ended, and authorize the transfer of the phone numbers to Franchisor or its designee;

i. Cooperate with Franchisor in providing records of the Sushi Counter(s) and disclosing all other pertinent information;

j. Sign all documents which Franchisor may reasonably require to evidence and further accomplish termination of this Agreement and of Franchisee's rights to use the Marks and Bento Sushi System; and

k. Refrain from destroying, damaging, hiding or taking any equipment or inventory from the Sushi Counter(s) without Franchisor's written consent.

17.2 Post-Termination Covenant Not to Compete.

a. For a period of two (2) years after this Agreement expires without renewal or terminates for any reason or under any circumstance (with the sole exception noted in Section 17.3), Franchisee and all Covered Persons (as defined in Section 6.4) shall not have any interest as an owner, investor, partner, lender, director, officer, member, manager, employee, consultant, representative or agent or in any other capacity in any business selling Asian style foods, sushi or fresh fish products, steamed foods or other food items developed or sold in the Bento Sushi System without Franchisor's prior written consent within:

(i) 5 miles of any Sushi Counter operated by Franchisor or by any franchisee or licensee or other affiliate of Franchisor in a major city (as defined below);

(ii) 10 miles of any Sushi Counter operated by Franchisor or by any franchisee or licensee or other affiliate of Franchisor in a metropolitan area (as defined below);

(iii) 15 miles of any Sushi Counter operated by Franchisor or by any franchisee or licensee or other affiliate of Franchisor in a rural area (as defined below).

(iv) For this Agreement, a "major city" means any of the top 25 cities in the measured by population; a "metropolitan city" means any city other than a major city where the population density is greater than 1,000 people per square mile; and a "rural area" means an area whose population density is 1,000 people per square miles or less. These figures shall be measured at the time of expiration or termination.

(v) On written request from Franchisee, Franchisor will provide Franchisee a list of locations within a reasonable geographic area, to assist Franchisee in complying with this obligation.

b. Further, for a period two (2) years following the expiration of termination of this Agreement, for whatever reason, either directly or indirectly, Franchisee shall not, for Employee's own account, or as an employee, consultant, partner, joint venturer, owner, officer, director or stockholder of any person, firm, partnership, corporation, limited liability company, or any other entity or in any other capacity, in any way, assist in soliciting, diverting, taking away or interfering with any of Franchisor's business, customers, trade or patronage.

17.3 Sole Exception to Post-Termination Covenant Not to Compete. The sole exception to the post-termination covenant not to compete set forth in Section 17.2 above is if the relationship between Franchisor and the Host Facility is terminated for any reason, and Franchisor no longer has the right to offer and sell Bento Sushi branded products at the Host Facility. In that event, Franchisee's right to operate the Sushi Counter at the Host Facility will terminate. However, Franchisee's Franchise Agreement will not automatically terminate, and this Agreement will continue in full force and effect. Franchisor will endeavor to find a new location for Franchisee's Bento Sushi franchised operation. If within three (3) months from the date Franchisee's Bento Sushi Counter closes, Franchisor does not offer Franchisee a new location within fifteen (15) miles of Franchisee's original location (as identified in the Franchise Addenda), then this Franchise Agreement will be terminated by Franchisor without cause, and the covenant not to compete set forth in Section 17.2 will be void after said three-month period. Notwithstanding the voiding of the covenant not to compete, Franchisee shall remain bound by Sections 6.1 through 6.7 of the Franchise Agreement with respect to Franchisor's Confidential Information, including but not limited to its recipes, proprietary methods, and operating procedures.

17.4 Franchisor's Option to Purchase. On termination or expiration of this Agreement,

Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Sushi Counter(s). For this Section 17.4, "Assets" means equipment, supplies, signage and non-perishable inventory.

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

b. The balance of the purchase price, after the deductions in Section 17.3.a, shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than thirty (30) days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

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

17.5 Continuing Effect. All provisions which by their terms or nature survive expiration or termination of this Agreement shall continue in effect regardless of expiration or termination until fully performed or until they expire by their nature.

18. Additional Provisions, Enforcement.

18.1. Compliance With Law. Franchisee shall operate the Sushi Counter(s) in compliance with all applicable laws, rules and regulations of all government authorities, including but not limited to federal and state laws pertaining to wages, hours, working conditions, unlawful discrimination, sexual harassment, employment verification, record keeping, workers compensation, leaves of absence, restrictions on employment of minors and other labor laws, social security and unemployment insurance contribution requirements, disability insurance, income tax and other withholdings, contributions, deposits and reporting as well as federal and state laws on operating a restaurant, health, safety and sanitation laws which also include health department inspections, menu and menu board labeling laws, food labeling laws, the Hazard Analysis and Critical Control Point ("HACCP") food safety program adopted by the U.S. Food & Drug Administration and rules on handling, preparing and serving foods by people with communicable or infectious diseases. Franchisee acknowledges and agrees to strictly comply with

the Franchisor's prescribed menu items, and to follow the recipes and food preparation methods exactly as set forth in the Operations Manual, for all products offered and sold from Franchisee's Bento Sushi Counter. In the event Franchisee deviates from the prescribed recipes, ingredients, preparation methods, or menu boards, Franchisee shall be responsible for obtaining his/her own nutrition information in order to comply with applicable state and federal nutrition labeling requirements. The previous sentence shall not be construed to permit Franchisee to deviate from said items, and such deviation shall be a default under this Franchise Agreement. Franchisee shall indemnify Franchisor for any claims, damages, suits, judgments, fines, or any other losses incurred by Franchisor by virtue of Franchisee's failure to comply with this paragraph.

18.2. Interpretation. Headings and section numbers in this Agreement are for convenience only and are not part of this Agreement. References to the Host Facility also include the applicable operator with whom Franchisor has arrangements that permit the establishment of the franchise granted by this Agreement. The provisions of this Agreement shall be interpreted according to their fair meanings and not strictly for or against any party.

18.3. Entire Agreement. This Agreement is the entire agreement of the parties. All prior written agreements, discussions, negotiations, representations and understandings of the parties are merged into and superseded by this Agreement. Franchisee acknowledges that Franchisee did not receive any promise, representation, or warranty, express or implied, as to potential sales, volume, profits or success of any Sushi Counter. Nothing in the Agreement, or any related agreement, is intended to disclaim the representations made to Franchisee in the Franchise Disclosure Document.

18.4. Modification. This Agreement shall not be modified except by written agreement signed by both Franchisee and Franchisor. Notwithstanding the preceding sentence, Franchisor may modify the Operations Manual pursuant to Section 5.1.

18.5 Rights of Parties are Cumulative. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

18.6. Relationship of the Parties. The parties shall be independent contractors and not partners, joint venturers, principal-agent, employer-employee, or other relationship with each other. Franchisee shall have no authority or power to and shall not purport to obligate Franchisor to any person or entity. Franchisee shall not interfere with or disrupt Franchisor's relationship with the Host Facility, or its owner(s) or lessee(s) , and shall not communicate with such Host Facility, owner(s) or lessee(s) concerning the relationship with Franchisor or any other matter not involving regular day to day operations of the Sushi Counter(s), without first obtaining Franchisor's written consent. By way of example, and not limitation, Franchisee shall not communicate with the Host Facility or its agents about pricing, menu changes, new concepts or other types of business opportunities involving the Host Facility or otherwise. Franchisee shall never represent himself/herself as an agent or employee of Bento Sushi Franchise Inc. or Bento Nouveau Inc. Any

complaint, petition and/or application that takes a position inconsistent with this Section, or other claim filed in violation of this Section shall be deemed a material breach of this Agreement.

18.7. **No Waiver.** Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Any waiver granted by Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor and may be revoked, in Franchisor's sole discretion, at any time and for any reason, effective upon delivery to Franchisee of ten (10) days' prior written notice. Franchisor and Franchisee shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein or to declare any breach thereof to be a default and to terminate the Franchise prior to the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure; any waiver, forbearance, delay, failure or omission by Franchisor to exercise any right, power or option, whether of the same, similar or different nature, with respect to any other Bento Sushi Counter; or the acceptance by Franchisor of any payments from Franchisee after any breach by Franchisee of this Agreement. Franchisor makes no warranties or guaranties upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by granting any waiver, approval or consent to Franchisee, or by reason of any neglect, delay or denial of any request therefor.

18.8. **Governing Law/Consent to Jurisdiction.**

a. All matters relating to arbitration shall be governed by the Federal Arbitration Act (9 U.S.C. §1 et. seq.).

b. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement and the Franchise shall be governed by the laws of the State of Delaware without reference to its choice of law principles. However, (a) if a provision of this Agreement would not be enforceable under Delaware law, and (b) if the Sushi Counter is located outside Delaware; and (c) such provision would be enforceable under the laws of the state where the Sushi Counter is located; then such provision shall be interpreted and construed under the laws of the state where the Sushi Counter(s) is/are located.

c. Franchisee agrees that Franchisor has the right to institute any action against Franchisee to enforce the provisions of this Agreement in any state or federal court of general jurisdiction in the City of Buffalo, State of New York, and Franchisee irrevocably submits to the exclusive jurisdiction of such New York courts and waives any objection he may have to either the jurisdiction or venue of such courts. Franchisee further agrees

that the state or federal courts of general jurisdiction in the State of New York are the exclusive venues where Franchisee may bring litigation (subject to the arbitration clause). The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of the New York courts.

d. Nothing set forth herein shall permit the application of the New York franchise law or any similar law regulating the sale of franchises or governing the relationship of a franchisor and franchisee, unless its jurisdictional requirements are met independently without reference to this Paragraph.

18.9. Mandatory and Binding Arbitration.

a. All disputes, controversies or claims arising out of or relating to this Agreement, except for issues relating to the ownership, validity or registration of any name or Mark licensed hereunder, shall be submitted for arbitration to the American Arbitration Association on demand of either party. The demand shall be submitted to, and the arbitration proceedings shall be conducted in the City of Buffalo, State of New York, and shall be heard by one arbitrator in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) shall be governed by it. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

b. The arbitrator shall have the right to award or include in his award any relief which he deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, in accordance with Section 18.13., provided that the arbitrator shall not have the authority to award exemplary or punitive damages. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties agree to be bound by the provisions of any limitation on the period of time by which claims must be brought. The parties further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred.

c. Franchisor and Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis, that only Franchisor (and its affiliates and their respective owners, officers, directors, agents and employees, as applicable) and Franchisee (and its affiliates and their respective owners, officers and directors, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding

involving Franchisor and/or any other person. Notwithstanding the foregoing or anything to the contrary in this Section or Section 18.12, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 18.9, then Franchisor and Franchisee agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in accordance with this Section 18 (excluding this Section 18.9).

d. Notwithstanding the above and foregoing, Franchisor shall have the right to apply directly to a court of competent jurisdiction for a temporary restraining order, preliminary injunction or other emergency relief which may be available to protect the name, Marks or System licensed hereunder, or to enforce the post-termination obligations set forth in Article 17 of this Agreement, without the necessity of first filing an arbitration demand.

18.10. Relief. Franchisee acknowledges that the breach or threatened breach of any provision within Sections 5.3, 6.1 through 6.4, 6.7, 15.2 through 15.8, or 17.1.b through 17.1.k would cause irreparable harm to Franchisor for which there is no adequate remedy at law. Therefore, Franchisor shall be entitled to preliminary and permanent injunctive relief to enjoin actual or threatened violation of any such provision.

18.11 Waiver of Jury Trial. Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

18.12 Severability. Except as expressly provided to the contrary herein, each article, section, paragraph, term, and provision of this Agreement, and any portion thereof, shall be considered severable and if for any reason any such provision of this Agreement is held to be invalid, contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and Franchisor shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

18.13 Costs and Attorneys' Fees. If Franchisor incurs attorneys' fees in connection with collecting delinquent payments from Franchisee and/or enforcing compliance with this Agreement

(whether or not legal proceedings are filed), Franchisee shall reimburse Franchisor its reasonable legal fees and costs so incurred. If a claim for amounts owed by Franchisee to Franchisor is asserted in any arbitration or judicial proceeding or appeal thereof, or if Franchisor or Franchisee is required to enforce this Agreement in an arbitration or judicial proceeding or appeal thereof, the party prevailing in such proceeding shall be entitled to reimbursement of its costs and expenses including, but not limited to, reasonable accounting, legal and attorneys' fees.

18.14. Notices. All notices which are required by this Agreement shall be deemed to be delivered three (3) days after being placed in the U.S. Mail, certified mail, return receipt requested or priority mail with delivery receipt confirmation, or one day after being sent by United Parcel Service or other receipted overnight courier service if addressed to a party at the address stated in the introductory paragraph of this Agreement, or other address of which a party has given notice to the other, or immediately by hand delivery to a party. Franchisee shall provide Franchisor Franchisee's physical address for notice purposes under this Section and shall keep Franchisor updated of any changes thereto.

18.15 Limitations of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date Franchisee or Franchisor knew of the facts giving rise to such claims. In addition, Franchisee must give Franchisor written notice of at least fourteen (14) days prior to filing arbitration or litigation. In the event Franchisee fails to give said notice, Franchisor is entitled to dismissal of the action, without prejudice, and Franchisee must reimburse Franchisor its costs and expenses incurred in connection with the action.

18.16 Binding Effect. This Agreement is binding upon the parties hereto, and their respective executors, administrators, heirs, assigns and successors in interest.

18.17 Construction.

a. The recitals and riders are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral, electronic, or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Provided, however, nothing in this Agreement or in any related agreement is intended to disclaim Franchisor's representations made in the franchise disclosure document.

b. Except as provided in Section 12.2. (Indemnity), nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

c. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

d. Any policies that Franchisor adopts and implements from time to time, including policies to guide Franchisor in its decision-making, are subject to change, are not a part of this Agreement, and are not binding on Franchisor.

e. The term "attorneys' fees" shall include, without limitation, reasonable legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand or claim, action, hearing or proceeding to enforce the obligations of this Agreement. The term "Affiliate" as used herein is applicable to any company directly or indirectly owned or controlled by us, under common control with BSFI or any principal of Franchisor. References to a "controlling interest" in Franchisee shall mean more than fifty percent (50+%) of the voting control of Franchisee. The terms "Franchisee" and/or "you" as used herein is applicable to one or more persons, a corporation, an LLC, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee hereunder, whether or not as partners or joint venturers, their obligations and liabilities shall be joint and several.

f. This Agreement may be executed in multiple copies, each of which shall be deemed an original.

g. The language of all provisions of this Franchise Agreement shall be construed simply according to their fair meaning and not strictly against the Franchisor or the Franchisee. It is the desire and intent of the parties that the provisions of this Franchise Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought.

h. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold Franchisor's approval of any action or request by Franchisee, Franchisor has the absolute right to refuse any request by Franchisee or to withhold its approval of any action or omission by Franchisee. Franchisor and Franchisee recognize, and any court or judge is affirmatively advised, that if Franchisor's conduct and/or decisions are supported by Franchisor's business judgment, neither said court, said judge, nor any other person reviewing those activities or decisions will substitute his, her or their judgment for Franchisor's judgment.

i. When the terms of this Agreement specifically require that Franchisor not unreasonably withhold its approval or consent, if Franchisee is in default or breach under this Agreement, any withholding of Franchisor's approval or consent will be considered reasonable.

18.18 Time is of the Essence. Time is of the essence of this Agreement.

18.19. Force Majeure. A party shall not be liable for delay in performance, other than performance of an obligation to pay money to the other party, if the delay is due to : (1) compliance

with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (2) acts of God; (3) fires, strikes, terrorism, embargoes, war, or riot; (4) pandemic or health emergencies resulting in widespread shut-downs of businesses, travel, and/or other activities, whether or not mandated by any governmental agencies or occurring based on general population response; (5) widespread breach or shutdown of technology or of other infrastructure that substantially affects the ability of commerce to be conducted in its normal course, or (6) any other similar event or cause. In the event of such delay, the time for performance will be extended by a period of time equal to the cause of the delay, but no longer than thirty (30) days. In addition, upon the occurrence of the events described in this paragraph, the Franchisor's performance of its obligations relating to activities that contemplate face-to-face contact, on-site presence, and/or travel will be considered adequately fulfilled if the Franchisor substitutes or modifies the activities in a manner that does not involve such face-to-face contact, on-site presence, and/or travel. Such excuse of literal performance applies to, but is not limited to, Franchisor's training of Franchisees and on-site assistance upon Franchisee's store opening.

18.20. Opportunity to Review. Franchisee acknowledges having had an opportunity to review Franchisor's Franchise Disclosure Document for at least fourteen (14) calendar days before signing any agreement with Franchisor or making any payment to Franchisor.

18.21 Personal Guaranty. If Franchisee is a legal entity, each owner of Franchisees must execute the Guaranty of Franchise Agreement attached to this Agreement as Exhibit A. Each guarantor must personally and unconditionally guarantee the obligations of Franchisee under this Agreement as if each guarantor were an original party to this Agreement in his or her individual capacity. In the event that there is involvement in the franchised business by the spouse of Franchisee, or if Franchisee of a legal entity, by the spouse of any owner, each such spouse must execute the Guaranty and Assumption of Obligations attached to this Agreement, as if each spouse were an original party to this Agreement in his or her individual capacity. Franchisor shall make the final determination whether a spouse of Franchisee or of an owner of Franchisee must sign the Guaranty and Assumption of Obligations.

18.22 Signature and Delivery of Agreement. This Agreement may be executed in one or more copies, and each copy so executed shall be deemed an original. This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

18.23 Delegation. Franchisee agrees that Franchisor shall have the right to delegate to third-party designees, whether Franchisor's agents or independent contractors with whom Franchisor has contracted, the performance of any portion or all of Franchisor's obligations under this Agreement, and any right Franchisor has under this Agreement. If Franchisor does so, such third-party designees will be obligated to perform the delegated functions for Franchisor in compliance with this Agreement.

18.24 Beneficiaries. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties shall have any right or claims, benefit, or right as a third-party beneficiary under this Agreement or any provision hereof. Similarly, Franchisee is not entitled to claim any rights or benefits including those of a third-party beneficiary, under any contract, understanding or agreement between Franchisor and any other person or entities, unless that contract, understanding or agreement specifically refers to Franchisee by name or to a class which Franchisee belongs and specifically grants rights or benefits to Franchisee or to the concerned class.

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

IN WITNESS WHEREOF the parties hereto have executed, sealed, and delivered this Agreement in ____ counterparts effective on the day and year first above written.

FRANCHISEE

FRANCHISOR

BENTO SUSHI FRANCHISE INC.

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Exhibit "A" to Franchise Agreement

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20____, by _____

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (the "Agreement") by Bento Sushi Franchise Inc. (the "Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including without limitation the provisions of Section 6.4.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this guaranty shall be joint and several; (2) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend his guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Franchisee agrees that the arbitration, injunctive relief, governing law and jurisdiction provisions contained in the Franchise Agreement shall govern this guaranty and such provisions are incorporated into this guaranty by reference.

The undersigned expressly agree that this Guaranty and Assumption of Obligations applies to any Addenda that are or may hereafter be entered into between Franchisor and Franchisee, whether or not the undersigned are requested to execute Guaranties of said Addenda or are furnished copies of said Addenda.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

| <u>GUARANTOR(S)</u> | <u>PERCENTAGE OF OWNERSHIP OF FRANCHISEE</u> |
|---------------------|--|
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |

Exhibit “B” to Franchise Agreement

ADDENDUM TO FRANCHISE AGREEMENT

LOCATION NOT DETERMINED

This Addendum (this “Addendum”) dated _____ is made and entered into contemporaneously with a Franchise Agreement (“Franchise Agreement”) between Bento Sushi Franchise Inc. (“Franchisor”), and _____ (“Franchisee”).

RECITALS

- A. Franchisor and Franchisee have entered into a Franchise Agreement of even date herewith, which Franchise Agreement grants Franchisee the right to own and operate a sushi counter under Franchisor’s name and marks (“Bento Sushi Counter” or “Sushi Counter”) and using Franchisor’s formats, systems, methods of distribution, standards and procedures, and trade dress (the “Bento Sushi System”).
- B. As of the date of this Agreement, the location and type of Franchisee’s Bento Sushi Counter have not yet been determined.
- C. The parties wish to enter into the Franchise Agreement, in order to facilitate the opening of Franchisee’s Sushi Counter once the location and type are determined.
- D. Other terms and conditions relating to the Franchise Agreement are set forth in this Addendum.

In consideration of the mutual and several covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Location to be Determined. Upon execution of the Franchise Agreement and this Exhibit “B,” Franchisor will endeavor to search for a suitable location and type of Sushi Counter for Franchisee to operate. There is no time limit or deadline for us to determine the location and type of your Sushi Counter. If we propose a location for your Sushi Counter, and you do not find it acceptable, we will continue to search for a location acceptable to you. In no event are any fees paid by you (franchise fee deposit, training fees) refundable under any circumstances.
2. Upon Determination of Location. Once the location and type of Franchisee’s Sushi Counter are determined and agreed upon, the parties will complete the applicable Addenda for

Franchisee's Sushi Counters, including the exact location, based on the type of Sushi Counter (Full Service Location, Limited Service Location, Satellite Location, Commissary-Based Location, Satellite Location to Kitchen, attached to the Franchise Agreement as Exhibits C through G).

3. Franchise Fee. Section 9.1 of the Franchise Agreement shall be amended to read in its entirety as follows:

9.1 Initial Fee Deposit. Upon execution of this Agreement, Franchisee shall pay Franchisor an initial fee deposit in the amount of One Thousand Five Hundred Dollars (\$1,500.00) which is not refundable under any circumstances.

At the time that the location and type of Franchisee's Sushi Counters are determined, Franchisee shall pay to Franchisor the initial fee as specified in the applicable Location Addendum attached to this Agreement, less the \$1,500 deposit already paid. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location may be less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial fee(s) in a lump sum on signing each Full Service Location Addendum. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

4. Initial Training. Franchisee agrees to attend the initial training program described in Section 11.25 of the Franchise Agreement, and to pay in full the applicable initial training fee (\$2,000 per person). Franchisee agrees that the initial training fee is not refundable under any circumstances.

5. Miscellaneous.

- a. This Addendum shall be deemed to be part of, and shall be subject to all other terms and conditions in the Franchise Agreement.
- b. In the event of any conflict between the Franchise Agreement and this Addendum, the provisions in this Addendum shall control.

This Addendum is executed as of this ____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:

By: _____

By: _____

Title: _____

Title: _____

Exhibit “C” to Franchise Agreement
ADDENDUM TO FRANCHISE AGREEMENT
FULL SERVICE LOCATION

This Addendum (this “Addendum”) dated _____ is made and entered into contemporaneously with a Franchise Agreement (“Franchise Agreement”) between Bento Sushi Franchise Inc. (“Franchisor”), and _____ (“Franchisee”).

RECITALS

- A. Franchisor and Franchisee have entered into a Franchise Agreement of even date herewith, which Franchise Agreement grants Franchisee the right to own and operate a sushi counter under Franchisor’s name and marks (“Bento Sushi Counter” or “Sushi Counter”) and using Franchisor’s formats, systems, methods of distribution, standards and procedures, and trade dress (the “Bento Sushi System”).
- B. The location and type of Franchisee’s Bento Sushi Counter are set forth in this Addendum.
- C. Other terms and conditions relating to the Franchise Agreement are set forth in this Addendum.

In consideration of the mutual and several covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

- 1. Type of Sushi Counter. The type of Franchisee’s Bento Sushi Counter located at the address set forth in Paragraph 2 below is a “Full Service Location,” which is described as follows: a sushi bar operated on a full time basis as a department of a retail supermarket or in another type of location, such as a college campus, hospital or office building.
- 2. Location. The location of Franchisee’s Full Service Location Sushi Counter is:

- 3. Host Facility. The name of the Host Facility in which Franchisee’s Full Service Location

Sushi Counter is located at the address identified in Paragraph 2 above is:

4. Hours of Operation: Franchisee is required to have the Full Service Location open during the same hours that the Host Facility is open for business. The Full Service Location shall have a sufficient amount of food prepared and placed in the display case by 11:00 a.m. each day. The Full Service Location shall be staffed through 7:00 p.m. each day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure that the Full Service Location is adequately staffed and that the display case is adequately stocked during all hours of operation.
5. Change of Hours by Host Facility. In the event the Host Facility changes its hours of operation, Franchisee must adjust its schedule to and comply with those new hours of operation for the Full Service Location.
6. Requirement for Personnel on Premises. Franchisee or Franchisee's approved manager shall be present at the Full Service Location during the entire time it is open for business. There must be a sushi chef (which may be the manager) on premises at the Full Service Location making fresh sushi while the Full Service Location is open for business. Franchisor shall have the right to revise these requirements on written notice to Franchisee.
7. Initial Inventory. Before Franchisee starts operation, Franchisor may elect to provide Franchisee's Sushi Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor's charges for these items.
8. The Initial Franchise Fee, pursuant to Section 9.1 of the Franchise Agreement, is as follows:
\$ _____
9. The Royalty Withholding Fee, pursuant to Section 9.5 of the Franchise Agreement, is ten percent (10%) of Franchisee's Gross Sales per week.
10. The Royalty Remittance Fee, pursuant to Section 9.5 of the Franchise Agreement, is at the same rate as the Royalty Withholding fee set forth in Paragraph 9 immediately above.
11. The Host Facility Margin, pursuant to Section 9.2 of the Franchise Agreement, is as follows:
_____ % of Franchisee's Gross Sales per week.
12. Calculation of Adjusted Net Sales. The amount of Adjusted Net Sales paid by Franchisor to Franchisee each week, pursuant to Section 9.3 of the Franchise Agreement, is calculated as follows: Gross Sales less deductions for Host Facility's Margin, Royalty Withholding Fee, and other deductions under the Franchise Agreement or other agreement between Franchisee

and Franchisor.

An example of the calculation of Adjusted Net Sales is as follows. These figures are samples for illustrative purposes only and should not be considered as the actual or projected results of any Bento Sushi Counter:

| | |
|--|------------|
| Weekly Gross Receipts | \$1,000.00 |
| Less Host Facility's Margin (25% per agreement between Franchisor and Host Facility) | \$250.00 |
| Royalty Withholding Fee (10% of Gross Receipts) | \$100.00 |
| Other Deductions, if any | \$_____ |
| Adjusted Net Sales – paid to Franchisee | \$650.00 |

13. Transfer by Franchisee. Pursuant to Section 15.2 of the Franchise Agreement, Franchisor shall have the right to withhold consent to any sale or transfer proposed to be entered into within 2 years of the date of this Addendum for the Sushi Counter location proposed to be sold or transferred.

14. Cross Default. Franchisee's breach of one agreement/addendum with Franchisor shall, at Franchisor's election also constitute a breach of every other agreement/addendum between Franchisee and Franchisor. A breach by franchisee of this Addendum shall also constitute, at Franchisor's election, a breach of all other agreements/addendums between Franchisee and Franchisor. Franchisor's election to enforce or not enforce this provision shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee hereunder.

15. Miscellaneous.

- a. All capitalized or initially capitalized terms used in this Addendum but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement.
- b. This Addendum shall be deemed to be part of, and shall be subject to all other terms and conditions in the Franchise Agreement.
- c. In the event of any conflict between the Franchise Agreement and this Addendum, the provisions in this Addendum shall control.

This Addendum is executed as of this ____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:

By: _____

By: _____

Title: _____

Title: _____

GUARANTY BY OWNERS OF FRANCHISEE

The undersigned unconditionally, absolutely and irrevocably guarantee the obligations of Franchisee set forth in the above Addendum.

| <u>GUARANTOR(S)</u> | <u>PERCENTAGE OF OWNERSHIP OF FRANCHISEE</u> |
|---------------------|--|
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |

Exhibit “D” to Franchise Agreement
ADDENDUM TO FRANCHISE AGREEMENT
LIMITED SERVICE LOCATION

This Addendum (this “Addendum”) dated _____ is made and entered into by and between Bento Sushi Franchise Inc. (“Franchisor”), and _____ “Franchisee”).

RECITALS

A. Franchisor and Franchisee have entered into a Franchise Agreement dated _____ (“Franchise Agreement”), which Franchise Agreement granted Franchisee the right to own and operate a sushi counter under Franchisor’s name and marks (“Bento Sushi Counter” or “Sushi Counter”) and using Franchisor’s formats, systems, methods of distribution, standards and procedures, and trade dress (the “Bento Sushi System”).

B. Franchisor and Franchisee also entered into an Addendum dated the same date as the Franchise Agreement, granting Franchisee the right to own and operate a Bento Sushi Counter at a Full Service Location (“Full Service Location), which is located at _____.

C. Franchisee wishes to own and operate an additional Bento Sushi Counter of a type identified as a “Limited Service Location.”

D. Franchisor is willing to grant Franchisee the right to own and operate a Limited Service Location, on the terms and conditions set forth in this Addendum.

E. The location and type of Franchisee’s additional Bento Sushi Counter are set forth in this Addendum.

F. Other terms and conditions relating to the Franchise Agreement are set forth in this Addendum.

In consideration of the mutual and several covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Type of Sushi Counter. The type of Franchisee’s Bento Sushi Counter located at the address set forth in Paragraph 3 below is a “Limited Service Location,” which is described as follows: a sushi bar operated on a part time basis as a department of a retail supermarket or in another type of location, such as a college campus, hospital or office building, where the manager or sushi chef need be present on a limited basis, but not less than four (4) hours per day.

2. Requirement that Franchisee Own and Operate a Full Service Location. Franchisee acknowledges that the Limited Service Location is available only for franchisees who already own a Full Service Location.

3. Location. The location of Franchisee’s Limited Service Location Sushi Counter is:

4. Host Facility. The name of the Host Facility in which Franchisee’s Limited Service Location Sushi Counter is located at the address identified in Paragraph 3 above is:

5. Hours of Operation: Franchisee shall operate the Limited Service Location on a part-time basis each day that the Host Facility is open for business. The Limited Service Location shall have a sufficient amount of food prepared and placed in the display case by 11:00 a.m. each day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure that the Limited Service Location is adequately staffed and that the display case is adequately stocked during all hours of operation.

6. Change of Hours by Host Facility. In the event the Host Facility changes its hours of operation, Franchisee must adjust its schedule to and comply with those new hours of operation for the Full Service Location.

7. Requirement for Personnel on Premises. As a part-time operation, Franchisee or Franchisee’s approved manager are required to be physically present at the Limited Service Location not more than four (4) hours per day. Franchisor shall have the right to revise these requirements on written notice to Franchisee.

8. Initial Inventory. Before Franchisee starts operation, Franchisor may elect to provide the Sushi Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor’s charges for these items.

9. The Initial Franchise Fee, pursuant to Section 9.1 of the Franchise Agreement, is as follows:
\$_____.

- 10. The Royalty Withholding Fee, pursuant to Section 9.5 of the Franchise Agreement, is ten percent (10%) of Franchisee’s Gross Sales per week.
- 11. The Royalty Remittance Fee, pursuant to Section 9.5 of the Franchise Agreement, is at the same rate as the Royalty Withholding fee set forth in Paragraph 10 immediately above.
- 12. The Host Facility Margin, pursuant to Section 9.2 of the Franchise Agreement, is as follows:

_____ % of Franchisee’s Gross Sales per week.

- 13. Calculation of Adjusted Net Sales. The amount of Adjusted Net Sales paid by Franchisor to Franchisee each week, pursuant to Section 9.3 of the Franchise Agreement, is calculated as follows: Gross Sales less deductions for Host Facility’s Margin, Royalty Withholding Fee, and other deductions under the Franchise Agreement or other agreement between Franchisee and Franchisor.

An example of the calculation of Adjusted Net Sales is as follows. These figures are samples for illustrative purposes only and should not be considered as the actual or projected results of any Bento Sushi Counter:

| | |
|--|------------|
| Weekly Gross Receipts | \$1,000.00 |
| Less Host Facility’s Margin (25% per agreement between Franchisor and Host Facility) | \$250.00 |
| Royalty Withholding Fee (10% of Gross Receipts) | \$100.00 |
| Other Deductions, if any | \$_____ |
| Adjusted Net Sales – paid to Franchisee | \$650.00 |

- 14. Transfer by Franchisee. Franchisee may not transfer the Limited Service Location unless the Franchise Agreement for the Full Service Location is transferred to the same transferee. Pursuant to Section 15.2 of the Franchise Agreement, Franchisor shall have the right to withhold consent to any sale or transfer proposed to be entered into within 2 years of the date of this Addendum for the Sushi Counter location proposed to be sold or transferred.
- 15. Cross Default. Franchisee’s breach of one agreement/addendum with Franchisor shall, at Franchisor’s election also constitute a breach of every other agreement/addendum between Franchisee and Franchisor. A breach by franchisee of this Addendum shall also constitute, at Franchisor’s election, a breach of all other agreements/addendums between Franchisee and Franchisor. Franchisor’s election to enforce or not enforce this provision shall not constitute a

waiver of any of Franchisor's rights or remedies against Franchisee hereunder.

16. Miscellaneous.

- a. All capitalized or initially capitalized terms used in this Addendum but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement.
- b. This Addendum shall be deemed to be part of, and shall be subject to all other terms and conditions in the Franchise Agreement.
- c. In the event of any conflict between the Franchise Agreement and this Addendum, the provisions in this Addendum shall control.

This Addendum is executed as of this ____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:

By: _____ By: _____

Title: _____ Title: _____

GUARANTY BY OWNERS OF FRANCHISEE

The undersigned unconditionally, absolutely and irrevocably guarantee the obligations of Franchisee set forth in the above Addendum.

| <u>GUARANTOR(S)</u> | <u>PERCENTAGE OF OWNERSHIP OF FRANCHISEE</u> |
|---------------------|--|
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |

Exhibit “E” to Franchise Agreement

**ADDENDUM TO FRANCHISE AGREEMENT
SATELLITE LOCATION FOR FULL SERVICE LOCATION**

This Addendum (this “Addendum”) dated _____ is made and entered into by and between Bento Sushi Franchise Inc. (“Franchisor”), and _____ (“Franchisee”).

RECITALS

A. Franchisor and Franchisee have entered into a Franchise Agreement dated _____ (“Franchise Agreement”), which Franchise Agreement granted Franchisee the right to own and operate a sushi counter under Franchisor’s name and marks (“Bento Sushi Counter”) and using Franchisor’s formats, systems, methods of distribution, standards and procedures, and trade dress (the “Bento Sushi System”).

B. Franchisor and Franchisee also entered into an Addendum dated the same date as the Franchise Agreement, granting Franchisee the right to own and operate a Bento Sushi Counter at a Full Service Location (“Full Service Location”), which is located at _____.

C. Franchisee wishes to own and operate an additional Bento Sushi Counter of a type identified as a “Satellite Location.”

D. Franchisor is willing to grant Franchisee the right to own and operate a Satellite Location, on the terms and conditions set forth in this Addendum.

E. The location and type of Franchisee’s additional Bento Sushi Counter are set forth in this Addendum.

F. Other terms and conditions relating to the Franchise Agreement are set forth in this Addendum.

In consideration of the mutual and several covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Type of Sushi Counter. The type of Franchisee’s Bento Sushi Counter located at the address set forth in Paragraph 4 below is a “Satellite Location,” which is described as follows: a

sushi bar operated on a self-serve basis as a department of a retail supermarket or in another type of location, such as a college campus, hospital or office building, with the primary difference being that the sushi is not made on premises, but is made at Franchisee's Full Service Location or Limited Service Location, and transported to the Satellite Location.

2. Requirement that Franchisee Own and Operate a Full Service Location. Franchisee acknowledges that the Satellite Location is available only for franchisees who already own a Full Service Location.
3. Food Delivery Requirements. Franchisee shall have the equipment and vehicle approved by Franchisor for transporting and delivering food products to the Satellite Location from Franchisee's Full Service Location or its Limited Service Location, in accordance with applicable laws regulating the transporting and delivery of food products. Franchisee acknowledges that these requirements may include having a refrigerated truck.
4. Location. The location of Franchisee's Satellite Location is:

5. Host Facility. The name of the Host Facility in which Franchisee's Satellite Location is located at the address identified in Paragraph 4 above is:

6. Food Preparation Location. Franchisee shall perform all food preparation for the Satellite Location only at the following facility (which is Franchisee's ____ Full Service Location or Franchisee's ____ Limited Service Location).

7. Hours of Operation: Franchisee shall operate the Satellite Location on a part-time basis each day that the Host Facility is open for business. Franchisee or Franchisee's manager shall inspect the Satellite Location at least once daily and cause a sufficient amount of sushi and other food products to be placed in the display case by 11:00 a.m. each day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure that the Satellite Location is adequately stocked during all hours of operation.
8. Requirement for Personnel on Premises. No personnel of Franchisee are required to be physically present at the Satellite Locations. Franchisor shall have the right to revise these requirements on written notice to Franchisee.

9. Initial Inventory. Before Franchisee starts operation, Franchisor may elect to provide the Sushi Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor's charges for these items.
10. The Initial Franchise Fee, pursuant to Section 9.1 of the Franchise Agreement, is as follows
\$_____
11. The Royalty Withholding Fee, pursuant to Section 9.5 of the Franchise Agreement, is ten percent (10%) of Franchisee's Gross Sales per week.
12. The Royalty Remittance Fee, pursuant to Section 9.5 of the Franchise Agreement, is at the same rate as the Royalty Withholding fee set forth in Paragraph 11 immediately above.
13. The Host Facility Margin, pursuant to Section 9.2 of the Franchise Agreement, is as follows:

_____ % of Franchisee's Gross Sales per week.
14. Calculation of Adjusted Net Sales. The amount of Adjusted Net Sales paid by Franchisor to Franchisee each week, pursuant to Section 9.3 of the Franchise Agreement, is calculated as follows: Gross Sales less deductions for Host Facility's Margin, Royalty Withholding Fee, and other deductions under the Franchise Agreement or other agreement between Franchisee and Franchisor.

An example of the calculation of Adjusted Net Sales is as follows. These figures are samples for illustrative purposes only and should not be considered as the actual or projected results of any Bento Sushi Counter:

| | |
|--|------------|
| Weekly Gross Receipts | \$1,000.00 |
| Less Host Facility's Margin (25% per agreement between Franchisor and Host Facility) | \$250.00 |
| Royalty Withholding Fee (10% of Gross Receipts) | \$100.00 |
| Other Deductions, if any | \$_____ |
| Adjusted Net Sales – paid to Franchisee | \$650.00 |

15. Transfer by Franchisee. Franchisee may not transfer the Satellite Location unless the Franchise Agreement for the Full Service Location is transferred to the same transferee. Pursuant to Section 15.2 of the Franchise Agreement, Franchisor shall have the right to withhold consent to any sale or transfer proposed to be entered into within 2 years of the date of this Addendum for the

Sushi Counter location proposed to be sold or transferred.

16. Cross Default. Franchisee's breach of one agreement/addendum with Franchisor shall, at Franchisor's election also constitute a breach of every other agreement/addendum between Franchisee and Franchisor. A breach by franchisee of this Addendum shall also constitute, at Franchisor's election, a breach of all other agreements/addendums between Franchisee and Franchisor. Franchisor's election to enforce or not enforce this provision shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee hereunder.

17. Miscellaneous.

- a. All capitalized or initially capitalized terms used in this Addendum but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement.
- b. This Addendum shall be deemed to be part of, and shall be subject to all other terms and conditions in the Franchise Agreement.
- c. In the event of any conflict between the Franchise Agreement and this Addendum, the provisions in this Addendum shall control.

This Addendum is executed as of this ____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:

By: _____

By: _____

Title: _____

Title: _____

GUARANTY BY OWNERS OF FRANCHISEE

The undersigned unconditionally, absolutely and irrevocably guarantee the obligations of Franchisee set forth in the above Addendum.

| <u>GUARANTOR(S)</u> | <u>PERCENTAGE OF OWNERSHIP OF FRANCHISEE</u> |
|---------------------|--|
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |

Exhibit “F” to Franchise Agreement

ADDENDUM TO FRANCHISE AGREEMENT

COMMISSARY-BASED BENTO SUSHI OPERATION

This Addendum (this “Addendum”) dated _____ is made and entered into contemporaneously with a Franchise Agreement (“Franchise Agreement”) between Bento Sushi Franchise Inc. (“Franchisor”), and _____ “Franchisee”).

RECITALS

- A. Franchisor and Franchisee have entered into a Franchise Agreement of even date herewith, which Franchise Agreement grants Franchisee the right to own and operate a sushi counter under Franchisor’s name and marks (“Bento Sushi Counter” or “Sushi Counter”) and using Franchisor’s formats, systems, methods of distribution, standards and procedures, and trade dress (the “Bento Sushi System”).
- B. Franchisee’s Bento Sushi Counters are located within a self-contained setting, such as a university campus, a hospital, an office building, or another setting (referred to as the “Complex”), as described in Paragraph 2 below. One of the locations operated by Franchisee is the kitchen (“Kitchen”), where Franchisee prepares all the sushi to be sold at other locations (“Satellites”).
- C. The Kitchen may or may have on-site sushi sales, as noted in Paragraph 2 below.
- D. This Addendum modifies the Franchise Agreement where it refers to “Full Service Location” to instead refer to the Commissary-Based Bento Sushi Operation.
- E. The location and type of Franchisee’s Bento Sushi Counter are set forth in this Addendum.
- F. Other terms and conditions relating to the Franchise Agreement are set forth in this Addendum.

In consideration of the mutual and several covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Type of Sushi Counter. Franchisee will not operate a “Full Service Location,” as that term is

described in the Franchise Agreement. Instead, Franchisee will operate a “Commissary-Based Bento Sushi Operation” which includes a “Kitchen.” Franchisee’s Kitchen is located at the address/building name set forth in Paragraph 3 below. The term “Full Service Location” in the Franchise Agreement will be replaced by the term “Commissary-Based Bento Sushi Operation.”

2. Kitchen. The Kitchen is described as follows: a food preparation facility where Franchisee prepares all the sushi to be delivered to and sold at other locations (“Satellites”) within the Complex campus. For Franchisee’s Kitchen (check the applicable line):

- a. ____ The Kitchen is for the preparation of sushi only, and there is no sushi sold at the Kitchen. Sushi will be sold only at the Satellites identified in the separate Addenda for Satellite Location signed by the parties, which is attached as Exhibit “G” to the Franchise Agreement.
- b. ____ The Kitchen is for preparation of sushi, AND there is sushi sold at the Kitchen. Sushi will also be sold at the Satellites identified in the separate Addenda for Satellite Location signed by the parties.

3. Location. The location (building name or address) of Franchisee’s Commissary-Based Bento Sushi Operation is located at the Complex named below, in the following city and state/province:

_____ [Address of Name of Building]

_____ [Name of the Complex]

_____ [City and State/Province]

4. Host Facility. The name of the Host Facility for Franchisee’s Commissary-Based Bento Sushi Operation is:

_____ [Name of the Contracting Party, such as Aramark] at
_____ [name of the Complex]

5. Hours of Operation: Franchisee is required to have the Commissary-Based Bento Sushi Operation open and operational, with a full-time manager (which may be Franchisee) present for a minimum of 8 hours per day. The sushi chef shall make fresh sushi and ensure that all Satellite locations are adequately stocked and that any customer concerns can be addressed immediately. The Kitchen shall be staffed through 7:00 p.m. each day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure that the Kitchen is adequately staffed.

6. Change of Hours by Host Facility. In the event the Host Facility changes its hours of operation, Franchisee must adjust its schedule to and comply with those new hours of operation for the

Commissary-Based Bento Sushi Operation.

7. Requirement for Personnel on Premises. Franchisee, or a trained employee designated by Franchisee, shall be present at the Kitchen a minimum of eight (8) hours each day to ensure there is an adequate sushi supply at the Satellites. Franchisor shall have the right to revise these requirements on written notice to Franchisee.
8. Initial Inventory. Before Franchisee starts operation, Franchisor may elect to provide Franchisee's Commissary-Based Bento Sushi Operation with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor's charges for these items.
9. Term of Franchise Agreement. Pursuant to Section 2 of the Franchise Agreement, the term depends on whether the Kitchen includes sushi sales. The following applies:
 - a. ___ Three (3) year term if there are no sushi sales at the Kitchen (Paragraph 2.a. above)
 - b. ___ One (1) year term if there are sushi sales at the Kitchen (Paragraph 2.b above)
10. The Initial Franchise Fee, pursuant to Section 9.1 of the Franchise Agreement, is as follows:
\$ _____
11. The Royalty Withholding Fee, pursuant to Section 9.5 of the Franchise Agreement, is ten percent (10%) of Franchisee's Gross Sales per week.
12. The Royalty Remittance Fee, pursuant to Section 9.5 of the Franchise Agreement, is at the same rate as the Royalty Withholding fee set forth in Paragraph 11 immediately above.
13. The Host Facility Margin, pursuant to Section 9.2 of the Franchise Agreement, is as follows:
_____ % of Franchisee's Gross Sales per week.
14. Calculation of Adjusted Net Sales. The amount of Adjusted Net Sales paid by Franchisor to Franchisee each week, pursuant to Section 9.3 of the Franchise Agreement, is calculated as follows: Gross Sales less deductions for Host Facility's Margin, Royalty Withholding Fee, and other deductions under the Franchise Agreement or other agreement between Franchisee and Franchisor.

An example of the calculation of Adjusted Net Sales is as follows. These figures are samples for illustrative purposes only and should not be considered as the actual or projected results of any Bento Sushi Counter:

| | |
|--|------------|
| Weekly Gross Receipts | \$1,000.00 |
| Less Host Facility's Margin (25% per agreement between Franchisor and Host Facility) | \$250.00 |

| | |
|---|----------|
| Royalty Withholding Fee (10% of Gross Receipts) | \$100.00 |
| Other Deductions, if any | \$_____ |
| Adjusted Net Sales – paid to Franchisee | \$650.00 |

15. Transfer by Franchisee. Pursuant to Section 15.2 of the Franchise Agreement, Franchisor shall have the right to withhold consent to any sale or transfer proposed to be entered into within 1 year of the date of this Addendum for the Commissary-Based Bento Sushi Operation proposed to be sold or transferred.

16. Cross Default. Franchisee’s breach of one agreement/addendum with Franchisor shall, at Franchisor’s election also constitute a breach of every other agreement/addendum between Franchisee and Franchisor. A breach by franchisee of this Addendum shall also constitute, at Franchisor’s election, a breach of all other agreements/addendums between Franchisee and Franchisor. Franchisor’s election to enforce or not enforce this provision shall not constitute a waiver of any of Franchisor’s rights or remedies against Franchisee hereunder.

17. Miscellaneous.

- a. All capitalized or initially capitalized terms used in this Addendum but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement.
- b. This Addendum shall be deemed to be part of, and shall be subject to all other terms and conditions in the Franchise Agreement.
- c. In the event of any conflict between the Franchise Agreement and this Addendum, the provisions in this Addendum shall control.

This Addendum is executed as of this ____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:

By: _____

By: _____

Title: _____

Title: _____

GUARANTY BY OWNERS OF FRANCHISEE (Commissary-Based Bento Sushi Operation)

The undersigned unconditionally, absolutely and irrevocably guarantee the obligations of Franchisee set forth in the above Addendum.

| <u>GUARANTOR(S)</u> | <u>PERCENTAGE OF OWNERSHIP OF FRANCHISEE</u> |
|---------------------|--|
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |

Exhibit "G" to Franchise Agreement
ADDENDUM TO FRANCHISE AGREEMENT
SATELLITE LOCATION

This Addendum (this "Addendum") dated _____ is made and entered into by and between Bento Sushi Franchise Inc. ("Franchisor"), and _____ ("Franchisee").

RECITALS

- A. Franchisor and Franchisee have entered into a Franchise Agreement dated _____ ("Franchise Agreement"), which Franchise Agreement granted Franchisee the right to own and operate a sushi counter under Franchisor's name and marks ("Bento Sushi Counter") and using Franchisor's formats, systems, methods of distribution, standards and procedures, and trade dress (the "Bento Sushi System").
- B. Franchisor and Franchisee also entered into an Addendum dated the same date as the Franchise Agreement, granting Franchisee the right to own and operate a Bento Sushi Counter as a Commissary-Based Bento Sushi Operation that features a Kitchen ("Kitchen"), which is located at _____.
- C. Franchisee's Bento Sushi Counters are located within a self-contained setting, such as a university campus, a hospital, an office building, or another setting (referred to as the "Complex"), as described in Paragraph 1 below. There is one location, the kitchen ("Kitchen"), where Franchisee prepares all the sushi to be sold at other locations ("Satellites").
- D. Franchisee wishes to own and operate additional Bento Sushi Counter on the Complex campus described in Paragraph 1, of a type identified as a "Satellite Location."
- E. Franchisor is willing to grant Franchisee the right to own and operate a Satellite Location, on the terms and conditions set forth in this Addendum.
- F. The location and type of Franchisee's additional Bento Sushi Counters are set forth in this Addendum.
- G. Other terms and conditions relating to the Franchise Agreement are set forth in this Addendum.

In consideration of the mutual and several covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Location of Franchisee’s Kitchen. The location (building name or address) of Franchisee’s Kitchen is located at the Complex campus named below, in the following city and state/province:

_____ [Address of Name of Building]

_____ [Name of the Complex]

_____ [City and State/Province]

2. Description of Kitchen. The Kitchen is described as follows: a food preparation facility where Franchisee prepares all the sushi to be delivered to and sold at other locations (“Satellites”) on the Complex campus. There may or may not be offers or sales of sushi at the Kitchen. In either event, sushi will also be sold at the Satellites identified in the separate Addenda for Satellite Location signed by the parties.
3. Satellite Locations. The type of Franchisee’s Bento Sushi Counter located at the address/building name set forth in Paragraph 6 below is a “Satellite Location,” which is described as follows: a sushi bar operated on a self-serve basis as a department of a retail supermarket or in another type of location, such as a college campus, hospital or office building, with the primary difference being that the sushi is not made on premises, but is made at Franchisee’s Kitchen, and transported to the Satellite Location.
4. Requirement that Franchisee Own and Operate a Commissary-Based Bento Sushi Operation. Franchisee acknowledges that the Satellite Location is available only for franchisees who already own and operate a Commissary-Based Bento Sushi Operation.
5. Food Delivery Requirements. Franchisee shall have the equipment and vehicle approved by Franchisor for transporting and delivering food products to the Satellite Location from Franchisee’s Kitchen, in accordance with applicable laws regulating the transporting and delivery of food products. Franchisee acknowledges that these requirements may include having a refrigerated truck.
6. Location. The location (address or name of building on the Complex) of Franchisee’s Satellite Location is:

7. Host Facility. The name of the Host Facility in which Franchisee's Satellite Location is located at the address/building name identified in Paragraph 6 above is:

_____ [Name of the Contracting Party, such as Aramark] at
_____ [name of the Complex]

8. Food Preparation Location. Franchisee shall perform all food preparation for the Satellite Location only at Franchisee's Kitchen whose location is described in Paragraph 1 above.

9. Hours of Operation: Franchisee shall operate the Satellite Location on a part-time basis each day that the Host Facility is open for business. Franchisee or Franchisee's manager shall inspect the Satellite Location at least once daily and cause a sufficient amount of sushi and other food products to be placed in the display case by 11:00 a.m. each day. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure that the Satellite Location is adequately stocked during all hours of operation.

10. Requirement for Personnel on Premises. No personnel of Franchisee are required to be physically present at the Satellite Locations. Franchisor shall have the right to revise these requirements on written notice to Franchisee.

11. Initial Inventory. Before Franchisee starts operation, Franchisor may elect to provide the Sushi Counter with equipment, initial supplies and inventory that Franchisor considers necessary to start operating, and Franchisee shall pay Franchisor's charges for these items.

12. Term. The term of this Addendum shall be the same as the term of the Franchise Agreement as set forth in Paragraph 8 of the Addendum for the Commissary-Based Bento Sushi Operations.

13. The Initial Franchise Fee, pursuant to Section 9.1 of the Franchise Agreement, is as follows
\$ _____

14. The Royalty Withholding Fee, pursuant to Section 9.5 of the Franchise Agreement, is ten percent (10%) of Franchisee's Gross Sales per week.

15. The Royalty Remittance Fee, pursuant to Section 9.5 of the Franchise Agreement, is at the same rate as the Royalty Withholding fee set forth in Paragraph 14 immediately above.

16. The Host Facility Margin, pursuant to Section 9.2 of the Franchise Agreement, is as follows:
_____ % of Franchisee's Gross Sales per week.

17. Calculation of Adjusted Net Sales. The amount of Adjusted Net Sales paid by Franchisor to Franchisee each week, pursuant to Section 9.3 of the Franchise Agreement, is calculated as follows: Gross Sales less deductions for Host Facility’s Margin, Royalty Withholding Fee, and other deductions under the Franchise Agreement or other agreement between Franchisee and Franchisor.

An example of the calculation of Adjusted Net Sales is as follows. These figures are samples for illustrative purposes only and should not be considered as the actual or projected results of any Bento Sushi Counter:

| | |
|--|------------|
| Weekly Gross Receipts | \$1,000.00 |
| Less Host Facility’s Margin (25% per agreement between Franchisor and Host Facility) | \$250.00 |
| Royalty Withholding Fee (3.0% of Gross Receipts) | \$30.00 |
| Other Deductions, if any | \$_____ |
| Adjusted Net Sales – paid to Franchisee | \$720.00 |

18. Transfer by Franchisee. Franchisee may not transfer the Satellite Location unless the Franchise Agreement for the Commissary-Based Bento Sushi Operation is transferred to the same transferee. Pursuant to Section 15.2 of the Franchise Agreement, Franchisor shall have the right to withhold consent to any sale or transfer proposed to be entered into within 1 year of the date of this Addendum for the Sushi Counter location proposed to be sold or transferred.

19. Cross Default. Franchisee’s breach of one agreement/addendum with Franchisor shall, at Franchisor’s election also constitute a breach of every other agreement/addendum between Franchisee and Franchisor. A breach by franchisee of this Addendum shall also constitute, at Franchisor’s election, a breach of all other agreements/addendums between Franchisee and Franchisor. Franchisor’s election to enforce or not enforce this provision shall not constitute a waiver of any of Franchisor’s rights or remedies against Franchisee hereunder.

20. Miscellaneous.

- a. All capitalized or initially capitalized terms used in this Addendum but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement.
- b. This Addendum shall be deemed to be part of, and shall be subject to all other terms and conditions in the Franchise Agreement.

- c. In the event of any conflict between the Franchise Agreement and this Addendum, the provisions in this Addendum shall control.

This Addendum is executed as of this ____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:

By: _____

By: _____

Title: _____

Title: _____

GUARANTY BY OWNERS OF FRANCHISEE (SATELLITE)

The undersigned unconditionally, absolutely and irrevocably guarantee the obligations of Franchisee set forth in the above Addendum.

| <u>GUARANTOR(S)</u> | <u>PERCENTAGE OF OWNERSHIP OF FRANCHISEE</u> |
|---------------------|--|
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |
| | |
| Signature _____ | _____ % |
| Printed Name: _____ | |
| Address: _____ | |
| Date: _____ | |

EXHIBIT B TO FRANCHISE DISCLOSURE DOCUMENT

Financial Statements

Attached as Exhibit B is the audited balance sheet of BSFI as of November 27, 2022, and the Statement of Loss and of Cash Flows for the period then ended, including the related notes.

Attached as Exhibit B is the audited balance sheet of BSFI as of November 28, 2021, and the Statement of Income and of Cash Flows for the period then ended, including the related notes.

Attached as Exhibit B is the audited balance sheet of BSFI as of November 29, 2020, and the Statement of Income and of Cash Flows for the period then ended, including the related notes.

Attached as Exhibit B are the unaudited balance sheet as of January 31, 2023, and the income statement for the 2 months then ended.

Bento Sushi Franchise, Inc.

Financial Statements

November 27, 2022

(expressed in US dollars)



Report of Independent Auditors

To the Directors of Bento Sushi Franchise, Inc.

Opinion

We have audited the accompanying financial statements of Bento Sushi Franchise, Inc. (the "Company"), which comprise the balance sheet as of November 27, 2022 and November 28, 2021, and the related statements of (loss) income, shareholder's deficiency and cash flows for the 52-week periods then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of November 27, 2022 and November 28, 2021, and the results of its operations and its cash flows for the 52-week periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

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T: +1 905 815 6300, F: +1 905 815 6499

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario, Canada
April 5, 2023

Bento Sushi Franchise, Inc.

Balance Sheet

(expressed in US dollars)

| | November 27, 2022 \$ | November 28, 2021 \$ |
|--|----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash | 228,096 | 146,911 |
| Intangible assets (note 4) | 27,374 | 27,374 |
| Deferred tax assets | - | 97,000 |
| | <u>255,470</u> | <u>271,285</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 458 | 458 |
| Deferred revenue (note 2) | 56,102 | 252,195 |
| Income tax payable | 51,055 | 10,000 |
| Due to related parties (note 5) | 392,472 | 79,824 |
| | <u>500,087</u> | <u>342,477</u> |
| Deferred revenue (note 2) | <u>121,597</u> | <u>208,022</u> |
| | <u>621,684</u> | <u>550,499</u> |
| Shareholder's Deficiency | | |
| Common shares (note 6) | 100 | 100 |
| Deficit | <u>(366,314)</u> | <u>(279,314)</u> |
| | <u>(366,214)</u> | <u>(279,214)</u> |
| | <u>255,470</u> | <u>271,285</u> |

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

Bento Sushi Franchise, Inc.

Statement of (Loss) Income

(expressed in US dollars)

| | For the 52-week period ended November 27, 2022 \$ | For the 52-week period ended November 28, 2021 \$ |
|---|--|--|
| Revenue | | |
| Royalties | 4,324,412 | 3,771,382 |
| Franchise fees | 501,593 | 362,252 |
| | <u>4,826,005</u> | <u>4,133,634</u> |
| Expenses | | |
| Management fees (note 5) | 4,638,098 | 4,045,746 |
| Office | 136,852 | 87,888 |
| | <u>4,774,950</u> | <u>4,133,634</u> |
| Income before income taxes | 51,055 | - |
| Current income taxes | 41,055 | 10,000 |
| Deferred income taxes (recovery) | 97,000 | (97,000) |
| Net (loss) income for the period | <u>(87,000)</u> | <u>87,000</u> |

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

Bento Sushi Franchise, Inc.
Statement of Shareholder's Deficiency

(expressed in US dollars)

| | Common shares \$ | Deficit \$ | Total \$ |
|---|------------------------|---------------|-------------|
| Restated balance – November 23, 2020 | 100 | (366,314) | (366,214) |
| Net income for the period | - | 87,000 | 87,000 |
| Balance – November 28, 2021 | 100 | (279,314) | (279,214) |
| Net loss for the period | - | (87,000) | (87,000) |
| Balance – November 27, 2022 | 100 | (366,314) | (366,214) |

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

Bento Sushi Franchise, Inc.

Statement of Cash Flows

(expressed in US dollars)

| | For the 52-week period ended November 27, 2022 \$ | For the 52-week period ended November 28, 2021 \$ |
|--|--|--|
| Cash provided by (used in) | | |
| Operating activities | | |
| Net (loss) income for the period | (87,000) | 87,000 |
| Deferred income taxes (recovery) | 97,000 | (97,000) |
| Deferred revenue – non-current | (86,425) | (94,320) |
| Deferred revenue – current | (196,093) | 141,220 |
| Change in non-cash working capital items | | |
| Accounts payable and accrued liabilities | - | (15,971) |
| Income tax payable | 41,055 | 10,000 |
| | (231,463) | 30,929 |
| Financing activities | | |
| Proceeds from (repayment to) related parties | 312,648 | (17,652) |
| Increase in cash during the period | 81,185 | 13,277 |
| Cash – Beginning of period | 146,911 | 133,634 |
| Cash – End of period | 228,096 | 146,911 |

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

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 27, 2022

(expressed in US dollars)

1 Nature of operations

Bento Sushi Franchise, Inc. (the Company) was incorporated on April 12, 2016 in the State of Delaware. The Company's fiscal year-end is the last Sunday in November and comprises 52 or 53 weeks. The period ended November 27, 2022 consists of 52 weeks (2021 – 52 weeks).

The primary activity of the Company is the franchising of sushi locations through the issuance of franchisee licensing arrangements.

2 Summary of significant accounting policies

The Company has prepared the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Revenue recognition

- Franchise fees

Initial franchise fees for the sale of a franchise are recognized as revenue over the term of the related franchise agreement. Franchise fees received in advance are recorded as deferred revenue.

- Royalties

Ongoing royalties are recorded in revenue as they are earned in accordance with the franchise agreement and when there is reasonable assurance regarding the measurement and collectibility of the amount. These royalties are measured as a percentage of sales earned by the franchisee, according to the franchise agreement.

Income taxes

The Company uses the liability method of accounting for income taxes as set forth in the authoritative guidance for accounting for income taxes as prescribed by Financial Accounting Standards Board (FASB) ASC Topic 740: Income Taxes. During the periods presented in the accompanying financial statements, the Company did not file separate federal tax returns, as the Company was generally included in the tax grouping of the parent company and other entities within the same tax jurisdiction. Accordingly, the income tax provisions of the Company for the periods presented in these financial statements were prepared following the separate return method. Under this method, the Company recognizes deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the respective carrying amounts and tax basis of assets and liabilities. Under this approach, net operating losses or other tax attributes are characterized as realized by the Company when those attributes are utilized by other members of the consolidated group.

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 27, 2022

(expressed in US dollars)

Intangible assets

The Company's intangible assets comprise franchisor initialization costs. Franchisor initialization costs are not amortized as they are deemed to have an indefinite useful life. Indefinite assets are tested for impairment whenever events or changes in circumstances indicate their carrying amounts may exceed fair value.

Impairment of indefinite-lived assets

Indefinite-life intangible assets are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In accordance with updates to FASB authoritative guidance regarding indefinite-life intangible asset impairment testing, the Company is allowed to first assess qualitative factors as a basis for determining whether it is necessary to perform quantitative impairment testing. If an entity determines that it is not more likely than not that the estimated fair value of an asset is less than its carrying value, then no further testing is required. Otherwise, impairment testing must be performed in accordance with the original accounting standards. The updated FASB guidance also allows the Company to bypass the qualitative assessment for any reporting unit in its goodwill assessment and proceed directly to performing the quantitative assessment.

Functional currency

The Company's functional and presentation currency is the United States dollar.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the period they become known.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The Company has made no significant estimates in preparing the accompanying financial statements.

3 Recent accounting pronouncements issued but not yet adopted

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), to revise lease accounting guidance. The update requires most leases to be recorded on the Company's balance sheet as a lease liability, with a corresponding right-of-use asset, whereas many of these leases currently have an off-balance sheet classification. Topic 842 must be applied on a modified retrospective basis and is effective for private companies with fiscal years beginning after December 15, 2021, with early adoption permitted.

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 27, 2022

(expressed in US dollars)

The Company has assessed the new and amended US GAAP issued by the FASB for annual reporting periods beginning after November 27, 2022. The new and amended US GAAP are not expected to have a significant impact on the Company.

4 Intangible assets

| | November 27, 2022 \$ | November 28, 2021 \$ |
|---------------------------------|----------------------------|----------------------------|
| Franchisor initialization costs | 27,374 | 27,374 |

5 Related party transactions

During the year, the Company paid management fees to a related party, Bento Nouveau Inc. (the parent company) in the amount of \$4,638,098 (2021 – \$4,045,746). These transactions, as well as advances from Bento Nouveau Inc., have resulted in a balance payable of \$392,472 (2021 – \$79,824). The balance due is unsecured and non-interest bearing, with no specific terms of repayment.

6 Common shares

Authorized

1,000 common shares

Issued

| | November 27, 2022 \$ | November 28, 2021 \$ |
|-------------------|----------------------------|----------------------------|
| 100 common shares | 100 | 100 |

7 Financial instruments

The Company is exposed to various risks through its financial instruments. The following details provide the Company's risk exposures and concentrations as at November 27, 2022.

Fair value

Certain assets and liabilities are carried at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 27, 2022

(expressed in US dollars)

- Level 1 – quoted prices in an active market for identical assets or liabilities;
- Level 2 – observable inputs (other than Level 1 quoted market prices) such as quoted prices in an active market for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities or other inputs that are observable or can be corroborated by observable market data; and
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and deferred revenue. The fair value of financial assets and financial liabilities is considered the carrying value when they are of short duration or when the instrument's interest rate approximates current observable market rates. As at November 27, 2022, the fair values of all financial instruments are estimated to approximate their carrying values reported in the balance sheet.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and due to related parties. The Company maintains a sufficient level of liquidity to meet its current obligations and commitments as they come due.

Bento Sushi Franchise, Inc.

Financial Statements

November 28, 2021

(expressed in US dollars)



Report of Independent Auditors

To the Directors of Bento Sushi Franchise, Inc.

We have audited the accompanying financial statements of Bento Sushi Franchise, Inc. (the Company), which comprise the balance sheets as of November 28, 2021 and November 29, 2020, and the related statements of income, shareholder's equity and cash flows for the 52-week periods then ended.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 our 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, we consider internal control relevant to the Company'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 Company's internal control. Accordingly, we 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 evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bento Sushi Franchise, Inc. as of November 28, 2021 and November 29, 2020, and the results of its operations and its cash flows for the 52-week periods then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Vaughan, Ontario, Canada
May 16, 2022

PricewaterhouseCoopers LLP
200 Apple Mill Road, Vaughan, Ontario, Canada L4K 0J8
T: +1 905 326 6800, F: +1 905 326 5339

*PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Bento Sushi Franchise, Inc.

Balance Sheet

(expressed in US dollars)

| | November 28, 2021 \$ | November 29, 2020 \$ (note 2) |
|--|----------------------------|--|
| Assets | | |
| Current assets | | |
| Cash | 146,911 | 133,634 |
| Intangible assets (note 4) | 27,374 | 27,374 |
| Deferred tax assets | 97,000 | - |
| | <u>271,285</u> | <u>161,008</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 458 | 16,429 |
| Deferred revenue (note 2) | 252,195 | 110,975 |
| Income tax payable | 10,000 | - |
| Due to related parties. (note 5) | 79,824 | 97,476 |
| | <u>342,477</u> | <u>224,880</u> |
| Deferred revenue (note 2) | 208,022 | 302,342 |
| | <u>550,499</u> | <u>527,222</u> |
| Shareholder's Deficiency | | |
| Common shares (note 6) | 100 | 100 |
| Deficit (note 2) | <u>(279,314)</u> | <u>(366,314)</u> |
| | <u>(279,214)</u> | <u>(366,214)</u> |
| | <u>271,285</u> | <u>161,008</u> |

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

Bento Sushi Franchise, Inc.

Statement of Income

(expressed in US dollars)

| | Period ended November 28, 2021 \$ | Period ended November 29, 2020 \$ (note 2) |
|-----------------------------------|--|--|
| Revenue | | |
| Royalties | 3,771,382 | 2,408,996 |
| Franchise fees (note 2) | 362,252 | 281,907 |
| | <u>4,133,634</u> | <u>2,690,903</u> |
| Expenses | | |
| Management fees (note 5) | 4,045,746 | 2,666,614 |
| Office | 87,888 | 24,289 |
| | <u>4,133,634</u> | <u>2,690,903</u> |
| Current income tax expense | 10,000 | - |
| Deferred taxes | (97,000) | - |
| | <u>(87,000)</u> | <u>-</u> |
| Net income for the period | <u>87,000</u> | <u>-</u> |

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

Bento Sushi Franchise, Inc.

Statement of Shareholder's Equity

(expressed in US dollars)

| | Common shares \$ | (Deficit) retained earnings \$ | Total \$ |
|--|---------------------------------|---|---------------------|
| Balance – December 1, 2020 | 100 | - | 100 |
| Change in accounting policy for ASC 606 (note 2) | - | (366,314) | (366,214) |
| Restated balance as at November 23, 2020 | 100 | (366,314) | (366,114) |
| Net income for the period | - | 87,000 | 87,000 |
| Balance – November 28, 2021 | 100 | (279,314) | (279,114) |

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

Bento Sushi Franchise, Inc.

Statement of Cash Flows

(expressed in US dollars)

| | Period ended November 28, 2021 \$ | Period ended November 29, 2020 \$ |
|--|--|--|
| Cash provided by (used in) | | |
| Operating activities | | |
| Net income for the period | 87,000 | - |
| Deferred taxes | (97,000) | - |
| Deferred revenue – non current | (94,320) | 102,724 |
| Deferred revenue – current | 141,220 | (55,721) |
| Change in non-cash working capital items | | |
| Accounts payable and accrued liabilities | (15,971) | (2,746) |
| Income tax payable | 10,000 | - |
| | 30,929 | 44,257 |
| Financing activities | | |
| Repayments (to) from related parties – net | (17,652) | 80,017 |
| | 13,277 | 124,274 |
| Increase in cash during the period | 13,277 | 124,274 |
| Cash – Beginning of period | 133,634 | 9,360 |
| Cash – End of period | 146,911 | 133,634 |

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

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 28, 2021

(expressed in US dollars)

1 Nature of operations

Bento Sushi Franchise, Inc. (the Company) was incorporated on April 12, 2016 in the State of Delaware. The Company's fiscal year-end is the last Sunday in November (2020 – last Sunday in November) and comprises 52 weeks (2020 – 52 weeks).

The primary activity of the Company is the franchising of sushi locations through the issuance of franchisee licensing arrangements.

2 Summary of significant accounting policies

The Company has prepared the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Revenue recognition

- Franchise fees

In the period ended December 1, 2019, initial franchise fees for the sale of a franchise were recognized as revenue at the time a franchisee commenced operations and there were no further obligations on the Company under the franchise agreement. In the period ended November 29, 2020, on adoption of Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Accounting Standards Codification (ASC) Topic 606), initial franchise fees for the sale of a franchise are recognized as revenue over the term of the related franchise agreement.

Ongoing royalties are recorded in revenue as they are earned in accordance with the franchise agreement and when there is reasonable assurance regarding the measurement and collectibility of the amount. These royalties are measured as a percentage of sales earned by the franchisee, according to the franchise agreement.

Income taxes

The Company uses the liability method of accounting for income taxes as set forth in the authoritative guidance for accounting for income taxes as prescribed by Financial Accounting Standards Board (FASB) ASC Topic 740: Income Taxes. During the periods presented in the accompanying financial statements, the Company did not file separate federal tax returns, as the Company was generally included in the tax grouping of the parent company and other entities within the same tax jurisdiction. Accordingly, the income tax provisions of the Company for the periods presented in these financial statements were prepared following the separate return method. Under this method, the Company recognizes deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the respective carrying amounts and tax basis of assets and liabilities. Under this approach, net operating losses or other tax attributes are characterized as realized by the Company when those attributes are utilized by other members of the consolidated group.

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 28, 2021

(expressed in US dollars)

Adoption of new accounting pronouncements

On December 2, 2019, the Company adopted ASC Topic 606 using the modified retrospective method, which superseded nearly all existing revenue recognition guidance under US GAAP. The core principle of ASC Topic 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASC Topic 606 defines a five-step process to recognize revenue and requires more judgment and estimates within the revenue recognition process than were required under previous US GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation.

Revenue from franchise fees is now recognized over the term of the related franchise agreement under ASC Topic 606, as compared to recognition at the time the franchisee commences operations under the previous accounting policy. The impact of the adoption of ASC Topic 606 is as follows:

| | As reported under ASC 605 \$ | Impact of ASC Topic 606 \$ | As reported under ASC Topic 606 \$ |
|--------------------------|---------------------------------------|-------------------------------------|--|
| Opening deficit | - | (366,314) | (366,314) |
| Deferred revenue | - | (366,314) | (366,314) |
| Revenue – franchise fees | 328,910 | (47,003) | 281,907 |

Intangible assets

The Company's intangible assets comprise franchisor initialization costs. Franchisor initialization costs are not amortized as they are deemed to have an indefinite useful life. Indefinite life assets are tested for impairment whenever events or changes in circumstances indicate their carrying amounts may exceed fair value.

Impairment of goodwill and indefinite-lived assets

Goodwill and indefinite-life intangible assets are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In accordance with updates to FASB authoritative guidance regarding goodwill and indefinite-life intangible asset impairment testing, the Company is allowed to first assess qualitative factors as a basis for determining whether it is necessary to perform quantitative impairment testing. If an entity determines that it is not more likely than not that the estimated fair value of an asset is less than its carrying value, then no further testing is required. Otherwise, impairment testing must be performed in accordance with the original accounting standards. The updated FASB guidance also allows the Company to bypass the qualitative assessment for any reporting unit in its goodwill assessment and proceed directly to performing the quantitative assessment.

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 28, 2021

(expressed in US dollars)

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the period they become known.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The Company has made no significant estimates in preparing the accompanying financial statements.

Functional currency

The Company's functional and presentation currency is the United States dollar.

3 Recent accounting pronouncements issued but not yet adopted

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), to revise lease accounting guidance. The update requires most leases to be recorded on the Company's balance sheet as a lease liability, with a corresponding right-of-use asset, whereas many of these leases currently have an off-balance sheet classification. Topic 842 must be applied on a modified retrospective basis and is effective for private companies with fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently in the process of analyzing the new standard to determine its impact on the Company's financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13). ASU 2016-13 requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. ASU 2016-13 becomes effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2019. The Company is currently in the process of analyzing the new standard to determine its impact on the Company's financial statements.

4 Intangible assets

| | November 28, 2021 | November 29, 2020 |
|---------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Franchisor initialization costs | 27,374 | 27,374 |

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 28, 2021

(expressed in US dollars)

5 Related party transactions

During the year, the Company paid management fees to a related party, Bento Nouveau Inc. (the parent company) in the amount of \$4,045,746 (2020 – \$2,666,614). These transactions, as well as advances from Bento Nouveau Inc., have resulted in a balance payable of \$75,273 (2020 – \$97,476). The balance due is unsecured and non-interest bearing, with no specific terms of repayment.

6 Common shares

Authorized

1,000 common shares

Issued

100 common shares

| | November 28, 2021 | November 29 2020 |
|--|----------------------|---------------------|
| | \$ | \$ |
| | 100 | 100 |

7 Financial instruments

The Company is exposed to various risks through its financial instruments. The following details provide the Company's risk exposures and concentrations as at November 28, 2021.

Fair value

Certain assets and liabilities are carried at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 – quoted prices in an active market for identical assets or liabilities;
- Level 2 – observable inputs (other than Level 1 quoted market prices) such as quoted prices in an active market for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities or other inputs that are observable or can be corroborated by observable market data; and
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

Bento Sushi Franchise, Inc.

Notes to Financial Statements

November 28, 2021

(expressed in US dollars)

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and deferred revenue. The fair value of financial assets and financial liabilities is considered the carrying value when they are of short duration or when the instrument's interest rate approximates current observable market rates. As at November 28, 2021, the fair values of all financial instruments are estimated to approximate their carrying values reported in the balance sheet.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Company maintains a sufficient level of liquidity to meet its current obligations and commitments as they come due.

8 COVID-19 pandemic

The rapid spread of the novel coronavirus, COVID-19, which was declared by the World Health Organization to be a pandemic on March 11, 2020, and actions taken globally in response to COVID-19, have significantly disrupted business activities throughout the world. The Company's business relies, to a certain extent, on free movement of goods, services and capital within North America, which has been significantly restricted as a result of the COVID-19 pandemic. Given the ongoing and dynamic nature of the circumstances surrounding COVID-19, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the economy and the Company's business in particular, or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including additional actions which may be taken to contain COVID-19. Such further developments could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

With the overall slowdown in the economy as a result of the COVID-19 pandemic, the Company has experienced a slowdown in the number of franchises being opened; however, the extent of any future impact to the business cannot be determined at this time.

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OF FORM.

Bento Sushi Franchise Inc.

Unaudited Balance Sheet

As at January 31, 2023

| | <u>Jan 31 2023</u> |
|-------------------------------------|-------------------------|
| | <u>USD \$</u> |
| CURRENT ASSETS | |
| Cash at bank and in Hand | \$ 178,496 |
| | <u>178,496</u> |
| NON CURRENT ASSETS | |
| Intangible assets | 27,374 |
| | <u>27,374</u> |
| Total Assets | <u>205,870</u> |
| CURRENT LIABILITIES | |
| Accounts payable | 436,394 |
| Deferred income | 132,273 |
| | <u>568,668</u> |
| NON CURRENT LIABILITIES | |
| Deferred tax payable | 3,257 |
| | <u>3,257</u> |
| SHARE CAPITAL AND RESERVES | |
| Share capital | 259 |
| Retained Earnings | (366,314) |
| TOTAL SHAREHOLDER FUNDS | <u>(366,054)</u> |
| Total Liabilities and Equity | <u>205,870</u> |

Caution: these internally generated financial statements are not to be shared and are used for requested purpose only.

Bento Sushi Franchise Inc.

Unaudited Income Statement

For the 2 months ended January 31, 2023

| | <u>Jan 31 2023</u> |
|---|-----------------------|
| | <u>USD \$</u> |
| Sales - Royalty | \$ 543,380 |
| Sales - Franchisee Fees | 53,526 |
| Cost of sales | - |
| Gross profit | <u>596,906</u> |
| Administrative expenses | (6,745) |
| Operating profit | <u>590,161</u> |
| Exceptional administrative expenses | (590,161) |
| (Loss)/profit on ordinary activities before taxation | <u>-</u> |
| Current Tax on Income | - |
| Income (Loss) for the financial period | <u>-</u> |
| Foreign currency translation adjustments | - |
| Total comprehensive Income (losses) for the period | <u>-</u> |

Caution: these internally generated financial statements are not to be shared and are used for requested purpose only.

EXHIBIT C TO FRANCHISE DISCLOSURE DOCUMENT
BENTO SUSHI FRANCHISE, INC.
DISCLOSURE ACKNOWLEDGEMENT STATEMENT

You make the following representations to us, and we rely on them in granting you a franchise. If any statement is not correct, or if you are aware of exceptions to them, note them in #7 below.

If you are referred to us by one of our franchisees, we may pay the referring franchisee a one-time referral fee.

1. You acknowledge that you have received the BENTO SUSHI Franchise Disclosure Document ("FDD"), Franchise Agreement and its attachments at least 14 calendar days prior to the date you executed the Franchise Agreement or paid us any money, and you have received the final form of Franchise Agreement at least 7 calendar days prior to the date you executed said Agreement(s) or paid us any money.

2. You acknowledge that you have independently evaluated and investigated the Sushi Counter site and the lease or purchase agreement for the Sushi Counter site. You acknowledge that you bear primary responsibility for selecting the Sushi Counter site and negotiating the terms and conditions of your lease, sublease or purchase agreement for the Sushi Counter site.

3. You acknowledge that the initial investment costs in Item 7 of the FDD are based on our current design concept, which is always subject to change, and that if we change the design concept after you sign your Franchise Agreement, your investment costs may be affected. BSFI is a wholly owned subsidiary of BI, and BI is a publicly traded company. As a result of being a public company, there is a substantial amount of financial and other information available to the public about BI, including information provided to potential investors in BI. You acknowledge that if you have received any of such information from any source, such information is not intended to be relied upon by you as a potential purchaser of a BENTO SUSHI franchise, and you have not relied on such information in making your decision whether to purchase a franchise from BSFI to own and operate a Bento Sushi Counter.

4. You acknowledge that you were advised, prior to receiving the Franchise Disclosure Document, of the various ways you could be furnished the Franchise Disclosure Document.

5. You acknowledge that you have received the receipt page with the names completely filled in of all the franchise sellers that were involved in your purchase of the franchise.

6. You understand that your right to operate a sushi counter under your franchise agreement with us is subject to an agreement between us and the Host Facility where your sushi counter is located. You further understand and acknowledge that you may be required to change aspects of your sushi counter if the Host Facility such changes. If you do not cooperate with such changes, you acknowledge that we may terminate your franchise agreement.

7. **THE FOLLOWING CORRECTIONS AND/OR EXCEPTIONS TO THE ABOVE STATEMENTS ARE AS FOLLOWS (IF NO CORRECTIONS OR EXCEPTIONS, WRITE "NONE" AND INITIAL):**

Description or Write "None"

Initial

(Attach additional sheets if necessary)

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

Dated this ____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____

By: _____
Title: _____

Individual Signatures:

NOTE to Franchisee: You must have this agreement reviewed by local counsel before using it to make sure that it complies with local law.

EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Agreement is made as of _____, 20____. The parties to this Agreement are _____ ("Employer") and _____, an individual ("Employee").

RECITALS:

A. Employer is a Franchisee of Bento Sushi Franchise, Inc. ("BSFI"), a Delaware corporation, pursuant to a Franchise Agreement ("Franchise Agreement") with BSFI. BSFI is in the business of operating a franchise distribution system granting franchisees the right to use the trademarks, know-how, trade secrets and other intangible property comprising a system (the "Bento Sushi System") for developing and operating sushi counters in grocery stores, retail stores and other locations (referred to as "Host Facility") under the name and mark "BENTO SUSHI." Such franchised Sushi Counters will also be operated in accordance with certain required formats, systems, methods of distribution, standards and procedures, and trade dress, all of which may be improved, further developed or otherwise modified from time to time by Franchisor.

B. Employer's franchised Sushi Counter is located at _____ ("Employer's Location").

C. In connection with Employer's business, Employer will be using various techniques, systems, procedures, standards, manuals, data, specifications, and other materials, all of which are considered the proprietary and confidential information ("Proprietary Information") of BSFI.

D. Employer will also develop or acquire the right to the use of important information relating to the identity of its customers, the nature and amount of their purchases, pricing practices, recipes, ingredients, the identity of suppliers, sales volumes, costs, expenses and other information. All of the above methods, materials and information are referred to as "Confidential Information."

E. During the course of Employee's employment with Employer, Employee will have access and learn from Employer much or all of the Proprietary Information and the Confidential Information.

F. In light of the above facts and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Importance of Proprietary Information and Confidential Information.** Employee

acknowledges that: (a) Employee has learned and/or will learn Proprietary Information and Confidential Information during Employee's employment with Employer; (b) this Proprietary Information and Confidential Information is an important asset of Employer; and (c) it is important to keep the Proprietary Information and Confidential Information confidential in order for Employer to protect its business and to maintain its competitive advantage.

2. **Agreement to Maintain Confidentiality.** Employee agrees that both during and after the termination of Employee's employment with Employer, Employee will: (a) guard and protect the Proprietary Information and Confidential Information so it does not fall into the hands of Employer's competitors or potential competitors; (b) refrain from using the Proprietary Information or Confidential Information for Employee's own benefit or that of any other person or entity; (c) refrain from disclosing the Proprietary Information and Confidential Information to any other person or entity, unless authorized by Employer. Employee agrees that "use" and "disclosure" of the Proprietary Information and Confidential Information include use and disclosure through memorization, and not only through use or disclosure of written material.

3. **Exceptions.** Employer agrees that the Proprietary Information and Confidential Information do not include information which Employee can demonstrate came to Employee's attention before Employee learned from Employer or which has become, through disclosure by others, "public domain" information (i.e., information freely available to everyone).

4. **Return of Materials.** If Employee's relationship with Employer ends for any reason, Employee agrees to immediately return to Employer any of the Proprietary Information and Confidential Information in Employee's possession or under Employee's control.

5. **Non-Competition.** Employee agrees that in order to guard against the improper use of the Proprietary Information and Confidential Information and to avoid unfair competition with Employer, Employee will not:

- a. during the term of this Agreement anywhere within the United States and Canada, directly or indirectly, manage, operate, control, be employed by, participate in or be connected in any manner with the ownership, management, control, or operation of any business selling Asian style foods, sushi or fresh fish products or steamed foods.
- b. or a period of eighteen (18) months following the termination of Employee's employment with Employer, for whatever reason, within a radius of ten (10) miles of the Employer's Location identified in Paragraph B of the Recitals, directly or indirectly, manage, operate, control, be employed by, participate in or be connected in any manner with the ownership, management, control, or operation of any business of any business selling Asian style foods, sushi or fresh fish products or steamed foods.
- c. during the term of this Agreement, and for a period eighteen (18) months following the termination of Employee's employment with Employer, for whatever reason, either directly or indirectly, for Employee's own account, or as an employee, consultant, partner, joint venturer, owner, officer, director or stockholder of any person, firm, partnership, corporation, limited liability company, or any other entity or in any other capacity, in any

way, assist in soliciting, diverting, taking away or interfering with any of Employer's business, customers, trade or patronage.

- d. The Employee agrees the restrictive covenants set forth above should not be construed to prevent Employee from being gainfully employed either in a non-competing business anywhere, or in a competing business that is outside the geographical limitation set forth in paragraph 5.a or 5.b., or after the restricted time period set forth in paragraphs 5.b and 5.c.

6. **Remedies.** Employee agrees that in order to protect Employer's interests if there is a breach or threatened breach of this Agreement, Employer will be entitled to obtain, in addition to any other remedy, a temporary or permanent injunction and consent order for specific performance of this Agreement, without being required to furnish a bond or other security. If an injunction is issued, but is later vacated, Employee agrees to waive any claim for damages as a result of the issuance of the injunction. Employee agrees that if Employee has any claims or causes of action against Employer arising out of Employee's employment with Employer, such claims or causes of action will not constitute defenses to Employer's enforcement of this Agreement. Employee further agrees to indemnify and hold Employer harmless from any loss or expense (including attorney's fees) Employer incurs as a result of Employee's breach of this Agreement.

7. **Enforceability.** Employer and Employee both agree that if any provision of this Agreement is deemed too restrictive in scope, it will be deemed modified to be enforceable to the greatest extent permitted by law.

8. **Third Party Beneficiary.** The parties acknowledge and agree that Employer's franchisor, Bento Sushi Franchise, Inc., is an intended third party beneficiary of this Agreement, and accordingly, that said Bento Sushi Franchise, Inc., as well as Employer, shall have the right to enforce the provisions of this Agreement against Employee. Neither this Nondisclosure and Noncompetition Agreement between Employer and Employee, nor this Paragraph 8, which makes Franchisor an intended third party beneficiary, constitutes control by Franchisor over the Employee's conditions of employment, or creates an employee or joint employee relationship between Bento Sushi Franchise, Inc. and Employee.

9. **Waiver.** If at any time with respect to any particular incident or breach, Employer or BSFI does not exercise its rights under this or any similar Agreement, it will not preclude Employer or BSFI from doing so in any same or similar situation that subsequently occurs.

EMPLOYER:

EMPLOYEE:

By: _____
Title: _____

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

List of Current Franchisees as of November 27, 2022 (95)

See following 2 pages

Current Franchisee List

| | Store Name | Name | Address | City | State | Postal Code | Country |
|---|---|----------------------------|---|---------------|-------|-------------|---------|
| Birmingham Children's Hospital | BCH | Khun Htoo | 1600 7th Ave. South | Birmingham | AL | 35233 | USA |
| University of Alabama | Presidential | Haeng Soon Jung | Lakeside 203-A, Box 870389 | Tuscaloosa | AL | 35487 | USA |
| ASU - Arizona State University | ASU | Myatt (Denny) Khine | 1290 s. Normal Ave | Tempe | AZ | 85287 | USA |
| California State University-Bakersfield | California State University-Bakersfield | Kaung Myat Thu | 9001 Stockdale Hwy | Bakersfield | CA | 93311 | USA |
| University of California - Irvine | Irvine | Tin Tin Win | A311 Student Center | Irvine | CA | 92697 | USA |
| SSP - San Diego Airport | San Diego Airport | Jack Jiang | 3225 N Harbor Drive | San Diego | CA | 92101 | USA |
| Palomar College | Palomar | Jack Jiang | 1140 West Mission Road | San Marcos | CA | 92069 | USA |
| Shoprite - 330 | Manchester | San Dar Williams | 214 Spencer St | Hartford | CT | 06040 | USA |
| Shoprite - 327 | Milford | Kingdom Wah | 935 Boston Post Road | Milford | CT | 06460 | USA |
| Shoprite - 325 | Orange | Khun Maung Ngwe | 259 Bull Hill Lane | Orange | CT | 06477 | USA |
| Shoprite - 350 | Vernon | San Dar William | 35 Talcottville Road | Vernon | CT | 06066 | USA |
| Georgetown University | Main | Ohnmar Cho | 37th & O St. NW | Washington | DC | 20057 | USA |
| Georgetown University | Georgetown Law | Ohnmar Cho | 600 New Jersey Ave. NW | Washington | DC | 20001 | USA |
| Shoprite - 588 | Bear | Taylor Yim | 1101 Governors Place | Bear | DE | 19701 | USA |
| Shoprite - 590 | Newark | Awng Ban | 700 Plaza Dr. | Newark | DE | 19702 | USA |
| Shoprite - 538 Satellite | First State Plaza | Evan Thio | 1600 W Newport Pike | Wilmington | DE | 19804 | USA |
| Shoprite - 558 | Brandywine | Evan Thio | 1300 Rocky Run parkway | Wilmington | DE | 19804 | USA |
| Shoprite - 589 Satellite | Wilmington | Taylor Yim | 501 South Walnut St | Wilmington | DE | 19801 | USA |
| Jacksonville University | Jacksonville University | Charity Awm | 5322 Los Santos Way | Jacksonville | FL | 32211 | USA |
| University of Central Florida | UCF | Optimis Waytogo | 12715 Pegasus Dr, | Orlando | FL | 32816 | USA |
| University of West Florida | University of West Florida | Zawlin Tun | 972 Campus Dr. | Pensacola | FL | 32514 | USA |
| Florida State University | FSU | Mang Siang | Building #185, 824 W. Jefferson St. | Tallahassee | FL | 32304 | USA |
| University of South Florida | USF | Lesly Hluan | 4103 Cedar Circle | Tampa | FL | 33620 | USA |
| Foodland 11 | Ala Moana, HI | May Thi Oo | 1450 Ala Moana Blvd. | Honolulu | HI | 96814 | USA |
| Foodland 50 Satellite | Kahala | May Thi Oo | 4230 Waiialae Ave, Space C1 | Honolulu | HI | 96816 | USA |
| Foodland 48 | Ka Makana Ali'i, HI | Zen Du | 91-5431 Kapolei Parkway | Kapolei | HI | 96707 | USA |
| Foodland 9 | Pearl City | Ah Bee | 1150 Kuala St. | Pearl City | HI | 96782 | USA |
| SSP - Indianapolis Airport | Indy Airport | Suan Thawn | 7800 Col H Weir Cook Memorial Drive | Indianapolis | IN | 46241 | USA |
| Morehead University | The Pub | Nu Marn | 140 Third St | Morehead | KY | 40351 | USA |
| Southern University A&M | Southern A&M | Dionne Butler Van Purnell | John B. Cade Library 167 Roosevelt St | Baton Rouge | LA | 70813 | USA |
| University of Louisiana Monroe | Monroe | Cung Mang | 700 University Ave | Monroe | LA | 71209 | USA |
| Shoprite - 548 Satellite | Aberdeen | Pyae Thazin Thu | 949 Beard's Hill Road | Aberdeen | MD | 21001 | USA |
| John Hopkins University | John Hopkins University | Thura Aung | 3339 N Charles Street | Baltimore | MD | 21218 | USA |
| Shoprite - 549 Satellite | Bel Air | Pyae Thazin Thu | 5 Bel Air South Parkway | Bel Air | MD | 21015 | USA |
| Shoprite - 545 | Forest Hill | Pyae Thazin Thu | 2101 Rock Spring Rd | Forest Hill | MD | 21050 | USA |
| University of Southern Maine | Southern Maine | Tashi Atsok | 96 Falmouth St. | Portland | ME | 04103 | USA |
| Grand Valley State | Grand Valley State University | Van Mi | 1 Campus Drive | Allendale | MI | 49401 | USA |
| University Southern Miss | University Southern Miss | Teus Tyrus | 118 College Dr. | Hattiesburg | MS | 39406 | USA |
| Campbell University | Campbell | Sang Ber Ki | 143 Main St | Buies Creek | NC | 27506 | USA |
| Duke Medical Center | Duke | Van Dawt Kim | 2301 Erwin Road, North Tower | Durham | NC | 27710 | USA |
| Eastern Carolina University | ECU | Kaung Latt | 100 College Hill Dr | Greenville | NC | 27858 | USA |
| Wake Forest University | Wake Forest | Pau Pu | 1834 Wake Forest Road | Winston Salem | NC | 27109 | USA |
| Shoprite - 497 | Clinton | Byongku Choe | 50 Walmart Plaza | Clinton | NJ | 08809 | USA |
| Shoprite - 212 | Flanders | Aung Zaw Min | 90 Bartley Flanders Rd | Flanders | NJ | 07836 | USA |
| Shoprite - 457 | Flemington | Tun Win | US 202 & NJ 31 | Flemington | NJ | 08822 | USA |
| Shoprite - 291 | Franklin | David Bae | 270 State Rte 23 | Franklin | NJ | 07416 | USA |
| Shoprite - 224 | Mansfield | Khin Aung Law | RT 57 West & Allen St | Hackettstown | NJ | 07840 | USA |
| Shoprite - 661 | Jackson | Win Min | 260 North County Line Road | Jackson | NJ | 08527 | USA |
| St. Peter's University | St. Peter's | Sunny Cubillas | MacMahone Student Center 782 Montross Ave | Jersey City | NJ | 07306 | USA |
| Shoprite - 105 | Kearny | Alejandro Daril Cabrera Qu | 100 Passaic Ave | Kearny | NJ | 07032 | USA |
| Shoprite - 297 | Lincoln Park | Deleg Chojor | 60 Beaverbrook Road | Lincoln Park | NJ | 07035 | USA |
| Shoprite - 205 | Little Falls | Aung Pe Myint | 171 Browertown Rd | Little Falls | NJ | 07424 | USA |
| Shoprite - 523 | Marlton | Piang Gel Sum | 307 West Route 70 Marlton | Marlton | NJ | 08053 | USA |
| Shoprite - 540 | Medford | Cing Niang | 208 Rte 70 E | Medford | NJ | 08055 | USA |
| Shoprite - 525 Satellite | Union Mill | Tual Sian Tuang | 892 Union Mill Road | Mount Laurel | NJ | 08054 | USA |
| Shoprite - 594 | Mount Laurel | Tual Sian Tuang | 1000 Nixon Dr | Mount Laurel | NJ | 08054 | USA |
| Shoprite - 546 | Mullica Hill | Andrew Chwarjar | 143 Bridgeton Pike | Mullica Hill | NJ | 08062 | USA |
| Shoprite - 213 | Newton | Shwe Fru | 125 Water St.(RT 206 North) | Newton | NJ | 07860 | USA |
| Shoprite - 437 | Greenwich | Sai Hla Kham | 1207 US-22 | Phillipsburg | NJ | 08865 | USA |
| Shoprite - 203 | Byram | Aung Zaw Min | 90-80 US-206 | Stanhope | NJ | 07874 | USA |
| Shoprite - 281 | Succasunna | Hyon Jong Kim | 281-031 New Jersey 10 | Succasunna | NJ | 07876 | USA |

Current Franchisee List

| | | | | | | | |
|---------------------------------|------------------------|---------------------|-------------------------------------|-----------------|----|-------|-----|
| William Paterson University | William Paterson | Phyu Phyu Sandi Soe | 300 Pompton Rd | Wayne | NJ | 07470 | USA |
| Fashion Technology (NYFIT) | NYFIT | Than Than Nyunt | 227, W 27th Street | New York | NY | 10001 | USA |
| Manhattan College | Manhattan College | Soe Win | Kelly Student Commons Food Court, | The Dronh | NY | 10463 | USA |
| Bloomsburg University | Bloomsburg | Sang Lian | 400 E 2nd St. 1st Floor | Bloomsburg | PA | 17815 | USA |
| Widener University | Widener | May Thin Hlaing | One University Pl | Chester | PA | 19013 | USA |
| Clarion University | Clarion | Albert Kap | Gemmell Student Center Payne St. | Clarion | PA | 16214 | USA |
| Shoprite - 413 Satellite | EDDYSTONE | Joseph Son Mang | 1568 CHESTER PIKE UNIT B-1, EDDYS | Delaware | PA | 19022 | USA |
| Edinboro University | Edinboro | Paw Lay Moo | Frank Pgue Student Center 405 Scot | Edinboro | PA | 16444 | USA |
| Shoprite - 454 | Glenolden | Joseph Son Mang | 140 North Macdade Blvd | Glenolden | PA | 19036 | USA |
| Indiana University of PA | IUP | Du Thang | Crimson Cafe 11St | Indiana | PA | 15705 | USA |
| Allegheny College | Allegheny | Siang Lian | 520 N Main Street | Meadville | PA | 16335 | USA |
| Shoprite - 537 | Olney Ave | Seng Kahtantu | 101 E Olney Ave | Philadelphia | PA | 19120 | USA |
| Shoprite - 402 | Oxford & Levick | Seng Kahtantu | 6301 Oxford Avenue | Philadelphia | PA | 19111 | USA |
| Shoprite - 426 Satellite | Cheltenham | Joe Yi | 2385 Cheltenham Avenue | Philadelphia | PA | 19150 | USA |
| Shoprite - 430 | Fox ST | Than Soe | 2800 Fox St | Philadelphia | PA | 19129 | USA |
| Shoprite - 519 | Roxborough | May T Hlaing | 6901 Ridge Ave | Philadelphia | PA | 19128 | USA |
| Temple University | Temple University | Sun Sit Lwin | Morgan Hall - 1601 N. Broad St | Philadelphia | PA | 19122 | USA |
| Shoprite - 411 | Whitman Plaza | Biak Hu | 330 W Oregon Ave | Philadelphia | PA | 19148 | USA |
| Shoprite - 436 Satellite | Aramingo | Biak Hu | 3745 Aramingo Ave | Philadelphia | PA | 19137 | USA |
| Shoprite - 446 | Bridge & Harbison | Biak Hu | 5597 Tulip St | Philadelphia | PA | 19124 | USA |
| Susquehanna University | Susquehanna | Jeremiah Thawng | Garrett Sports Complex 131 East Col | Selingsgrove, | PA | 17870 | USA |
| Shippensburg | Shippensburg | Aung M Oo | 408 Lancaster Dr. | Shippensburg | PA | 17257 | USA |
| Slippery Rock University | Slippery Rock | Ja Tu Nsang | Weisenfluh Student Center 200 Cam | Slippery Rock | PA | 16057 | USA |
| Shoprite - 407 | Yardely | Mar Tue Hpauda | 1603 Big Oak Rd | Yardley | PA | 19067 | USA |
| Clemson University | Hub | Chung Won Lee | 110 Cherry Road | Clemson | SC | 29634 | USA |
| Clemson University | Core | Chung Won Lee | 511 Fort Hill ST. | Clemson | SC | 29634 | USA |
| U of Tennessee Chattanooga | Chattanooga | Day Oo | 615 McCallie Ave | Chattanooga | TN | 37403 | USA |
| U of Tennessee | Knoxville | Iris Bell | 1017 Francis ST | Knoxville | TN | 37996 | USA |
| Middle Tennessee State Univ | MTSU | Cing Sian Luan | 3232 Honeybee Dr. | Murfreesboro | TN | 37129 | USA |
| SSP - Dallas Fort Worth Airport | DFW Airport | Boichin Sung Mang | 2400 Aviation Dr, DFW Airport | Texas | TX | 75261 | USA |
| University of Virginia | UVA | Mike Ong | 180 McCormick Rd. | Charlottesville | VA | 22901 | USA |
| Virginia Commonwealth Univ | Shafer Court - VCU | Phyu Hnin Aye | 810 Cathedral Place | Richmond | VA | 23284 | USA |
| Virginia Commonwealth Univ | Laurel & Grace - VCU | Phyu Hnin Aye | 298 N Laurel St. | Richmond | VA | 23220 | USA |
| SSP - Sea-Tac Airport | Seattle Tacoma Airport | Tin Aung Moe | 17801 International Blvd | Seattle | WA | 98158 | USA |

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

**List of Former or Inactive
Franchisees
As of November 27, 2022**

On the 10 following pages are the name of each Franchisee, the city and state of the Franchisee's residence, the telephone number, the state where the franchise business was located, and the date of termination, reacquisition, or transfer during the last fiscal year.

The remainder of this page is left blank intentionally

Closures

| Name of the Franchisee | City and State of Residence | Telephone Number | State Where Franchise Business was located | Stores operated by the Franchisee at the time of Termination | Reason | Date of Termination |
|------------------------|-----------------------------|------------------|--|--|--|---------------------|
| Jiyoun Ye | Alexandria, VA | (240) 477-3232 | D.C. | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Ni Tut Kyaw | Rockwell, MD | (716) 533-8311 | D.C. | | 3 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Ni Uk Mang | Latham, MD | (443) 833-4087 | D.C. | | 2 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Atiq Haq | Herndon, MD | (704) 779-9822 | D.C., MD | 2, 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Xiao Chu | Newark, DE | (646) 771-8999 | DE | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Dah Sein | Saugus, MA | (781) 346-4891 | MA | | 2 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/12/2022 |
| Min Nyein Naing | Cranston, RI | (518) 588-1162 | MA | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/12/2022 |
| Myo Naing | Waltham, MA | (617) 866-7320 | MA | | 2 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/12/2022 |
| San San Yi | Leominster, MA | (978) 382-6427 | MA | | 2 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/12/2022 |

Closures

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|--------------|------------------|----------------|----|---|--|-----------|
| Aye Myat Thu | Chester, MD | 760-917-6215 | MD | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Dawt Hmung | Arnold, MD | 443-851-1904 | MD | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Dong Khai | Cantonsville, MD | (443) 851-9245 | MD | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Jong Kim | Indian Head, MD | (571) 451-7097 | MD | 4 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Kawng King | Edgewater, MD | 315-807-2619 | MD | 4 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Mang Tial | Montgomery, MD | (301) 915-6045 | MD | 4 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Saw Htoo | Baltimore, MD | (571) 290-1990 | MD | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Suan Khai | Baltimore, MD | (443) 635-6015 | MD | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Thang Mung | Baltimore, MD | (331) 250-2286 | MD | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Aye Win | Waterville, ME | (917) 622-9444 | ME | 3 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |

Closures

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|-------------------|------------------|----------------|----|---|--|-----------|
| Dave Tun | Kennelbunk, ME | (207) 939-4829 | ME | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Deki Lhamo | Augusta, ME | (347) 337-5139 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Dolma Yang zom | Brunswick, ME | (347) 337-5139 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| FNU Senge | Belfast, ME | (207) 615-4257 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| FNU Yeshi Wangyal | Brunswick, ME | (718) 350-5219 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Guru Gyaltsse | Portland, ME | (207) 841-0877 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Khaing Aung | Gorham, ME | (207) 535-7418 | ME | 3 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Kyaw Khaing | Ellsworth, ME | (267) 239-4592 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Kyaw Kyaw | Carol Stream, IL | 630-456-5333 | ME | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Lodoe Gyaltsen | Rockland, ME | (207) 446-3460 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |

Closures

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|------------------|--------------------|----------------|----|---|--|-----------|
| Lourang Gongbu | South Portland, ME | (646) 725-5300 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Maung Shwe | Biddleford, ME | (207) 292-8541 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Min Pyu Chen | Falmouth, ME | (207) 632-6327 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| San Myint | Scarsborough, ME | (207) 518-0192 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Saw C Dah | Bridgeton, ME | (717) 621-1080 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Tenzin Sangag | Rockland, ME | (207) 446-3460 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Than Win Tun | Bristol, ME | (207) 380-4794 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Thang Khat Thawn | Bangor, ME | (615) 364-0568 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Thaung Sein | Alburn, ME | (617) 412-5643 | ME | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Tin Maung | Biddleford, ME | (717) 203-8928 | ME | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |

Closures

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|-----------------|--------------------|----------------|----|--|--|-----------|
| Tin Tin Win | Scarsborough, ME | (650) 834-6526 | ME | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Tru Quy Le | Portland, ME | (207) 807-9140 | ME | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Tsultrim Dorjee | Augusta, ME | (347) 863-6950 | ME | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| U Shwe Tun | Portland, ME | (207) 712-6664 | ME | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Win Moe | Topsham, ME | (646) 379-3396 | ME | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Yeshi Khendrup | South Portland, ME | (347) 421-7176 | ME | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Dawt Bik | Hickory, NC | 704-421-4913 | NC | | 1 Sales were too low, closed | 4/30/2022 |
| langtha Bor | Dover, NH | (518) 229-0284 | NH | | 2 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Khine M Zan | Nashua, NH | (716) 308-3566 | NH | | 2 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Kyi Htay | Concord, NH | (917) 250-6759 | NH | | 1 Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |

Closures

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|------------------|------------------|----------------|----|---|--|-----------|
| Pau Lim | Manchester, NH | (207) 671-4881 | NH | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Pau S Dal | Epping, NH | (207) 776-8488 | NH | 3 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Pyi Paing | Laconia, NH | 508-807-7955 | NH | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Qiongying Fang | Manchester, NH | (603) 785-4837 | NH | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Sophiasoe S Shai | Scarsborough, ME | (207) 212-3467 | NH | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Sunny K Thein | Manchester, NH | (978)-413-1341 | NH | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Tha Htet | Wyantaskill, NY | (310) 854-2542 | NH | 6 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Thein Zaw | Hampton, NH | (401) 649-3222 | NH | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Win Moe | Topsham, ME | (646) 379-3396 | NH | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Win Win War | North Conway, NH | (978) 799-9269 | NH | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |

Closures

| | | | | | | |
|----------------|----------------------|----------------|----|---|--|-----------|
| Zin Nanda Htun | Laconia, NH | (203) 805-1233 | NH | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/13/2022 |
| Mang Thang | Evesham, NJ | 856-842-4325 | NJ | 1 | Host facility ended contract | 6/1/2022 |
| Aung Moe Kyaw | Whitesboro, NY | (347) 656-6529 | NY | 3 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Aung Zaw Hla | Saratoga Springs, NY | (518) 596-4373 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Aye Aye Hlaing | Rensselaer, NY | (724) 553-9907 | NY | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Chong Wai Lee | Queensbury | (518) 232-1888 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Cody Vincent | Watervilet, NY | (646) 241-8717 | NY | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Esther Sui | Albany, NY | (432) 978-5255 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Kan Tun | West Hurley, NY | (845) 750-7948 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Kun Win Htein | Rensselaer, NY | (518) 487-9010 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |

Closures

| | | | | | | |
|--------------------|----------------------|----------------|----|---|--|-----------|
| Kyaw Minn Khaing | New Hartford, NY | (347) 580-9877 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Mang Hnin Sang | Rensselaer, NY | (518) 300-9990 | NY | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Matthew Hmung | Rensselaer, NY | (516) 424-3172 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Min Khin Maung Nyi | Kinston, NY | (518) 526-3661 | NY | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Naing Win Aung | Kinston, NY | (757) 663-8601 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Ngun Meng | Albany, NY | (518) 542-1021 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Nu Nu Htun | Saratoga Springs, NY | (518) 596-4373 | NY | 5 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Siang H. Par | Rensselaer, NY | (516) 424-3172 | NY | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Wai Wai | Rensselaer, NY | (518) 417-7285 | NY | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Iris Bell | Knoxville, TN | (317) 531-9375 | TN | 1 | Store never reopened from Covid | 8/1/2022 |

Closures

| | | | | | | |
|---------------------------------|------------------------|----------------|----|---|--|-----------|
| Chi Duc Tang and Phung Gia Dang | Annadale, VA | (571) 623-6328 | VA | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Eunsook Oh | Centerville, VA | (703) 943-8116 | VA | 3 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Kyaw Htwe | North Chesterfield, VA | (347) 385-7085 | VA | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Nanda Shein | Alexandria, VA | (240) 609-9860 | VA | 3 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Sherry Huai | Alexandria, VA | (703) 744-0409 | VA | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Yu Yu Swe | Alexandria, VA | 240-423-8484 | VA | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 10/1/2022 |
| Aung Myo Oo | Rensselaer, NY | (518) 560-2430 | VT | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Hai Lin | South Burlington, VT | (802) 363-8777 | VT | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Hkun Du Nhkum | Rutland, VT | (901) 218-3703 | VT | 1 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Nai Htike | Saint Albans, VT | (347) 740-9017 | VT | 2 | Stores closed as Bento Sushi counters due to loss of contract between Franchisor and Host Facility | 8/27/2022 |

Closures

| | | | | | | |
|-----------------|--------------------|----------------|----|--|--|-----------|
| Nobel Htwe | Burlington, VT | (802) 399-2039 | VT | | Stores closed as Bento Sushi counters 2 due to loss of contract between Franchisor and Host Facility | 8/27/2022 |
| Thin Thin Naing | Essex Junction, VT | (917) 753-8347 | VT | | Stores closed as Bento Sushi counters 2 due to loss of contract between Franchisor and Host Facility | 8/27/2022 |

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

California

Department of Financial Protection and Innovation
State of California
2101 Arena Blvd.
Sacramento, CA 95834
(213) 576-7500
(866)275-2677

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62701
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan

Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
P.O. Box 30212
Lansing, Michigan 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

New York

NYS Department of Law
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8285

North Dakota

Securities Commissioner
State of North Dakota
600 East Boulevard Avenue
State Capitol
Fifth Floor
Bismarck, ND 58505-0510
(701)328-4712

Rhode Island

Securities Division
Department of Business Regulations
State of Rhode Island
1511 Pontiac Avenue
John Q. Pastore Complex, Bldg. 69-1
Cranston, Rhode Island 02920
(401) 222-3048

South Dakota

Division of Insurance
Securities Regulation
Department of Labor and Regulation
124 S. Euclid, Second Floor
Pierre, South Dakota 57501
(605) 773-3653

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
Commonwealth of Virginia
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

Director of Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Administrator of Division of Securities
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703
(608) 267-9140

EXHIBIT H TO FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

California

California Commissioner of
Department of Financial Protection and Innovation
State of California
2101 Arena Blvd.
Sacramento, California 95834

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street, Room 205
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62701

Indiana

Secretary of State
State of Indiana
200 West Washington St.
Indianapolis, Indiana 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, Minnesota 55101

New York

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231
(518) 473-2492

North Dakota

Securities Commissioner
State Capitol - Fifth Floor
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510

Rhode Island

Director of Business Regulation
Department of Business Regulation
Divisions of Securities
1511 Pontiac Avenue
John Q. Pastore Complex, Bldg. 69-1
Cranston, Rhode Island 02920

South Dakota

Director of the Division of Insurance
Securities Regulation
Department of Labor and Regulation
124 S. Euclid, Second Floor
Pierre, South Dakota 57501

Virginia

Virginia State Corporation Commission
Office of the Clerk
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Director of Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Administrator, Division of Securities
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

**EXHIBIT I TO FRANCHISE DISCLOSURE DOCUMENT
GENERAL RELEASE**

(to be signed upon renewal or assignment of the franchise)

In consideration of the consent by Bento Sushi Franchise, Inc. (“Franchisor”) to the assignment by _____ (“Franchisee”) of Franchisee’s Franchise Agreement dated _____ to _____ (“Assignee”), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisee and Franchisee’s Guarantors do hereby forever release, discharge and hold Franchisor, its officers, agents, employees, shareholders, guarantors, successors, and assigns, on behalf of themselves, their heirs, executors, administrators, officers, agents, employees, shareholders, guarantors, successors and assigns, harmless from and against any and all claims, causes of action, demands, damages, costs, suits, obligations, negligence, misrepresentations, omissions, and fraud, whatsoever, in law or in equity, arising out of any relationship with one another whether contractual, or otherwise which they now have, for, upon, or by reason of any matter, cause or thing whatsoever, at any time prior to the date of this General Release, which release is not limited to claims relating to the franchise agreement being assigned by the Franchisee.

This general release extends to any and all claims, known or unknown, the existence of which Franchisee may not know or suspect as of the date of executing this document, it being Franchisee’s understanding and intent that Franchisee is releasing Franchisor from any and all liability to Franchisee. Further, Franchisee has had an opportunity to seek advice from legal counsel and is executing this general release with full knowledge of its legal effect.

DATE: _____

FRANCHISEE: _____

By: _____
Name: _____
Title: _____

FRANCHISEE’S GUARANTORS:

| | |
|----------------------------|----------------------------|
| Signature: _____ | Signature: _____ |
| Printed Name: _____ | Printed Name: _____ |

| | |
|----------------------------|----------------------------|
| Signature: _____ | Signature: _____ |
| Printed Name: _____ | Printed Name: _____ |

WITNESS: _____

EXHIBIT J TO FRANCHISE DISCLOSURE DOCUMENT

Bento Guest Experience Manual



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EXHIBIT K TO THE FRANCHISE DISCLOSURE DOCUMENT

BENTO SUSHI COUNTER SALE AGREEMENT

This BENTO SUSHI COUNTER BUSINESS SALE AGREEMENT is entered into this ____ day of _____, 20____, by and between _____ ("Buyer"), and Bento Sushi Franchise, Inc., a Delaware corporation, or its Designee or Affiliate ("Seller").

RECITALS

Seller operates a BENTO SUSHI Counter (the "Sushi Counter") at _____ (the "Location"). The Location is within another store or facility ("Host Facility") that does business as _____. Buyer wants to purchase from Seller, and operate, the business of, the Sushi Counter. Seller is willing to sell and transfer the business of the Sushi Counter to Buyer according to the terms of this Agreement. Accordingly, the parties have agreed as follows:

AGREEMENT

1. Sale. Seller hereby sells to Buyer the business of the Sushi Counter, other than its tangible assets, effective _____, 20____ ("Effective Date").

2. Sale Price. Buyer shall pay Seller the sum of \$_____, and assume and be responsible for the following liabilities and obligations (if none write "None"):

3. Payment. Buyer shall pay the purchase price stated in Section 2 in cash or cashier's check on signing this Agreement.

4. Obligations to Personnel. Seller shall be responsible to pay all compensation and benefits due to personnel of the Sushi Counter for services before the Effective Date.

5. Indemnification. Buyer shall indemnify, defend and hold Seller harmless from and against all damages, losses, liabilities, claims or expenses, also including court costs and attorneys' fees, arising from use and operation of the Sushi Counter after the Effective Date.

6. Buyer's Acknowledgements. Buyer acknowledges being aware that:

A. The sale accomplished by this Agreement does not include any tangible assets, equipment or inventory of the Sushi Counter. The sale, transfer and assignment of any assets, equipment and/or inventory, if any, to operate the Sushi Counter shall be accomplished by a separate Bill of Sale, on terms agreed by the parties;

B. Buyer will be required to sign and comply with other agreements and instruments to be permitted to operate the Sushi Counter, including but not limited to a Franchise Agreement and other ancillary agreements;

C. The sale accomplished by this Agreement is conditioned on the Host Facility's consent to the sale. Permission to operate the Sushi Counter at the Location is derived from an agreement between Seller (or an entity affiliated with Seller) and the Host Facility. That agreement may be modified or terminated by the Host Facility at any time and on short notice; the Host Facility may object to Buyer operating there; and modification, termination or objection by the Host Facility may result in the need for relocation and resulting disruption and interruption to Buyer or adjustment to the franchise operations (such as if the Host Facility requests that Buyer's operations be converted from a full service location to a limited service location or Satellite location, or vice versa).

D. Seller makes no warranty or representation about the length of time Buyer may be permitted to operate the Sushi Counter at the Location or any other warranty or representation of any kind.

7. Interpretation. Section numbers and headings in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement. The provisions of this Agreement shall be interpreted according to their fair meanings, and shall not be strictly construed for or against either party.

8. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions; they shall remain in effect and this Agreement shall be construed as if any invalid or unenforceable provision were omitted.

9. Governing Law. The validity, construction and performance of this Agreement shall be governed by Delaware law, without regard to rules on choice or conflict of laws.

10. Mandatory and Binding Arbitration: Any controversy or claim that arises out of or relates to this Agreement, or any breach of this Agreement, including without limitation any claim that any of this Agreement (including this Section 10) is invalid, illegal, voidable or void, shall be submitted for arbitration to the American Arbitration Association on demand of either party. The demand shall be submitted to, and the arbitration proceedings shall be conducted in the City of Buffalo, State of New York, and shall be heard by one arbitrator in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) shall be governed by it. The decision of the arbitrator shall be final and not subject to appeal. The prevailing party in any arbitration or other proceeding shall be entitled to recover its reasonable attorney's fees and costs.

11. Parties in Interest. This Agreement shall bind and benefit the parties and their successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any

person or entity other than the parties any right or remedy under or by reason of this Agreement.

12. Notices. Any notice or communication required or permitted by this Agreement shall be deemed sufficiently given if in writing and when delivered personally or 48 hours after deposit with the U.S. Postal Service as registered or certified mail, postage prepaid, and addressed as follows:

To Buyer:

Attention: _____

To Seller:
Bento Sushi Franchise, Inc.
25 Centurian Drive, Suite 208
Markham Ontario Canada L3R 5N8
Attention: Glenn Brown

or other address that a party to whom notice is to be given has notified the other party as provided above.

13. Entire Agreement. This Agreement is the entire agreement between the parties on its subject matter, and supersedes all prior agreements, understandings, negotiations, representations and discussions, whether verbal or written pertaining to the subject. There are no promises, terms, conditions or obligations of the parties pertaining to that subject matter other than as contained in this Agreement. Nothing in this Agreement, or any related agreement, is intended to disclaim the representations made to Buyer in the Franchise Disclosure Document. This Agreement may be amended, modified or supplemented only by a writing executed by each of the parties.

Signed as of the date first written above.

Seller:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Buyer:

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT L-1 TO FRANCHISE DISCLOSURE DOCUMENT

PROMISSORY NOTE WITH GUARANTY

For Financing of Franchise Fee

Principal \$ _____

Date: _____

FOR VALUE RECEIVED, _____ ("Debtor"), hereby promises to pay to BENTO SUSHI FRANCHISE, INC., a Delaware corporation ("Payee"), or order, at 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8), or at such other place as Payee may from time to time designate in writing, the principal sum of _____ Dollars (\$ _____), plus an administrative charge as noted below in paragraph ____.

1. Payment. Principal and interest under this Note are payable as follows:

(i) On Monday of each week following the date of this Note, Debtor shall pay to Payee weekly installments of principal and interest in the amount of _____ Dollars (\$ _____) in lawful money of the United States of America.

(ii) On _____ (____ weeks from the date of the first payment), the entire unpaid principal balance and accrued interest under this Note shall be due and payable.

(iii) Debtor shall pay the sums due either by cashier's check, money order, credit card or at Payee's option, via deduction from Adjusted Net Sales due to Debtor from Payee.

2. Prepayment. Debtor may prepay this Note in part or in full, without penalty, at any time.

3. Administrative Charge. Debtor shall pay Payee an administrative charge equal to the greater of (a) 1% per month of the amount due until the total amount of this Note is paid; or (b) One Hundred Dollars (\$100.00) total (exclusive of any late charges or the Default Interest Rate set forth in Paragraph 4 below, if applicable).

4. Late Charge and Default Interest Rate. Debtor agrees that if any installment of principal and interest due hereunder becomes overdue for a period more than five (5) days, Debtor shall pay Payee a late charge plus default interest as follows:

A late charge of one percent (1%) of the delinquent amount. If applicable law requires a lesser charge, the maximum rate permitted by law may be charged. Any late charge that accrues during a week shall be payable on the next weekly payment date.

Interest at the rate of fifteen percent (15%) ("Default Interest Rate") on the entire unpaid principal until all delinquent amounts are paid and Debtor becomes current

on its obligations under this Note.

Debtor agrees the late fee and default interest provided in this Paragraph shall be payable in addition to all other remedies of Payee hereunder at law or in equity.

5. Acceleration. If Debtor fails to pay any installment within ten (10) days after the same is due, or if any other default occurs under this Note, or under any other Franchise Agreement or addendum between the Debtor and Payee, the entire unpaid principal balance, accrued interest, and other sums payable hereunder shall, at the option of Payee, become immediately due and payable without demand or notice.

6. Application of Payments; No Setoffs. All sums payable hereunder shall be payable without offset, demand, abatement or counterclaim of any kind or nature whatsoever, all of which are hereby waived by Debtor.

7. Waiver. Debtor waives any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of Payee's rights hereunder. No default shall be waived by Payee except in writing. No delay on the part of Payee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Payee of any right or remedy shall preclude other or further exercise thereof, or the exercise of any other right or remedy.

8. Modifications. No modification, discharge, termination or waiver of any of the provisions hereof shall be binding upon Payee, except as expressly set forth in a writing duly signed by Payee.

9. Effect of Default. A default under this Promissory Note constitutes a default under any Franchise Agreement by and between Debtor and Payee.

10. Legal Costs. Debtor agrees to pay all costs, legal expenses, attorneys' fees and paralegals' fees of every kind, paid or incurred by Payee in enforcing its rights hereunder.

11. Successors and Assigns. The terms, covenants and conditions contained herein shall be binding upon the heirs and successors of Debtor and shall inure to the benefit of the successors and assigns of Payee.

12. Choice of Law. This Note, and the rights and obligations hereunder of each of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflicts of law. Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or be invalid under such law, such provision shall be severable, and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Note.

13. Venue and Jurisdiction. Debtor agrees that any suit, action or proceeding arising out of or relating to this Note, or the interpretation, performance or breach of this Note, may be instituted in any state or federal court of general jurisdiction in the City of Buffalo, State of New York, and Debtor irrevocably submits to the jurisdiction of those courts and waives any objection Debtor may have to either the jurisdiction or venue of such court.

14. Miscellaneous. If this Note is executed by more than one person or entity as Debtor, the obligations of each such person or entity shall be joint and several. Each right, power and remedy of Payee provided in this Note, any other document securing this Note or at law, in equity or otherwise shall be cumulative and may be pursued singularly, successively or together at the sole discretion of Payee, and the failure to exercise any such right, power or remedy shall in no event be construed as a waiver or a release thereof. Time is of the essence with respect to each and every provision hereof in which time is a factor.

EXECUTED BY DEBTOR ON THE DATE SET FORTH ABOVE.

DEBTOR NAME:

By: _____

Title: _____

Print Name: _____

Personal Guaranty

For value received, the undersigned absolutely and unconditionally guarantee prompt payment on this Promissory Note and agree to pay all costs, legal expenses and reasonable attorneys' fees incurred or paid by the holder of this Note in collection and enforcement of this Note or in the enforcement of this guaranty.

Date: _____

Signed: _____

Print Name: _____

Home Address: _____

Signed: _____

Print Name: _____

Home Address: _____

EXHIBIT L-2 TO FRANCHISE DISCLOSURE DOCUMENT

PROMISSORY NOTE WITH GUARANTY

For Purchase of Existing Business

Principal \$ _____

Date: _____

FOR VALUE RECEIVED, _____ ("Debtor"), hereby promises to pay to BENTO SUSHI FRANCHISE, INC., a Delaware corporation ("Payee"), or order, at 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8), or at such other place as Payee may from time to time designate in writing, the principal sum of _____ Dollars (\$ _____), with interest on the unpaid principal balance of this Promissory Note ("Note") from the date of this Note until paid in full at the rate of twelve percent (12%) per annum ("Interest Rate").

1. Payment. Principal and interest under this Note are payable as follows:

(i) On Monday of each week following the date of this Note, Debtor shall pay to Payee weekly installments of principal and interest in the amount of _____ Dollars (\$ _____) in lawful money of the United States of America.

(ii) On _____ (12 months from the date of the first payment, the entire unpaid principal balance and accrued interest under this Note shall be due and payable.

(iii) Debtor shall pay the sums due either by cashier's check, money order, credit card or at Payee's option, via deduction from Adjusted Net Sales due to Debtor from Payee.

2. Prepayment. Debtor may prepay this Note in part or in full, without penalty, at any time.

3. Late Charge and Default Interest Rate. Debtor agrees that if any installment of principal and interest due hereunder becomes overdue for a period more than five (5) days, Debtor shall pay Payee a late charge plus default interest as follows:

A late charge of one percent (1%) of the delinquent amount. If applicable law requires a lesser charge, the maximum rate permitted by law may be charged. Any late charge that accrues during a week shall be payable on the next weekly payment date.

Interest at the rate of fifteen percent (15%) ("Default Interest Rate") on the entire unpaid principal until all delinquent amounts are paid and Debtor becomes current on its obligations under this Note.

Debtor agrees the late fee and default interest provided in this Paragraph shall be payable in addition to all other remedies of Payee hereunder at law or in equity.

4. Acceleration. If Debtor fails to pay any installment within ten (10) days after the same is due, or if any other default occurs under this Note, or under any other Franchise Agreement or addendum between the Debtor and Payee, the entire unpaid principal balance, accrued interest, and other sums payable hereunder shall, at the option of Payee, become immediately due and payable without demand or notice.
5. Application of Payments; No Setoffs. All sums payable hereunder shall be payable without offset, demand, abatement or counterclaim of any kind or nature whatsoever, all of which are hereby waived by Debtor.
6. Waiver. Debtor waives any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of Payee's rights hereunder. No default shall be waived by Payee except in writing. No delay on the part of Payee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Payee of any right or remedy shall preclude other or further exercise thereof, or the exercise of any other right or remedy.
7. Modifications. No modification, discharge, termination or waiver of any of the provisions hereof shall be binding upon Payee, except as expressly set forth in a writing duly signed by Payee.
8. Effect of Default. A default under this Promissory Note constitutes a default under any Franchise Agreement by and between Debtor and Payee.
9. Legal Costs. Debtor agrees to pay all costs, legal expenses, attorneys' fees and paralegals' fees of every kind, paid or incurred by Payee in enforcing its rights hereunder.
10. Successors and Assigns. The terms, covenants and conditions contained herein shall be binding upon the heirs and successors of Debtor and shall inure to the benefit of the successors and assigns of Payee.
11. Choice of Law. This Note, and the rights and obligations hereunder of each of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflicts of law. Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or be invalid under such law, such provision shall be severable, and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Note.
12. Venue and Jurisdiction. Debtor agrees that any suit, action or proceeding arising out of or relating to this Note, or the interpretation, performance or breach of this Note, may be instituted in any state or federal court of general jurisdiction in the City of Buffalo, State of New York, and Debtor irrevocably submits to the jurisdiction of those courts and waives any objection Debtor may have to either the jurisdiction or venue of such court.
13. Miscellaneous. If this Note is executed by more than one person or entity as Debtor, the obligations of each such person or entity shall be joint and several. Each right, power and remedy of Payee provided in this Note, any other document securing this Note or at law, in equity or otherwise shall be cumulative and may be pursued singularly, successively or together at the sole

discretion of Payee, and the failure to exercise any such right, power or remedy shall in no event be construed as a waiver or a release thereof. Time is of the essence with respect to each and every provision hereof in which time is a factor.

EXECUTED BY DEBTOR ON THE DATE SET FORTH ABOVE.

DEBTOR NAME:

By: _____

Title: _____

Print Name: _____

Personal Guaranty

For value received, the undersigned absolutely and unconditionally guarantee prompt payment on this Promissory Note and agree to pay all costs, legal expenses and reasonable attorneys' fees incurred or paid by the holder of this Note in collection and enforcement of this Note or in the enforcement of this guaranty.

Date: _____

Signed: _____

Print Name: _____

Home Address: _____

Signed: _____

Print Name: _____

Home Address: _____

EXHIBIT M TO FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA

Some administrators of franchise registration states may require BSFI to enter into an addendum to the BENTO SUSHI FRANCHISE, INC. Franchise Disclosure Document and Franchise Agreement describing certain state laws or regulations which may supersede the Franchise Disclosure Document or Franchise Agreement. Attached are the addenda for the States of California, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, Virginia, Washington and Wisconsin.

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

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

The Franchise Disclosure Document (“FDD”) for BENTO SUSHI FRANCHISE INC. for use in the State of California is modified in accordance with the following:

1. ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA, SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

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

4. Item 3 of the Franchise Disclosure Document on "Litigation" is amended by the addition of the following:

Neither BENTO SUSHI FRANCHISE INC., nor any person in Item 2 of the 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.

5. Item 5 of the Franchise Disclosure Document is modified to provide that, based on the Franchisor's financial statements, the payment of the initial Franchise Fee is deferred and is not due upon signing the Franchise Agreement. Instead, the initial Franchise Fee is due and payable to the Franchisor on the date Franchisee opens its Bento Sushi Counter.

6. Item 17 of the Franchise Disclosure Document on "Renewal, Termination, Transfer and Dispute Resolution" is amended by the addition of the following:

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

The Franchise Agreement provides for termination upon bankruptcy. This provision may not

be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

The Franchise Agreement requires that litigation of disputes will occur in the State of New York, with the costs being borne by the losing party. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws of the State of Delaware. This provision may not be enforceable under California law.

7. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

8. You must sign a general release if you renew or transfer your franchise. 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).

9. The highest rate of interest allowed in the State of California is 10%. We will not charge you interest greater than 10%.

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

This addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE INC. (Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

1. Section 9.1 of the Franchise Agreement, Initial Fee, shall be amended by replacing it in its entirety with the following:

9.1 Initial Fee. Franchisee shall pay to Franchisor Franchisor's then current initial franchise fee for each Full Service Location to be operated by Franchisee under this Agreement. The initial fee shall be specified in the applicable Location Addendum attached to this Agreement. The payment of the initial fee shall be deferred pending satisfaction of all of the franchisor's pre-opening obligations to the franchisee. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location are less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial fee(s) in a lump sum on the date Franchisee opens its Bento Sushi Counter. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

The payment for the following pre-opening purchases is not required until Franchisee has opened its Bento Sushi Counter:

- Ingredient Purchases
- Label Machines with Printer and Scanner
- Equipment/Smallware
- Manual Lease Fee
- Local Business License and Permits
- Initial Training
- On-Site Training
- Uniforms

2. Section 13 of the Franchise Agreement on Renewal and Section 16 of the Franchise Agreement on Termination by Franchisor are amended by the addition of the following language to the original language that appears therein:

"California Business and Professions Code Sections 20000 through 20043

provide rights to the franchisee concerning termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control."

3. Section 16 of the Franchise Agreement on Termination by Franchisor for Cause is amended by the addition of the following language to the original language that appears therein:

"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. Section 17.2. of the Franchise Agreement on Covenant Not to Compete is amended by the addition of the following language to the original language that appears therein:

"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. Section 18.8. of the Franchise Agreement on Governing Law of the Agreement is amended by the addition of the following language to the original language that appears therein:

"The Franchise Agreement requires application of the laws of the State of Delaware. This provision may not be enforceable under California law."

6. Section 18.8. of the Franchise Agreement on Consent to Jurisdiction is amended by the addition of the following language to the original language that appears therein:

"The Franchise Agreement requires that you litigate only in courts located within the State of New York. This provision may not be enforceable under California law."

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE PROMISSORY NOTES (Exhibits L-1 and L-2)
FOR THE STATE OF CALIFORNIA**

This addendum to the Promissory Notes (for the franchise fee and training fee, and for investment costs of a new sushi counter or purchase price of an existing sushi counter), attached to the Franchise Disclosure Document as Exhibits L-1 and L-2, is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE INC. (Franchisor) and _____ (Franchisee) to amend said Promissory Notes as follows:

The highest rate of interest allowed in the State of California is 10%. We will not charge you interest greater than 10%.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

The Franchise Disclosure Document for Bento Sushi Franchise, Inc. (“Franchisor”) for use in the State of Illinois is modified in accordance with the following:

1. Item 5 of the Franchise Disclosure Document is modified to provide that, based on the Franchisor's financial statements, the payment of the initial Franchise Fee is deferred and is not due upon signing the Franchise Agreement. Instead, the initial Franchise Fee is due and payable to the Franchisor on the date that the franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to the Franchisor’s financial condition.
2. Illinois law governs the Franchise Agreement.
3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.
4. Franchisee’s rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

This Addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE INC. (Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

2. Item 5 of the Franchise Disclosure Document is modified to provide that, based on the Franchisor's financial statements, the payment of the initial Franchise Fee is deferred and is not due upon signing the Franchise Agreement. Instead, the initial Franchise Fee is due and payable to the Franchisor on the date that the franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to the Franchisor's financial condition.
3. Illinois law governs the Franchise Agreement.
4. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.
5. Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
6. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

This Addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE INC. (Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

The Indiana Franchises Law, Title 23, Chapter 2.5, Sections 1 through 51 of the Indiana Code, supersedes any provisions of the Franchise Agreement if such provisions are in conflict with that law.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

The Bento Sushi Franchise, Inc. Franchise Disclosure Document (“FDD”) for use in the State of Maryland is modified in accordance with the following:

1. Item 5 of the Franchise Disclosure Document is modified to provide that, based on the Franchisor's financial statements, the payment of all fees listed in Item 5 shall be deferred pending satisfaction of all of the franchisor’s pre-opening obligations to the franchisee. Instead, all fees listed in Item 5 are due and payable to the Franchisor on the date Franchisee opens its Bento Sushi Counter.
2. Item 17 of the Franchise Disclosure Document on "Renewal, Termination, Transfer and Dispute Resolution" is amended by the addition of the following:

The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11. U.S.C. Section 101 et. seq.).

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

This addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE, INC. (Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

1. Section 9.1 of the Franchise Agreement, Initial Fee, shall be amended by replacing it in its entirety with the following:

9.1 Initial Fee. Franchisee shall pay to Franchisor Franchisor's then current initial franchise fee for each Full Service Location to be operated by Franchisee under this Agreement. The initial fee shall be specified in the applicable Location Addendum attached to this Agreement. The payment of the initial fee shall be deferred pending satisfaction of all of the franchisor's pre-opening obligations to the franchisee. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location are less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial fee(s) in a lump sum on the date Franchisee opens its Bento Sushi Counter. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

1. The payment for the following pre-opening purchases is not required until Franchisee has opened its Bento Sushi Counter:

- Ingredient Purchases
- Label Machines with Printer and Scanner
- Equipment/Smallware
- Manual Lease Fee
- Local Business License and Permits
- Initial Training
- On-Site Training
- Uniforms

2. Paragraph 13.2. of the Franchise Agreement on Renewal, and Paragraph 15.2. of the Franchise Agreement on Transfer by Franchisee are amended by the addition of the following language to the original language that appears therein:

"Any provision allowing Franchisee to execute a general release of any and all claims against Franchisor shall not apply to any liability under Maryland Franchise Registration and Disclosure Law."

4. Paragraph 8.4. of the Franchise Agreement on Marketing and Promotion by Franchisor is amended by the addition of the following language to the original language that appears therein:

"Franchisor will provide Franchisee with an annual accounting of the advertising fees collected."

5. Section 16.1 of the Franchise Agreement on Termination by Franchisor for Cause is amended by the addition of the following language to the original language that appears therein:

"Termination upon bankruptcy of the Franchisor may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)"

6. Paragraph 18.8. of the Franchise Agreement on Governing Law/Consent to Jurisdiction shall be amended by the addition of the following language to the original language that appears therein:

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

7. Paragraph 18.15. of the Franchise Agreement on Limitation of Claims shall be amended by the addition of the following language to the original language that appears therein:

"; provided, however, that the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded Franchisee for bringing a claim under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

8. Section 18.3 and 18.20 of the Franchise Agreement that include Acknowledgements by Franchisee shall be amended by the addition of the following language to the original language that appears therein:

"The representations of this section are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

9. Section 18.9 of the Franchise Agreement on Arbitration shall be amended by the addition of the following language to the original language that appears therein:

“This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective this day of _____, 20__.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE DISCLOSURE ACKNOWLEDGEMENT STATEMENT
FOR THE STATE OF MARYLAND

This Addendum is to a Disclosure Acknowledgement Statement dated _____, 20____
between BENTO SUSHI FRANCHISE, INC. and _____ (Franchisee) to
amend said Statement as follows:

"Nothing contained in this Statement is intended to, nor shall it act as
a release, estoppel or waiver of any liability incurred under the
Maryland Franchise Registration and Disclosure Law."

Date: _____

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

1. Item 5 of the Franchise Disclosure Document on "Trademarks" is amended by the addition of the following language to the original language that appears therein:

“Notwithstanding anything to the contrary contained in this Franchise Agreement, the initial franchise fee is not due until the date you commence business.”

2. Item 13 of the Franchise Disclosure Document on "Trademarks" is amended by the addition of the following language to the original language that appears therein:

"In the event Franchisee's right to the use of any name, mark or commercial symbol licensed hereunder is the subject of any claim, suit or demand (a "threat"), Franchisor shall either defend Franchisee against the threat or indemnify Franchisee from any loss, costs or expenses arising therefrom, provided and on condition, Franchisee:

- A. delivers to Franchisor prompt written notice of the threat;
- B. grants Franchisor written authorization to take unrestricted control over the defense and settlement of the threat with counsel of its choice;
- C. did not cause or give rise to the threat due to a material failure to comply with Franchisor's previously communicated trademark usage requirements;
- D. cooperates promptly and fully with Franchisor in the defense, mitigation, and/or settlement of the threat; and
- E. does not jeopardize or compromise any right, defense, obligation or liability of Franchisor, by making any statement to, or entering into any agreement with, the threatening party which does not have the advance written consent of Franchisor, unless required by applicable law."

3. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language to the original language that appears therein:

"With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement."

"Minnesota Law prohibits franchisors from requiring its franchisees to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability. Therefore, Franchisee shall not be required to agree to subsequently execute a general release of any and all claims against Franchisor and its affiliates, their officers, directors, employees and agents."

"Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

This addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE, INC. (Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

1. Section 9.1 of the Franchise Agreement, Initial Franchise Fee, is modified by the addition of the following language to the original language that appears therein:

“Notwithstanding anything to the contrary contained in this Franchise Agreement, the initial franchise fee is not due until the date you commence business.”

2. Section 13. of the Franchise Agreement on Renewal and Section 16 of the Franchise Agreement on Termination is amended by the addition of the following language to the original language that appears therein:

"Minnesota law provides franchisees with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement. These provisions of Minnesota law are hereby incorporated by reference in this Agreement."

3. Section 13. of the Franchise Agreement on renewal and Section 15. of the Franchise Agreement on the Transfer by Franchisee are amended by the addition of the following language to the original language that appears therein.

"Minnesota Law prohibits franchisors from requiring its franchisees to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability. Therefore, Franchisee shall not be required to agree to subsequently execute a general release of any and all claims against Franchisor and its affiliates, their officers, directors, employees and agents."

4. Section 4 of the Franchise Agreement on Marks is amended by the addition of the following language to the original language that appears therein:

"In the event Franchisee's right to the use of any name, mark or commercial symbol licensed hereunder is the subject of any claim, suit or demand (a "threat"), Franchisor shall either defend Franchisee against the threat or indemnify Franchisee from any loss, costs or expenses arising therefrom, provided and on condition, Franchisee:

- A. delivers to Franchisor prompt written notice of the threat;
- B. grants Franchisor written authorization to take unrestricted control over the defense and settlement of the threat with counsel of its choice;

- C. did not cause or give rise to the threat due to a material failure to comply with Franchisor's previously communicated trademark usage requirements;
- D. cooperates promptly and fully with Franchisor in the defense, mitigation, and/or settlement of the threat; and
- E. does not jeopardize or compromise any right, defense, obligation or liability of Franchisor, by making any statement to, or entering into any agreement with, the threatening party which does not have the advance written consent of Franchisor, unless required by applicable law."

5. Section 17.2 of the Franchise Agreement on Covenants Not to Compete is amended by the addition of the following language to the original language that appears therein:

"These provisions may not be enforceable under Minnesota law."

6. Section 18.8 of the Franchise Agreement on Governing Law/Consent to Jurisdiction is amended by the addition of the following language to the original language that appears therein:

"Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

7. Section 18.11. of the Franchise Agreement on Waiver of Jury Trial is deleted in its entirety.

8. Section 18.15. of the Franchise Agreement on Limitations of Claims is amended by the addition of the following language to the original language that appears therein:

"The statute of limitations under the Minnesota Stat. Sec. 80C.17 Subd. 5 shall govern for actions brought under that law."

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective this day of _____, 20__.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
 Title: _____
 Date Accepted: _____

By: _____
 Title: _____
 Date Accepted: _____

Individual Signatures:

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

1. All references made here to a Franchise Disclosure Document shall be amended to Offering Prospectus.
2. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT J OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

3. The following is added to the State Cover Page, Special Risks:

During the last three years, a large number of franchised outlets were terminated, re-acquired, transferred, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

4. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

5. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

6. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

7. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

8. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

9. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Bento Sushi Franchise Agreement.

10. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

This Addendum is to a Franchise Agreement dated _____, 20__ between Bento Sushi Franchise, Inc. and _____(Franchisee) to amend said Agreement as follows:

1. Section 13 of the Franchise Agreement on Renewal and Section 15.b. of the Franchise Agreement on Transfer by Franchisee amended by the addition of the following language to the original language that appears therein:

"All rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied."

2. Section 15.1. of the Franchise Agreement on Transfer by Franchisor shall be amended by the addition of the following language to the original language that appears herein:

"However, Franchisor shall not assign its rights and obligations to a transferee unless in its reasonable judgment, the transferee is able to fulfill the Franchisor's obligations under its Franchise Agreements."

3. Section 18.8. of the Franchise Agreement on Governing Law/Consent to Jurisdiction shall be amended by the addition of the following language to the original language that appears therein:

"The foregoing choice of law shall not be considered a waiver of any right conferred upon the Franchisee by the provisions of Article 33 of the General Business Law of the State of New York."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective this__day of _____, 20__.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

The Franchisor represents that this offering prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

The Franchise Disclosure Document for Bento Sushi Franchise, Inc. ("Franchisor") for use in the State of North Dakota is modified in accordance with the following:

1. Item 5 of the Franchise Disclosure Document is modified to provide that, based on the Franchisor's financial statements, the payment of the initial Franchise Fee is deferred and is not due upon signing the Franchise Agreement. Instead, the initial Franchise Fee is due and payable to the Franchisor on the date Franchisee opens its Bento Sushi Counter.

2. Item 17, c. of the Franchise Disclosure Document on "Requirements for you to renew or extend" is amended by the addition of the following:

"The execution of a general release upon renewal shall be inapplicable to franchises operating under the North Dakota Franchise Investment Law."

3. Item 17, r. of the Franchise Disclosure Document on "Non-competition covenants after the franchise is terminated or expires" is amended by the addition of the following:

"Covenants not to compete such as those mentioned above are generally unenforceable in the State of North Dakota."

4. Item 17, u. of the Franchise Disclosure Document on "Dispute resolution by arbitration or mediation" shall be amended by the addition of the following:

"Arbitration of disputes with franchises operating under the North Dakota Franchise Investment Law shall be at a location mutually agreeable to the parties."

5. Item 17, v. of the Franchise Disclosure Document on "Choice of forum" shall be amended by the addition of the following:

"The consent to the jurisdiction of the courts of the state of Illinois shall be inapplicable to franchises operating under the North Dakota Franchise Investment Law."

6. Item 17, w. of the Franchise Disclosure Document on "Choice of law" shall be amended by the addition of the following:

"Section 17.e. of the Franchise Agreement on "Governing Law/Consent to Jurisdiction" is inapplicable to franchises operating under the North Dakota Franchise Investment Law."

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

This Addendum is to a Franchise Agreement dated _____, 20__ between Bento Sushi Franchise, Inc. and _____ (Franchisee) to amend said Agreement as follows:

1. Section 9.1 of the Franchise Agreement, Initial Fee, shall be amended by replacing it in its entirety with the following:

9.1 Initial Fee. Franchisee shall pay to Franchisor Franchisor's then current initial franchise fee for each Full Service Location to be operated by Franchisee under this Agreement. The initial fee shall be specified in the applicable Location Addendum attached to this Agreement. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location are less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial fee(s) in a lump sum on the date Franchisee opens its Bento Sushi Counter. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

2. Section 13. of the Franchise Agreement on "Renewal" is amended by the addition of the following language to the original language that appears therein:

"The execution of a general release upon renewal shall be inapplicable to franchises operating under the North Dakota Franchise Investment Law."

3. Section 17.2. of the Franchise Agreement on "Covenant Not to Compete" is amended by the addition of the following language to the original language that appears therein:

"Covenants not to compete such as those mentioned above are generally unenforceable in the State of North Dakota."

4. Section 18.8. of the Franchise Agreement on "Governing Law/Consent to Jurisdiction" is deleted in its entirety.

5. Section 18.11. of the Franchise Agreement on "Waiver of Jury Trial" is deleted in its

entirety.

6. Section 18.15 of the Franchise Agreement on "Limitation of Claims" is deleted in its entirety.

7. Section 18.9 of the Franchise Agreement on "Mandatory and Binding Arbitration" shall be amended in part as follows:

"Arbitration of disputes with franchises operating under the North Dakota Franchise Investment Law shall be at a location mutually agreeable to the parties."

8. Section 18.9 of the Franchise Agreement on "Mandatory and Binding Arbitration" is amended in part by deleting the following phrase: "...provided that the arbitrator shall not have the authority to award exemplary or punitive damages..."

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective this _____ day of _____, 20__.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND**

1. Item 5 of the Franchise Disclosure Document is modified to provide that, based on the Franchisor's financial statements, the payment of the initial Franchise Fee is deferred and is not due upon signing the Franchise Agreement. Instead, the initial Franchise Fee is due and payable to the Franchisor on the date Franchisee opens its Bento Sushi Counter.

2. Item 17 of the Bento Sushi Franchise, Inc. Franchise Disclosure Document for use in the State of Rhode Island is modified to add the following:

19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

This addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE, INC. (Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

1. Section 9.1 of the Franchise Agreement, Initial Fee, shall be amended by replacing it in its entirety with the following:

9.1 Initial Fee. Franchisee shall pay to Franchisor Franchisor's then current initial franchise fee for each Full Service Location to be operated by Franchisee under this Agreement. The initial fee shall be specified in the applicable Location Addendum attached to this Agreement. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location are less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial fee(s) in a lump sum on the date Franchisee opens its Bento Sushi Counter. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

2. Section 18.8. of the Franchise Agreement on Governing Law is amended by the addition of the following language to the original language that appears therein:

"The Rhode Island Franchise Investment Act provides with respect to a claim enforceable under the Act that any provision in a franchise agreement requiring application of the laws of a state other than Rhode Island is void. Accordingly, Rhode Island laws will apply to a claim enforceable under the Act."

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA**

1. Item 5 of the Franchise Disclosure Document is modified to provide that, based on the Franchisor's financial statements, the payment of the initial Franchise Fee is deferred and is not due upon signing the Franchise Agreement. Instead, the initial Franchise Fee is due and payable to the Franchisor on the date Franchisee opens its Bento Sushi Counter.

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF SOUTH DAKOTA**

This addendum to the Franchise Agreement is agreed to this _____ day of _____, 20____, between BENTO SUSHI FRANCHISE, INC. (Franchisor) and _____ (Franchisee) to amend said Agreement as follows:

1. Section 9.1 of the Franchise Agreement, Initial Fee, shall be amended by replacing it in its entirety with the following:

9.1 Initial Fee. Franchisee shall pay to Franchisor Franchisor's then current initial franchise fee for each Full Service Location to be operated by Franchisee under this Agreement. The initial fee shall be specified in the applicable Location Addendum attached to this Agreement. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location are less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial fee(s) in a lump sum on the date Franchisee opens its Bento Sushi Counter. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
a Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

EXHIBIT M

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINIA**

This Addendum is to the Franchise Disclosure Document of Bento Sushi Franchise, Inc. for the Commonwealth of Virginia.

1. Consider the following risk factors:

The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

2. Item 5 of the Franchise Disclosure Document is modified to add the following:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

3. Item 17.h. shall be amended to add the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE COMMONWEALTH OF VIRGINIA

This Addendum is to a Franchise Agreement dated _____, 20__ between Bento Sushi Franchise, Inc. and _____(Franchisee) to amend said Agreement as follows:

1. Section 9.1 of the Franchise Agreement, Initial Fee, shall be amended by replacing it in its entirety with the following:

9.1 Initial Fee. Franchisee shall pay to Franchisor Franchisor's then current initial franchise fee for each Full Service Location to be operated by Franchisee under this Agreement. The initial fee shall be specified in the applicable Location Addendum attached to this Agreement. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location are less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. Franchisee shall pay the initial fee(s) in a lump sum on the date Franchisee opens its Bento Sushi Counter. The fee is deemed to be fully earned on signing each addendum, and is nonrefundable. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

2. Section 16.1.p of the Franchise Agreement on Termination for Failure to Successfully Complete Initial Training is amended to read in its entirety as follows:

Successful Completion of Training. The grant of the franchise herein is conditioned upon successful completion of the initial training Franchisee (or Franchisee's individual owner if Franchisee is a corporation, partnership, or other entity.) If during the course of the training programs or within fifteen (15) days thereafter Franchisor concludes that Franchisee has not successfully completed the initial training, Franchisor may, in its sole discretion and judgment, cancel this Agreement and all rights hereunder, where permitted by applicable law, by giving notice to Franchisee and tendering to Franchisee a refund of its initial franchise fee less an amount to cover the reasonable expenses incurred by Franchisor in connection with training Franchisee. Franchisee agrees that such refund shall be the full extent of Franchisor's liability and responsibility in the event of such cancellation, and Franchisee and its owners shall execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, officers, directors, employees and

agents. Upon cancellation of this Agreement, Franchisee shall return to Franchisor all materials, manuals, information and all other items that Franchisee received from Franchisor, including all copies thereof and notes thereon which Franchisee may have or control. Franchisee further agrees to maintain strictly the confidentiality of all information received relating to the Bento Sushi System and not to use in the operation of a food service or similar business, any trade secrets or confidential information obtained from Franchisor in the course of the training program or otherwise.

Passing Criminal and Drug Tests. Franchisee fails to pass any required criminal background check and/or drug, tuberculosis or other chemical and disease testing;

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.

Franchisee:

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT M

BENTO SUSHI FRANCHISE, INC. ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF WASHINGTON

This Addendum is to the Franchise Disclosure Document of Bento Sushi Franchise, Inc. for the State of Washington.

1. Items 5 and 7 of the Franchise Disclosure Document are modified to provide that, based on the Franchisor's financial statements, the payment of the initial Franchise Fee is deferred and is not due upon signing the Franchise Agreement. Instead, all initial franchise fees will be deferred until (a) the franchisor has fulfilled its initial pre-opening obligations to the franchisee; and (b) the franchisee is open for business. The fees subject to deferral include all initial franchise fees payable by the franchisee to the franchisor prior to the opening of the franchisee's business.
2. The State of Washington has a Statute, RCW 19.100.180 which may supersede the franchise agreement with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship within the franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
4. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
5. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will

be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor or a franchise under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee or the same franchisors or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

EXHIBIT M

BENTO SUSHI FRANCHISE, INC. ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

This Addendum is to a Franchise Agreement dated _____, 20__ between Bento Sushi Franchise, Inc. and _____ (Franchisee) to amend said Agreement as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
4. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
5. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor or a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
6. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee or the same franchisors or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

7. Section 9.1 of the Franchise Agreement, Initial Fee, shall be amended by replacing it in its entirety with the following:

9.1 Initial Fee. Franchisee shall pay to Franchisor the initial fee as specified in the applicable Location Addendum attached to this Agreement. Franchisee acknowledges that the initial franchise fees for the Limited Service Location and the Satellite location may be less than for the Full Service Location. However, Franchisee must have at least one operating Full Service Location to be granted rights to a Limited Service or Satellite location. All initial franchise fees will be deferred until (a) the franchisor has fulfilled its initial pre-opening obligations to the franchisee; and (b) the franchisee is open for business. The fees subject to deferral include all initial franchise fees payable by the franchisee to the franchisor prior to the opening of the franchisee's business. There shall be no refunds or prorations if a location starts as a Full Service Location and later is converted into a Limited Service Location or a Satellite Location. However, if a location starts as a Limited Service Location or a Satellite Location and later is converted into a Full Service Location, then Franchisee shall pay Franchisor the difference between the initial franchise fee Franchisee paid for the initial Location and Franchisor's then current initial franchise fee for a Full Service Location.

8. Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20_____.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

**BENTO SUSHI FRANCHISE, INC.
ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

This Addendum is to a Franchise Agreement dated _____, 20__ between Bento Sushi Franchise, Inc. and _____(Franchisee) to amend said Agreement as follows:

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provisions of the Franchise Contract or Agreement if such provisions are in conflict with that law.

In witness whereof, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the _____ day of _____, 20__.

Franchisor:
BENTO SUSHI FRANCHISE, INC.
A Delaware corporation

Franchisee:
Corporate/LLC Signature:

a _____ corporation/LLC

By: _____
Title: _____
Date Accepted: _____

By: _____
Title: _____
Date Accepted: _____

Individual Signatures:

EXHIBIT N TO FRANCHISE DISCLOSURE DOCUMENT

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

| State | Effective Date |
|--------------|-----------------------|
| California | Pending |
| Hawaii | Not Registered |
| Illinois | Pending |
| Indiana | Pending |
| Maryland | Pending |
| Michigan | April 3, 2023 |
| Minnesota | Pending |
| New York | Pending |
| North Dakota | Pending |
| Rhode Island | Pending |
| South Dakota | Pending |
| Virginia | Pending |
| Washington | Pending |
| Wisconsin | Pending |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT (Your Copy)

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully. If Bento Sushi Franchise, Inc. ("BSFI" or "Franchisor") offers you a franchise, it must provide this Franchise 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 state law requires a franchisor to provide the Franchise 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. You must also receive a Franchise Agreement containing all material terms at least 7 calendar days before you sign any Franchise Agreement.

If BSFI does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state agencies listed in Exhibit G. BSFI authorizes the agents listed in Exhibit H to receive service of process for BSFI.

The issuance date of this disclosure document is April 12, 2023.

- ___ Glenn Brown, 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8, phone: 905/513-0028
- ___ David Sutton Jones, 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8, phone: 416/882-4328
- ___ Michelle Nur-Chowdhury, 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone: 267-474-8220
- ___ Shin Hong Choi, 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8, phone: 647/678-4403
- ___ Adam J. Friedman, 501 Cambria Avenue, Suite 124, Bensalem, PA 19020 phone: 917/275-3670
- ___ Kyungtae Koo, 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone: 732/289-4786
- ___ Alex Stewart., 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone: 808/286-8169
- ___ Other: _____

The names of additional franchise sellers will be provided to you prior to your signing the Franchise Agreement.

I have received a Franchise Disclosure Document with an issuance date of April 12, 2023, and an effective date for state registrations as noted on Exhibit N of this Disclosure Document. This Franchise Disclosure Document includes the following Exhibits:

- | | |
|---|--|
| Exhibit A - Franchise Agreement and Addenda | Exhibit J – Table of Contents of Bento Guest Experience Manual |
| Exhibit B – Financial Statements | Exhibit K –Business Sale Agreement |
| Exhibit C - Disclosure Acknowledgement Statement | Exhibit L-1 – Promissory Note for franchise fee |
| Exhibit D – Confidentiality and Non-Competition Agreement | Exhibit L-2 – Promissory Note for investment costs of new sushi counter or purchase price of existing sushi counter |
| Exhibit E - List of Current Franchisees | Exhibit M – State Addenda for California, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin |
| Exhibit F- List of Former or Inactive Franchisees | Exhibit N – State Effective Dates |
| Exhibit G - List of State Administrators | |
| Exhibit H - List of Agents for Service of Process | |
| Exhibit I - General Release | |

Dated: _____

By: _____
Individually and/or as an Officer or Partner of:

- A _____ Corporation
- A _____ Partnership
- A _____ Limited Liability Company

(BSFI FDD 2023.005 Multistate, FA 2023.001)

KEEP THIS COPY FOR YOUR RECORDS

RECEIPT (BSFI's Copy)

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully. If Bento Sushi Franchise, Inc. ("BSFI" or "Franchisor") offers you a franchise, it must provide this Franchise 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 state law requires a franchisor to provide the Franchise 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. You must also receive a Franchise Agreement containing all material terms at least 7 calendar days before you sign any Franchise Agreement.

If BSFI does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state agencies listed in Exhibit G. BSFI authorizes the agents listed in Exhibit H to receive service of process for BSFI.

The issuance date of this disclosure document is April 12, 2023.

The names, principal business address, and phone number of the franchise sellers offering the franchise are

- ___ Glenn Brown, 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8, phone: 905/513-0028
- ___ David Sutton Jones, 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8, phone: 416/882-4328
- ___ Michelle Nur-Chowdhury, 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone: 267-474-8220
- ___ Shin Hong Choi, 25 Centurian Drive, Suite 208, Markham, Ontario, Canada L3R5N8, phone: 647/678-4403
- ___ Adam J. Friedman, 501 Cambria Avenue, Suite 124, Bensalem, PA 19020 phone: 917/275-3670
- ___ Kyungtae Koo, 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone: 732/289-4786
- ___ Alex Stewart,, 501 Cambria Avenue, Suite 124, Bensalem, PA 19020, phone: 808/286-8169
- ___ Other: _____

The names of additional franchise sellers will be provided to you prior to your signing the Franchise Agreement.

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Dated: _____

By: _____
Individually and/or as an Officer or Partner of:

- A _____ Corporation
- A _____ Partnership
- A _____ Limited Liability Company

(BSFI FDD 2023.005 Multistate, FA 2023.001)

(mail to 501 Cambria Avenue, Suite 124, Bensalem, PA 19020)