

Persons/Entities also have the right to stop selling and/or providing any goods and/or services to you until you have cured all defaults.

16.11 Prompt Notice of Claims by You. You understand that you are not permitted to terminate this Agreement for any default committed by us, except as permitted by applicable law. If you claim that such a default exists (or that you have any other basis for terminating your obligations and our rights under this Agreement or making any other claim against us), you must give us written notice and thirty (30) days to cure; any action by you to terminate may not proceed until we have had such notice and an opportunity to cure. If we cannot reasonably cure within such thirty (30) day period, and we are diligently continuing efforts to cure, then we will have ninety (90) days to cure; provided that i) any dispute regarding our withholding consent with respect to a proposed transfer by you, or any other dispute in which delay may cause you significant harm or loss, may be immediately processed as provided in Section 19.1; and ii) any claim for equitable relief with respect to a dispute under Section 19.1 (H) shall not be subject to this Section 16.11. Any applicable statutes of limitations will be tolled during such 30/90-day periods.

17. RIGHTS AND OBLIGATIONS ON TRANSFER, REPURCHASE, TERMINATION AND/OR EXPIRATION OF THE FRANCHISE.

17.1 Payments of All Amounts Owed, etc. You must pay all royalties, marketing contributions and all amounts of any kind owed to us and/or any Franchisor-Related Persons/Entities within ten (10) days after the Repurchase, Termination or expiration of the Franchise, or from a later date when the amounts due can be determined.

17.2 Intellectual Property, Confidential Information, Trade Dress, etc. After any Transfer, Repurchase, Termination or expiration of the Franchise:

A. You agree to immediately and permanently discontinue your SanSai business and any use of the Intellectual Property and/or the Confidential Information, as defined in Article 22, and will not use any similar or derivative marks, or materials, or colorable imitations of any of the Intellectual Property in any medium or manner or for any purpose;

B. You will return to us or (at our option) destroy all software, Manuals, forms, materials, signage and any other items containing any Intellectual Property or Marks, or otherwise identifying or relating to a SanSai Japanese Grill (to the extent they have not been assigned in connection with an authorized Transfer or a Repurchase);

C. You will take such actions as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark which have not been assigned in connection with an authorized Transfer or a Repurchase;

D. You will remove from the Premises any distinctive signage, physical and/or structural features associated with the Trade Dress of SanSai Japanese Grills, so that the Premises are clearly distinguished from other SanSai Japanese Grills and do not create any public confusion (to the extent they have not been assigned in connection with an authorized Transfer or a Repurchase);

E. You agree not to identify yourself, or any business you may operate or in which you may become involved, or to advertise or promote yourself in any manner, as a present or former SanSai franchisee;

F. You will furnish to us within thirty (30) days satisfactory evidence of your compliance with the obligations described in this Section 17.2 and in Section 17.3, below. If you operate any business using any of the Intellectual Property, Marks, Confidential Information or any aspect of the System, our remedies will include (but will not be limited to) recovery of the greater of i) all profits earned by you in the

operation of such business, or ii) all royalties, advertising contributions and other amounts which would have been due if this Agreement remained in effect with you.

17.3 Telephone and Other Directory Listings, Internet Sites.

A. You understand and agree that we own all telephone numbers, domain names, Internet addresses/sites and/or other communications services links (collectively, the "Numbers"), and any related directory listings/advertising, used in connection with the operation of your SanSai Japanese Grill. We may, in our Business Judgment, require you to sign an assignment of such Numbers prior to training or at another time. After any Termination, Repurchase and/or expiration of the Franchise, you will promptly transfer, call-forward, discontinue or otherwise deal with the Numbers and any related directory listings/advertising as we direct. You agree to sign any documents and/or pay any amounts required by a telephone/communication services provider as a condition to our exercising any rights under this Section. By signing this Agreement, you irrevocably appoint us your attorney in fact to take any such actions regarding the Numbers and any related directory listings/advertising if you do not do so yourself within ten (10) days after the Termination, Repurchase or expiration of this Franchise. Such companies may accept this Agreement as conclusive evidence of our exclusive rights in such Numbers and related directory listings, web pages and advertising/marketing.

B. If we choose at any time to be direct billed by a provider for any account for the Numbers and/or directory listings/advertising, you agree to pay us all amounts due such providers within ten (10) days of our written notice to you. If you fail on two or more occasions to pay any such amounts to us when due, then we may require you to maintain a deposit with us in an amount reasonably determined by us based upon usage history and other relevant factors.

17.4 Continuing Obligations.

A. All obligations and rights which expressly or by their nature survive the Transfer, Repurchase, Expiration or Termination of this Agreement will continue in full force and effect until they are satisfied or by their nature expire (including but not limited to indemnity, non-competition and confidentiality rights and obligations; obligations to pay and the provisions of Articles 19 and 21). These obligations continue notwithstanding any rejection of this Agreement in a bankruptcy proceeding or otherwise.

B. If this Agreement is Terminated because of a default of yours, you will not be released or discharged from your obligations, including payment of all amounts then due and other amounts which would have become due under this Agreement if you had continued in operation as a SanSai Franchisee for the full term. Our remedies will include (but are not limited to) the right to collect the present value of these amounts and to receive the benefit of our bargain with you, as well as to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to us or any Affiliates of ours. You and we agree that it would be commercially unreasonable and damaging to the integrity of the SanSai system if a SanSai Franchisee could default and then escape the financial consequences of his contractual commitment to meet payment obligations for the term of the Agreement. You (and each of your owners/Affiliates) agree to sign a General Release if we choose in our Business Judgment to waive our rights to collect any amounts that would have become due if you had continued in operation as a SanSai Franchisee. This option of ours may be exercised at any time.

I have read Sec. 17.1-17.4, understand them, and agree with them.

Your Initials: _____ / _____

18. GRANT OF SECURITY INTEREST.

For valuable consideration, as security for the payment of all amounts owing or to be owed by you (and/or any Affiliate of yours) to us (and/or any Affiliate of ours) under this Agreement or any other agreements, and your performance of all obligations thereunder, you hereby grant to us a security interest in all proceeds of your SanSai Japanese Grill and in all of the assets, including equipment, furniture, fixtures and signs, used by, at or in connection with, your SanSai Japanese Grill and its related business and (the "Collateral"). You will not remove the Collateral or any portion thereof without our prior written consent. You represent and warrant that the security interest granted is prior to all other security interests in the Collateral except for (i) bona fide purchase money security interests and (ii) the security interest granted to a third party in connection with your original financing for your SanSai Japanese Grill, if any. In connection with any request for our approval of a security interest, we will make commercially reasonable efforts to accommodate reasonable lender's requirements, including the subordination of our interests to the lender's and/or lessor's, as applicable, in our Business Judgment, bearing in mind the interests of the borrower, lender, ourselves and the System. On the occurrence of any event entitling us to Terminate this Agreement or any other agreement between the parties, or if we reasonably determine that we are not assured that your (and/or any Affiliates') obligations will be timely and fully paid and/or performed, we will have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which your SanSai Japanese Grill is located, including, without limitation, the right to take possession of the Collateral. You will execute and deliver to us financing statements and/or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within ten (10) days of your receipt of such documents from us.

I have read Art. 18, understand it, and agree with it.
Your Initials: _____ / _____

19. DISPUTE AVOIDANCE AND RESOLUTION.

For the purposes of this Article 19, "you" shall be deemed to include your owners, Affiliates and their respective employees, and "we" shall be deemed to include "Franchisor-Related Persons/Entities."

19.1 MEDIATION AND MANDATORY BINDING ARBITRATION, WAIVER OF RIGHT TO TRIAL IN COURT, etc. You and we believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. You and we have agreed that the provisions of this Article 19 support these mutual objectives and, therefore, agree as follows:

A. **Claim Process:** Any litigation, claim, dispute, suit, action, controversy, or proceeding **of any type whatsoever** including any claim for equitable relief and/or where you are acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving you and us on whatever theory and/or facts based, and whether or not arising out of this Agreement, ("Claim") will be processed in the following manner, you and we each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 19.1 (H).

1) First, discussed in a face-to-face meeting held within thirty (30) days after either you or we give written notice to the other proposing such a meeting.

2) Second, if not resolved, submitted to non-binding mediation for a minimum of four (4) hours before i) Franchise Arbitration and Mediation, Inc. ("FAM") or its successor (or an organization designated by FAM or its successor), or ii) any other mediation organization approved by all

parties, or iii) by Judicial Arbitration and Mediation Service ("JAMS") or its successor (or an organization designated by JAMS or its successor), if FAM cannot conduct such mediation and the parties cannot agree on a mediation organization. We will pay the costs of the first four (4) hours of any mediation, and no mediation is required to extend beyond such four (4) hour period. Any mediation/arbitration (and any appeal of arbitration) will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

3) Third, submitted to and finally resolved by binding arbitration before and in accordance with the arbitration rules of FAM or its successor (or an organization designated by FAM or its successor); provided that if such arbitration is unable to be heard by any such organizations, then the arbitration will be conducted before and in accordance with the arbitration rules of JAMS or its successor (or an organization designated by JAMS or its successor); provided that, in any case, arbitration may be filed prior to a face-to-face meeting and/or mediation, with such face-to-face meeting and/or mediation to follow as quickly thereafter as possible. All arbitrators shall be experienced in franchising. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction (subject to the opportunity for appeal as contemplated below). The arbitrator's award shall be in writing. On request by either party, the arbitrator shall provide to all disputants a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitrator's fees and costs connected therewith.

4) Fourth, a final award by an arbitrator (there will be no appeal of interim awards or other interim relief), may be appealed within thirty (30) days of such final award. Appeals will be conducted before a three (3) arbitrator panel appointed by the same organization as conducted the arbitration, each member of which shall be experienced in franchising. The arbitration panel will not conduct any trial de novo or other fact-finding function. Such panel's decision shall be in writing, may be entered in any court having jurisdiction and will be binding, final and non-appealable. On request by either party, the arbitration panel shall provide to all disputants a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitration panel's fees and costs connected therewith.

B. Confidentiality: The parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

C. Location and Attendees: Any mediation/arbitration (and any appeal) will be conducted exclusively at a neutral location in the county in which our then-current headquarters is located, which may change from time to time, and be attended by you and us, and/or designees authorized to make binding commitments on each of our respective behalves; provided that if any court determines that this provision is unenforceable for any reason, mediation/arbitration (and any appeal) will be conducted at a location near your unit.

D. Arbitration Authority: Arbitrators in any proceeding under this Article 19 shall apply all applicable law, and a failure to apply the applicable law in accord with Section 19.14 shall be deemed an act in excess of authority. The arbitrator shall decide any questions relating in any way to the parties' agreement (or claimed agreement) to arbitrate, including but not limited to applicability, subject matter, timeliness, scope, remedies, claimed unconscionability and any alleged fraud in the inducement. The arbitrator may issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc. by any court having jurisdiction. The subpoena powers of the arbitrator with respect to witnesses to appear at the arbitration proceeding shall not be subject to any geographical limitation.

E. Discovery: The disputants shall have the same discovery rights as are available in civil actions under the state law selected in Section 19.14.

F. Compulsory Counter-claims: Each participant must submit or file any claim which would constitute a compulsory counter-claim (as defined by the applicable rule under 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 will be forever barred. In no event may offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a dispute be admitted into evidence or otherwise used in any arbitration or other proceeding, and any arbitration award in violation of this provision shall be vacated by the arbitration appeal panel (described above) and/or any court having jurisdiction.

G. Fees and Costs: Subject to the provisions of Section 19.7, the parties will bear their own fees and costs, including attorneys' fees; provided that for matters not settled through agreement of the parties, the arbitrator may assess all, or any portion, of the fees and costs incurred in connection with any arbitration and/or appeal (but not any attorneys' fees) against the party who does not prevail.

H. Disputes Not Subject to the Mediation/Arbitration Process: Claims or disputes relating primarily to the validity of the Marks and/or any Intellectual Property licensed to you may be subjected to court proceedings or to the Process outlined in 19.1 (A), above, at our sole election; provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any Intellectual Property licensed to you and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the Process outlined in 19.1 (A). Any action to compel a party's compliance with Section 19.1 must be consistent with Section 19.2, below.

I. Your and Our Intentions: You and we mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, provincial or other law, and/or any statements in our Offering Circular required by a state/province as a condition to registration or for some other purpose,:

1) all issues relating to arbitration and/or the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

2) all provisions of this Agreement (including, but not limited to, Articles 19 and/or 21) shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, shortened periods in which to bring Claims;

3) you and we intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

4) you and we each knowingly waive all rights to a court trial (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring mediation and/or arbitration as provided in this Agreement; and

5) the terms of this Agreement (including but not limited to this Article 19) shall control with respect to any matters of choice of law.

19.2 Venue. Without in any way limiting or otherwise affecting your and our obligations under Section 19.1, above, you and we agree that any litigation will be held in the United States District Court

encompassing our then-current headquarters (the "Proper Federal Court"). Proceedings will be held only in the Proper Federal Court, subject to the following exceptions:

A. if a basis for federal jurisdiction does not exist, then any such proceeding shall be brought exclusively before a court in the most immediate state judicial district encompassing our then-current headquarters and having subject matter jurisdiction (the "Proper State Court");

B. proceedings to remove or transfer a matter to the Proper Federal Court and/or to compel arbitration as contemplated by this Agreement may be brought in the court where the applicable action is pending and/or the Proper State or Federal Court; and

C. any action primarily with respect to any real and/or personal property (including any action in unlawful detainer, ejectment or otherwise) may be brought in any court of competent jurisdiction and/or the Proper State or Federal Court.

19.3 Terms Applicable to All Proceedings, Waiver of Trial by Jury, Class Action Rights.

With respect to any arbitration, litigation or other proceeding of any kind, you and we:

A. **Knowingly waive all rights to trial by jury;**

B. **Will pursue any proceeding on an individual basis only, and not on a class-wide or multiple plaintiff basis;** provided that if this provision is not enforceable for any reason, then you and we agree that with respect to any multiple plaintiff or class action, a court will supervise the procedural aspects directly related to the multiple plaintiff/class nature of the proceeding (e.g. certification of the class, appropriateness of class representation, approval of attorneys' fees incurred on behalf of the class, approval of any settlement, etc.) and the arbitrator will decide all substantive matters related to the actual claims, including liability and damages.

19.4 Limitations on Damages and/or Remedies. Your liability, together with that of any and all Affiliates of yours, will be limited to a maximum total amount equal to the then-current level required for Federal diversity jurisdiction (currently \$75,000), plus One Thousand Dollars, for any and all claims, whenever brought, subject to inflation adjustment (liability for the present value of all payments which normally would have been owed by you if the franchise had continued in existence for its full term, together with any past due payments owed to us and/or any Affiliate, are subject to and part of such total limit); provided that there shall be no limitation on indemnity obligations. Our maximum liability, together with that of any and all of the Franchisor-Related Persons/Entities, will also be limited to a maximum total amount equal to the then-current level required for Federal diversity jurisdiction (currently \$75,000), plus One Thousand Dollars, for any and all claims, whenever brought, subject to inflation adjustment.

19.5 Periods In Which to Make Claims. No arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either you or us will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of the earlier of:

1) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

2) Eighteen (18) months after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. If any

federal, state or provincial law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party (ies) have been found liable and any time for appeals has run in the underlying action.

19.6 Survival of Obligations.

A. Each provision of this Article 19, together with the provisions of Article 21, will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, Termination, rescission, or finding of unenforceability of this Agreement (or any part of it) for any reason; will survive and will govern any Claim for rescission; and will apply to and govern any Claim against, or with respect to, the Marketing Fund. Notwithstanding any bankruptcy or other proceeding, you and we wish to have the dispute avoidance and resolution provisions of this Agreement strictly enforced according to their terms.

B. Non-competition, confidentiality, protection of the Marks and indemnity/hold harmless obligations, and all other Post-Termination Provisions, provided in this Agreement shall survive the expiration and/or Termination of this Agreement according to their terms.

19.7 Costs and Attorneys' Fees. Except as expressly provided regarding recovery of attorneys' fees as part of indemnification rights hereunder, or in this Section, or as otherwise expressly provided in this Agreement, the parties will each bear their own costs of enforcement and/or defense (including but not limited to attorneys' fees), including those matters resolved pursuant to a settlement agreement between the parties. However, if any case is summarily disposed of in an arbitration or litigation proceeding for lack of merit (such as by summary judgment or award, judgment on the pleadings, judgment n.o.v., non-suit, motion to dismiss, directed verdict or similar disposition in arbitration or court), the party bringing such case shall pay for the other party's costs of enforcement and/or defense (including, but not limited to, attorneys' fees.)

19.8 Binding Effect, Modification. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified or supplemented except by means of a written agreement signed by both you and our President or one of our Vice Presidents. However, you and we understand and agree that changes to the Manuals made in accordance with this Agreement are binding and do not require any acceptance by you, written or otherwise, to be effective and enforceable. No other officer, field representative, salesperson or other person has the right or authority modify this Agreement, or to make any representations or agreements on our behalf, and any such modifications, representations and/or agreements shall not be binding.

19.9 Our Exercise of "Business Judgment" and/or Meaning of "Sole Discretion": Express Agreement.

A. When we use the phrases "sole and absolute discretion", "sole discretion" and/or "Business Judgment", whether in this Agreement or another context, you and we agree that we have the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions. We shall use our judgment in exercising such discretion based on our assessment of the interests we consider appropriate and will not be required to consider your individual interests or the interests of any other Franchisee(s). You, we and all other Franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including but not limited to the competitive environment, new regulatory developments and emerging business opportunities. Therefore, you and we agree that the ultimate decision-making responsibility for the SanSai System must be vested in us. So long as we act in compliance with the requirements of this Agreement, we will have no liability for the exercise of our discretion in accordance with the provisions of this Agreement.

B. You and we shall execute this Agreement in the belief that it is the basis for a long-term business relationship and should be enforced according to its express provisions. Neither you nor we have any expectation that the rights and obligations described herein will be defined or determined to be other than as expressly written, or that additional obligations will be imposed on you or us which you or we have not expressly assumed in writing. It would be contrary to your and our intentions and expectations to impose any doctrine, rule of interpretation or "covenant" such as an "implied covenant of good faith and fair dealing."

19.10 Construction, etc.

A. Section and Article headings are for convenience only and do not define, limit, or construe such provisions.

B. References to a "controlling interest" are to a shareholder, membership or partnership interest, as applicable, which enables the holder(s) of such interest to determine the outcome of a decision making process for the applicable entity.

C. This Agreement will be executed in multiple copies, each of which will be deemed an original.

D. Each of us have carefully reviewed and thought about each provision of this Agreement. Therefore, you and we agree that it should be deemed to have been drafted equally and that no presumptions or inferences concerning terms or interpretation will result because we initially prepared this Agreement.

19.11 Non-Retention of Funds. Neither party has the right to offset or withhold payments of any kind owed or to be owed to the other against amounts purportedly due as a result of any dispute of any nature or otherwise, except as authorized by an arbitration award.

19.12 Severability; Substitution of Valid Provisions. Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution). Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement. To the extent that any provision of this Agreement, or any specification, standard or operating procedure prescribed by us, is invalid or unenforceable, you and we agree that such provisions will be modified or enforced to the fullest extent permissible under, and to be compliant with, governing law. This Agreement will be deemed automatically modified to comply with governing law if such law requires: i) a greater time period for notice of the Termination of, or refusal to renew, this Agreement; or ii) the taking of some other action not described in this Agreement. Such modifications to this Agreement shall be effective only in such jurisdiction. You and we agree that the unenforceability of any provision of this Agreement will not affect the remainder of this Agreement. If any limitation on your and/or our rights (including, but not limited to, any limitation on damages, waiver of jury trial, shortened period in which to make any claim or otherwise) is held unenforceable with respect to one party, then such limitation will not apply to the other party.

19.13 Waivers; Cumulative Rights. Subject to the provisions of Section 19.5, no waiver by either party of any breach, default or unfulfilled condition under this or any other agreement between the parties shall be deemed a waiver of any subsequent or other breach, default or unfulfilled condition. No waiver shall be effective unless in writing and signed by an authorized representative of the signing party. The rights and remedies provided in this Agreement are cumulative. Except as expressly provided in this Agreement, no party will be prohibited from exercising any rights or remedies provided under this Agreement or permitted under law or equity.

19.14 Choice of Laws. You and we agree on the practical business importance of certainty as to the law applicable to your and our relationship and its possible effect on the development and

competitive position of the System. Therefore, you and we also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning you and us, will be governed by, and construed and enforced in accordance with, the laws of the state in which your Traditional SanSai Japanese Grill is located.

You and we agree that this provision shall be enforced without regard to the laws of such state relating to conflicts of laws or choice of law; except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, and/or relationship laws) shall not apply unless such state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section.

19.15 Application of Agreement to Parties and Others; Joint and Several Liability.

A. The rights and obligations of this Agreement run directly between you and us and are not intended to create any third-party beneficiary or similar rights or obligations unless specifically expressed in this Agreement; except that the protections which apply to us relating to indemnification and/or releases shall also apply to any past, current and/or future Franchisor-Related Persons/Entities as if they were expressly named beneficiaries thereof.

B. We have the right to elect in our Business Judgment to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to you and/or any other franchisee or other person, in a lawful manner without liability.

C. If two (2) or more persons are at any time the Franchisee or the Franchisee owners, all of their obligations and liabilities under this or any other agreement with us and/or any Franchisor-Related Persons/Entities will be joint and several.

19.16 Fundamental Business Intention to Mediate and/or Arbitrate, Severability of Dispute Resolution Provisions, Federal Arbitration Act Governs, etc.

Irrespective of any statute, regulation, decisional law or otherwise, it is your and our **fundamental agreement and intention that you and we do not wish to engage in any court proceedings** (except as expressly provided for in the rare instances specified in this Agreement), viewing the dispute resolution mechanism established by this Agreement (including, particularly, mediation and binding arbitration) to be superior from a business standpoint, less expensive, faster, more confidential, more likely to generate creative business-oriented solutions and compromise, and more accommodating to our business relationship and the needs of an evolving and diverse franchise system. Therefore, if any provisions of this Article 19 are deemed by a court to be unenforceable for any reason, you and we agree and intend that such provisions will be i) modified so as to be enforceable or ii), if that cannot be done, severed **and, in any event, any remaining portions of this Article 19 shall remain in full force and effect.** You and we agree that such remaining portions will still form an appropriate and complete dispute resolution mechanism. You and we acknowledge that your and our activities relating to the franchise relationship are in interstate commerce and that this Agreement is governed by the Federal Arbitration Act.

I have read Sec. 19.1-19.16, understand them, and agree with them.

Your Initials: _____ / _____

20. NOTICES AND PAYMENTS.

All written notices and reports to be delivered by the provisions of this Agreement or of the Manuals will be deemed so delivered when delivered by hand, immediately on transmission by facsimile transmission or other electronic system, including e-mail or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to us at SanSai USA, Inc., 615 S. Central, Los Angeles, California 90021 (or our then-current headquarters), to the attention of the President, and to you, at your SanSai Japanese Grill. Until your SanSai Japanese Grill has opened for business, we may send you notices at any address appearing in your application for a franchise or in our records. Any required payment or report not actually received by us during regular business hours on the date due will be deemed delinquent. Notice to any one Franchisee, or owner of the Franchisee, shall be deemed effective as to all Franchisees under this Agreement and all owners of the Franchisee(s). Any party may change its address for receipt of notices by providing prior written notice of such change to the other party.

BE SURE YOU READ THE FOLLOWING ARTICLE 21 CAREFULLY TO AVOID ANY MISUNDERSTANDINGS.

21. ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT, NO FIDUCIARY RELATIONSHIP, ETC.

A. You and we agree that your and our relationship is not a fiduciary or similar special relationship, but rather is an ordinary commercial relationship between independent business people with arms length dealings.

B. You acknowledge that you (and each of your owners, if you are a Business Entity) have had the opportunity and been advised by us to have this Agreement and all other documents reviewed by your own attorney, and that you've read, understood, had an opportunity to discuss and agreed to each provision of this Agreement. You agree that you've been under no compulsion to sign this Agreement.

C. You and we expressly acknowledge and agree that the provisions of Article 19, above, (whether relating to arbitration, mediation, waiver of jury trial, venue, limitations on damages, prohibition against multiple plaintiff-class actions, shortened statutes of limitation, and/or otherwise) may require you to travel to a distant location to resolve a dispute, expend additional funds, and/or raise challenges for you and/or us in prosecution of claims/actions. You and we view these provisions in the context of a diverse franchise system with both large and small, sophisticated and unsophisticated participants, and that requires uniformity and predictability. As such, you and we knowingly accept such provisions and limitations as justified by business necessities and representative of a reasonable balancing of your and our interests, and those of the System as a whole, and not as unfair or burdensome.

D. You and we agree that this Agreement contains the final, complete and exclusive expression of the terms of your and our agreement [along with concurrently signed writings, such as but not limited to personal guarantees, Statement of Prospective Franchisee, addenda, exhibits, releases and any other related documents (collectively, the Related Documents)] and supersedes all other agreements and/or representations of any kind or nature. Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this Agreement and the Related Documents are expressly disclaimed by you and us, including but not limited to any promises, options, rights of first refusal, guarantees, and/or warranties of any nature (excepting only the written representations made by you in connection with your application for this franchise). Neither you nor we

believe it to be fair or reasonable for the other party to have to deal with allegations about understandings, representations, etc. not fully expressed in writing in this Agreement.

E. You specifically acknowledge that you have not received or relied on (nor have we or anyone else provided) any statements, promises or representations that you will succeed in the franchised business or at any location; achieve any particular sales, income or other levels of performance; earn any particular amount, including any amount in excess of your Initial Franchise Fee or other payments to us; or receive any rights, goods, or services not expressly set forth in this Agreement.

F. You represent, warrant and agree that no contingency, prior requirement, or otherwise (including but not limited to obtaining financing) exists with respect to you fully performing any or all of your obligations under this Agreement. You further represent to us, as an inducement to our entering into this franchise relationship, that you have made no misrepresentations or material omissions in obtaining the Franchise.

Your Initials: _____ / _____

G. You acknowledge that you have not received or relied on (nor have we or anyone else provided, except as may have been contained in the Uniform Franchise Offering Circular received by you):

- 1) any sales, income or other projections of any kind or nature; or
- 2) any statements, representations, charts, calculations or other materials which stated or suggested any level or range of sales, income, profits or cash flow; or
- 3) any representations as to any profits you may realize in the operations of the Franchised Business or any working capital or other funds necessary to reach any 'break-even' or any other financial level.

If any such information, promises, representations and/or warranties have been provided to you, they are unauthorized and inherently unreliable. You agree to advise us of the delivery of any such information. You must not rely upon any such information, nor shall we be bound by it. We do not, nor do we attempt to, predict, forecast or project future performance, revenues or profits of any you or any franchisee. We are unable to reliably predict the performance of an SanSai Japanese Grill even operated by us, and certainly cannot predict results for your SanSai Japanese Grill.

You understand and agree that SanSai™ Franchisees are separate and distinct from us and are independently owned and operated and that while we may encourage you to speak with such Franchisees in connection with your evaluation of this franchise opportunity, they do not act as our agents or representatives in providing any information to you and we will have no obligations or liabilities with respect to (and you should not rely on) any information, opinions or otherwise they may provide to you.

Your Initials: _____ / _____

H. You acknowledge and agree that the success of the business venture contemplated to be undertaken by you is speculative and will be dependent on your personal efforts, and success is not guaranteed; and you further acknowledge that we have just recently begun franchising, we are not an experienced franchisor, our franchise system is relatively unproven and our business model is still under development. You acknowledge and represent that you have entered into this Agreement and made an investment only after making an independent investigation of the opportunity, including having received a

list with your Uniform Franchise Offering Circular of others currently operating, or who have operated, our franchises.

I. You acknowledge that you (and each of your owners) has received, fully read and understood, and all questions have been answered regarding, i) a copy of our Uniform Franchise Offering Circular with all exhibits at least ten (10) business days prior to signing any binding documents or paying any sums (whichever occurred first), and ii) a copy of this Agreement and all other agreements complete and in form ready to sign at least five (5) business days prior to signing any binding documents or paying any sums (whichever occurred first).

Your Initials: _____ / _____

J. You understand, acknowledge and agree that i) we may have offered franchises in the past, may currently be offering franchises and/or may offer franchises in the future, on economic and/or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents and ii) we may, from time to time, deal with our Franchisees on differing economic and/or other terms (including making special arrangements for payments of amounts due, waiving defaults and/or otherwise) to suit individual business circumstances, in each case in our Business Judgment and without being required to offer similar terms to other Franchisees, such flexibility being a practical necessity to respond to distinct business situations.

Your Initials: _____ / _____

K. You understand that we are relying on you to bring forward in writing at this time any matters inconsistent the representations contained in this Article 21. You agree that if any of the statements or matters set forth in this Article 21 are not true, correct and complete that you will make a written statement regarding such next to your signature below so that we may address and resolve any such issue(s) at this time.

Your Initials: _____ / _____

L. You acknowledge and agree that the officers, directors, employees, and agents of the Franchisor act only in a representative capacity and not in an individual capacity, and that no other persons and/or entities other than the Franchisor has or will have any duties or obligations to you.

Your Initials: _____ / _____

M. You acknowledge and agree that in fulfilling its obligations to negotiate the lease of the Premises, the Franchisor will negotiate certain terms that will be protective of Franchisor and grant to Franchisor certain rights and remedies against you and that some of those terms and conditions are set out in the Franchise Lease Addendum attached hereto as Exhibit 3.2 A and that you acknowledge that you (and each of your owners, if you are a Business Entity) have had the opportunity and been advised by us to have this Agreement and all Exhibits reviewed by your own attorney, and that you've read, understood, had an opportunity to discuss and have agreed to each provision of this Agreement. You agree that you've been under no compulsion to sign this Agreement.

Your Initials: _____ / _____

22. DEFINITIONS.

The following definitions apply to terms used this Agreement:

“Affiliate” - Any person or entity which controls, is controlled by or is under common control with another person or entity; in addition, as to the Franchisee, any owner of any interest in the Franchisee or the Franchise, any employee or agent of the Franchisee, and/or any independent contractor performing functions for, or on behalf of, the Franchisee, and any entity controlled by any of the foregoing.

“Agreement” - This Franchise Agreement.

“Attorneys’ Fees” - Includes, without limitation, legal fees, whether incurred in preparation of the filing of any written demand or claim, action, hearing, arbitration, or other proceeding to enforce the obligations of this Agreement, or during any such proceeding, plus all costs incurred in connection therewith.

“Brand” - The SanSai™ brand, as applied to various goods and/or services as authorized by us from time to time.

“Business Entity” - Includes a corporation, partnership, joint venture, limited liability company, limited partnership, or other form of business recognized in any jurisdiction. If you are a Business Entity, then we may require each of your owners in our Business Judgment to guaranty your performance. Our current form of Owners Guaranty is attached as Exhibit 1 of this Franchise Agreement.

“Business Judgment” - Means that we are allowed to exercise our judgment however we consider to be appropriate in our sole and absolute discretion, without any limitation. You and we agree that when in this Agreement we describe instances in which we may exercise Business Judgment, we must and do have the unrestricted right to make decisions and/or take (or refrain from taking) actions. We have this right even if a particular decision/action may have negative consequences for you, a particular franchisee or group of franchisees. You understand and agree that the exercise of Business Judgment is critical to our role as Franchisor of the System and to our goals for its continuing improvement. This is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

“Customary Representations, Warranties and Agreements” - Includes commitments generally made by a transferor in connection with a transfer of a business and/or related assets, including but not limited to: representations as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, relating to the business/assets/entity to be acquired; full indemnification obligations and non-competition covenants by the transferor and each Affiliate, substantially similar to those required in Sections 7.4 and 8.2 of this Agreement; the delivery at closing of instruments transferring good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us in our Business Judgment), and demonstrating that all sales, transfer and/or similar taxes are to be paid by the transferor through escrow if we so require; the transfer at closing of all licenses and permits which may be assigned or transferred.

“Designated Equipment” - Equipment that meets our requirements and which you must obtain and use in the operation of your SanSai Japanese Grill.

“Fair Market Value” - A price determined in a manner consistent with reasonable depreciation of any leasehold improvements, as applicable, and the items purchased. Fair Market Value does not include

any factor or increment for any goodwill related to, or for, the Intellectual Property or any of its components such as the Marks, since you don't own the Intellectual Property. If you and we are unable to agree on the Fair Market Value of any assets, then it will be determined by an independent appraiser selected by you and us, or an arbitrator if you and we can't agree.

"Franchise" - The right to operate a single SanSai Japanese Grill at the Premises under the terms of this Agreement.

"Franchise Advisory Council" or "FAC" - The advisory group selected (or which may be selected) in accordance with this Agreement, which shall provide Input as provided in this Agreement and as we may request from time to time.

"Franchised Business" - The business operations conducted by, at or in connection with your SanSai Japanese Grill.

"Franchisor-Related Persons/Entities" - SanSai, USA Inc., the Marketing Fund, the FAC and each and all of the following, whether past, current and/or future: each and all company(ies) and/or person(s) acting through, in concert with us and/or any of the foregoing, and/or as Affiliates of ours and/or of any of the foregoing; each and all of the partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of us and/or any of the foregoing; and each and all of the predecessors, successors and/or assigns of us and/or any of the foregoing.

"General Release" - A general release, in the then-current form prescribed by us at the time such release is to be delivered, of any and all claims, liabilities and/or obligations, of any nature whatsoever, including those existing as of, and/or arising before, the date of any such release, however arising, known or unknown, whether against us and/or any or all of the Franchisor-Related Persons/Entities, and whether by you, any owner of you (if you are or become a Business Entity) and/or any Affiliate of any of the foregoing. A copy of our general releasing language as currently used by us (which is subject to change) is attached as Exhibit 1.2 and is approved by you.

"Good Standing" - You are in "Good Standing" if you (and each of your owners and Affiliates) are not in default of any obligation to us and/or any of the Franchisor-Related Persons/Entities, whether arising under this Agreement or any other agreement between you (and each of your owners and Affiliates) and us (and/or any of the Franchisor-Related Persons/Entities), the Manuals or other System requirements (collectively, the "Obligations"); provided that you are not in Good Standing if you have been in default of any Obligations and such defaults are incurable by nature and/or part of a series of repeated defaults as defined in this Agreement.

"Gross Volume" - Gross Volume includes all charges and/or revenues which are, or could be, received or earned by you (and/or any Affiliate):

- A. by, at or in connection with your SanSai Japanese Grill;
- B. relating to the kinds of goods or services available now or in the future through a SanSai Japanese Grill and/or distributed in association with the Marks or the SanSai System;
- C. relating to the operation of any Similar Business;
- D. with respect to, any tenants and/or subtenants of yours on the Premises (including rent and other lease payments); and/or
- E. with respect to any co-branding activities.

All sales and/or billings, whether collected or not, will be included in Gross Volume, with no deduction for credit card or other charges. Gross Volume does not include sales tax collected and paid when due to the appropriate taxing authority and actual customer refunds, adjustments and credits.

“Immediate Family” - With respect to any person, “Immediate Family” includes that person’s spouse and/or domestic partner and each of their respective parents, guardians, grandparents, siblings, children, grandchildren, aunts, uncles, cousins, nieces and/or nephews.

“Input” - Advice and suggestions regarding specified matters. When we receive Input from the FAC or any other franchisee group we will retain the ultimate decision-making authority and responsibility for all matters for which Input is sought. FAC (or any other franchisee group) Input, votes or other collective actions will not be binding on us unless we have otherwise agreed in writing. FAC (or any other franchisee group) approval or consent will not be required as a pre-condition to any decision and/or action we may take.

“Intellectual Property” - Includes, regardless of the form or medium involved, i) all SanSai Software, including the data and information processed or stored thereby; ii) the Manuals and all other directives, policies or information we issue from time to time; iii) all customer relationships and information; iv) the Marks; v) all Confidential Information and our trade secrets; and vi) all other proprietary, copyrightable and/or trade secret information and materials developed, acquired, licensed or used by us in our operation of the System.

“Manuals” - Specifications, standards, policies and procedures prescribed by us and published to you in any media (including electronic) and which are to be followed in the operation of your SanSai Japanese Grill as they may be changed or eliminated by us in our Business Judgment.

“Marketing Fund” - The fund established and defined under Section 11.1.

“Marks” - The trademarks, service marks and other commercial symbols now and/or in the future owned by (or licensed to) us to identify the services and/or products offered by SanSai Japanese Grills, including (but not limited to) “SanSai™”, the Trade Dress and other logos and identifiers designated by us from time to time.

“PUA” or “Per Unit Average” - The average Gross Volume for all SanSai Japanese Grills during the most recent six (6) month period before the measuring date.

“Post Termination Provisions” - Those promises contained in this Agreement that survive its expiration, Transfer, Repurchase, or Termination for any reason, including without limitation the confidentiality, non-competition, indemnification, and dispute resolution and other provisions contained in Articles 19, 20 and 21.

“Premises” - The facility in which you will operate a single Traditional SanSai Japanese Grill.

“Products” and “Services” - Goods, products and services designated by us from time to time for use, sale or otherwise to be provided (and/or used) at and/or from your Traditional SanSai Japanese Grill and/or in association with the Marks.

“Repurchase” - Repurchase includes (but is not limited to) any acquisition by us (and/or any of the Franchisor-Related Persons/Entities) of your rights in and/or to any of the following: i) this Agreement; ii) the Franchise; iii) the ownership of the Franchisee; iv) your SanSai Japanese Grill; or v) any lease or assets associated with any of the foregoing.

“SanSai Japanese Grill” - The Traditional SanSai Japanese Grill you are franchised to operate by this Agreement.

“Similar Business” - Any enterprise that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to those goods, Products and/or Services now or in the future authorized by us to be offered at or from SanSai Japanese Grills (including any such

enterprise and/or entity awarding franchises or licenses to operate or be involved with any such business). Our receipt of any royalties with respect to any Similar Business is not an approval of your involvement with any Similar Business.

“Special Accounts” - Classes of special customers (which may include national accounts, other large businesses, government agencies, and/or otherwise) as designated by us from time to time in our Business Judgment.

“System” - The distinctive format and method of doing business developed and used for the operation of a SanSai Japanese Grill, and subject to change by us at any time in our Business Judgment.

“System Standards” - Standards prescribed by us in our Business Judgment from time to time, in the Manuals or elsewhere, for the operation, marketing and otherwise of SanSai Japanese Grills.

“Terminate” or “Termination” - “Terminate” or “Termination” when used in this Agreement means the Termination or cancellation of your rights and our obligations under this Agreement for any reason before the initial term expires. All of our rights are not cancelled on Termination since you have certain obligations that survive the ending of the Agreement in any manner, such as, but not limited to certain promises regarding non-competition, confidentiality and indemnity. Both of us are bound by the dispute resolution provisions (Article 19) this Agreement, even after the Agreement is ended for any reason.

“Territory” - The geographic area described in Exhibit 2.2.

“Trade Dress” - The SanSai Japanese Grill design and image authorized by us and subject to change by us at any time and in our Business Judgment.

“Traditional SanSai Japanese Grill” - A “Traditional SanSai Japanese Grill” means a full, standard size, “brick and mortar” retail facility located in a free-standing building or a shopping center accessible to the general public and using the Marks and SanSai™ System whether Company-owned or franchised to a third party.

“Transfer” - Defined in Section 14.2.

“Us,” “We,” “Our” or “Franchisor” – SanSai USA, Inc., a California corporation.

“You,” “Your,” or “Franchisee” - The parties signing this Agreement as Franchisee. (If there is more than one Franchisee, each is jointly and severally obligated under this Agreement and all other agreements with us and/ or Franchisor-Related Persons/Entities). The term “you” is applicable to one or more persons or a Business Entity, as the case may be.

IN WITNESS WHEREOF, you and we have executed and delivered this Agreement in _____ counterparts on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS AND UNTIL SIGNED BY THE PRESIDENT OR A VICE PRESIDENT OF FRANCHISOR. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR FRANCHISOR.

FRANCHISOR:

SanSai USA, Inc.

a _____ corporation

By: _____
Daniel A. Burns, President

FRANCHISEE (Individual)

Signature

Printed Name

Signature

Printed Name

FRANCHISEE (Corp., LLC or Partnership)

Legal Name of Franchisee Entity

a _____
Jurisdiction of Formation Corporation, LLC or Partnership

By: _____
Name

Signature

Title

SANSI USA, INC.

EXHIBIT 1

**OWNER'S GUARANTY AND ASSUMPTION OF
BUSINESS ENTITY FRANCHISEE'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution by SanSai USA, Inc., a California corporation, ("Franchisor") of a franchise agreement of even date herewith (the "Agreement") between Franchisor and _____, a(n) _____ (state/province of formation) _____ (type of entity: LLC, LLP, corporation, etc.) (the "Business Entity Franchisee"), each of the undersigned hereby personally and unconditionally, jointly and severally:

1) guarantees to Franchisor, its Affiliates, the Franchisor-Related Persons/Entities (as defined in the Agreement) and each of their successors and assigns, for the term of the Agreement, and for any renewal/successor franchise term, and thereafter as provided in the Agreement, that the Business Entity Franchisee will punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Agreement, as currently set forth and as amended and/or otherwise changed in the future, including any successor franchise agreement;

2) agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Agreement (including all confidentiality, non-competition, indemnity and Post Termination Provisions), as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement; and

3) agrees to be personally bound by, and personally liable for, each past, current and/or future obligation of the Business Entity Franchisee to Franchisor, its Affiliates, the Franchisor-Related Persons/Entities and each of their successors and assigns.

The undersigned intending that the guarantees and other obligations herein be unqualifiedly general and without limitation in scope, nature and/or effect. Franchisor, and/or its Affiliates, the Franchisor-Related Persons/Entities and each of their successors and assigns, need not bring suit first against the undersigned in order to enforce this guarantee and may enforce this guarantee against any or all of the undersigned as it chooses in its/their sole and absolute discretion.

Each of the undersigned waives: presentment, demand, notice of demand, dishonor, protest, nonpayment, default and all other notices whatsoever, including (without limitation): acceptance and notice of acceptance, notice of any contracts and/or commitments, notice of the creation and/or existence of any liabilities under the Agreement or otherwise and of the amounts, terms or otherwise thereof; notice of any defaults, disputes or controversies between the Franchisor and the Business Entity Franchisee or otherwise, and any settlement, compromise or adjustment thereof; any right the undersigned may have to require that an action be brought against Franchisor, Business Entity Franchisee or any other person as a condition of liability, and any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

- 1) his or her direct and immediate liability under this guaranty will be joint and several;
- 2) he and/or she will render any payment or performance required under the Agreement on demand if the Business Entity Franchisee fails or refuses to do so punctually;
- 3) such liability will not be contingent or conditioned on pursuit by Franchisor or otherwise of any remedies against the Business Entity Franchisee or any other person;

4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor or otherwise may from time-to-time grant to the Business Entity 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 will in any way modify or amend this guaranty, which will be continuing and irrevocable during the term of the Agreement and any renewal/successor franchise term;

5) the liabilities and obligations of the undersigned, whether under this document or otherwise, will not be diminished or otherwise affected by the Termination, rescission, expiration, renewal, award of a successor franchise, modification or otherwise of the Agreement;

6) terms not defined in this document shall have the meanings assigned in the Agreement;
and

7) the provisions of Articles 18 through 22 of the Agreement are incorporated in and will apply to this document as if fully set forth herein and shall apply to any dispute involving the Franchisor, its Affiliates, the Franchisor-Related Persons/Entities and each of their successors and assigns and any of the undersigned.

In connection with such guarantee and the Franchisor (a) not requiring that the Franchise be initially awarded in the name of one or more of the Guarantors and/or (b) not requiring the payment of a full transfer fee in connection with any related transfer from the undersigned to the Business Entity Franchisee, each of the undersigned hereby grants a General Release of any and all claims, liabilities and/or obligations, of any nature whatsoever, however arising, known or unknown, against the Franchisor, its Affiliates, the Franchisor-Related Persons/Entities and each of their successors and assigns.

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

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP OF BUSINESS ENTITY FRANCHISEE
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Business Entity Franchisee:

_____, a _____ corporation.

By _____

Its _____

Franchise Agreement Number: _____

SANSAI USA, INC.

EXHIBIT 1.2

**CURRENT FORM OF
RELEASING LANGUAGE
(SUBJECT TO CHANGE BY FRANCHISOR)**

Release - General Provisions. The Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor-Related Persons/Entities (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, **known or unknown**, fixed or contingent, past or present, that the Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor-Related Persons/Entities by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor-Related Persons/Entities are hereby forever canceled and forgiven.

THE FRANCHISEE (S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

THE FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED UNIT, *provided*, that if this Release is given in connection with the award of a franchise, then this release shall not apply to Claims relating to the offer and sale of such franchise under the California Franchise Investment Law or any rule or order issued thereunder.

The Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee(s), and it is the Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Franchisee(s), in the Franchisee(s) independent judgment, believe necessary or appropriate. The Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor-Related Persons/Entities or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Franchisee(s) Initials: _____

No Assignment or Transfer of Interest. The Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee(s) may have against any or all of the Franchisor-Related Persons/Entities, all Claims having been fully and finally extinguished, and the Franchisee(s) agree to forever indemnify and hold the Franchisor-Related Persons/Entities harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor-Related Persons/Entities as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons/Entities as a condition precedent to recovery against the Franchisee(s) under this indemnity.

Franchisee(s) Initials: _____

Attorneys' Fees. If the Franchisee(s), or anyone acting for, or on behalf of, the Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor-Related Persons/Entities any of the Claims released hereunder, the Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor-Related Persons/Entities in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Persons/Entities incurring such costs.

Franchisee(s) Initials: _____

"Franchisor-Related Persons/Entities." Franchisor, Franchisor's affiliates, any advertising fund, any Franchisee Advisory Group and each of the following, whether past, current or future: companies and/or persons acting through and/or in concert with us and/or with any of the foregoing; partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of ours and/or of any of the foregoing; and predecessors, successors and/or assigns of ours and/or of any of the foregoing.

Franchisee(s) Initials: _____

Date of Releases, Joint and Several Liability. The releases granted hereunder shall be deemed effective as of the date hereof. The liabilities and obligations of each of the Franchisee(s) (and any other person/entity providing releases to the Franchisor-Related Persons/Entities) shall be joint and several.

Franchisee(s) Initials: _____

SANSAI USA, INC.

EXHIBIT 2.2

TERRITORY

The "Territory" is as follows:

Note: Boundary lines include only the area within the boundary line and extend only to the middle of the boundary demarcation (for example, only to the middle of a street or highway.) You have no rights under this Agreement or otherwise with respect to a facility on the other side of the boundary line, street or highway or otherwise, and no matter how close to such boundary a facility may be, regardless of the distance from, impact on, or vicinity of, your SanSai Japanese Grill or the number of SanSai Japanese Grills, other outlets or otherwise in any area or market. Your rights are limited as set forth in the Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

SanSai USA, Inc.

Signature

A California corporation

Printed Name

By: _____
Daniel A. Burns

Signature

Title: President

Printed Name

SANSAI USA, INC.

Exhibit 3.2A

FRANCHISE ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM, made and entered into by and between _____, a _____ ("Landlord"), SAN SAI USA, INC., a California corporation ("Franchisor"), and _____, a _____ ("Tenant").

WITNESSETH: That:

WHEREAS, Landlord and Tenant entered into a lease dated _____, 200__ (the "Lease") pertaining to the real property located at Space No. _____ at _____ (the "Shopping Center"), as is more particularly described in said Lease (the "Premises") allowing for operation of a "San Sai Japanese Grill" restaurant; and

WHEREAS, Landlord and Tenant desire to incorporate the following terms into the body of the Lease;

NOW, THEREFORE, in consideration of the covenants herein and therein, the parties hereto agree as follows:

1. Franchise Agreement. Franchisor and Tenant are parties to a fully-executed agreement dated _____ ("Franchise Agreement") which authorizes and permits Tenant to operate a SanSai Japanese Grill restaurant at the Premises.

2. Termination of Franchise Agreement/Franchisor's Rights. In the event that the aforesaid Franchise Agreement between Franchisor and Tenant, as franchisee, is terminated prior to expiration of the Lease, Franchisor shall have the right (but not the obligation) to cure any then-existing defaults under the Lease on the part of Tenant that are susceptible of being cured by Franchisor and thereafter perform those rights and obligations of the Tenant under the Lease coming due on or after the date Tenant vacates the Premises, and exercise any and all other rights and remedies to which Franchisor may be entitled to under the terms of the Franchise Agreement, or at law or in equity, including (without limitation) expelling Tenant and taking possession of the Premises and all fixtures and leasehold improvements therein (provided that same shall be left in place at the Premises unless or until they may be removed in accordance with the terms of the Lease.) If Franchisor elects to cure such defaults and undertake such performance, the Lease shall remain in full force and effect, subject to the rights of Franchisor and/or Tenant to assign (or cause assignment of) the Lease to another bona fide franchisee of Franchisor as provided in Paragraph 3 below. Notwithstanding the foregoing, Franchisor shall not be deemed or construed to have accepted an assignment of the Lease by virtue of such cure and/or ongoing performance by Franchisor pursuant to the Lease, in the absence of a fully-executed written assignment agreement providing for such assignment and assumption by Franchisor.

3. Right to Assign or Sublet to Franchisor or Successor Franchisee. Without need of Landlord's further consent, Landlord hereby grants Tenant the unrestricted right during the initial term and any renewal term of the Lease to assign the Lease or sublet the Premises to Franchisor (including without limitation a contingent or conditional assignment or sublease effective upon the occurrence of specified events), provided that in the event of Franchisor's exercise of its rights under any such assignment whereby Franchisor accepts such assignment from Tenant, Franchisor shall concurrently assume in writing for benefit of Landlord all of the terms, covenants and conditions imposed upon the

Tenant under said Lease, and in the case of a sublease, such sublease shall be subordinate and subject to the terms, covenants and condition of this Lease, and provided that in either case, Franchisor concurrently cures (or causes to be cured) any then-existing defaults of Tenant under the Lease which are susceptible to being cured by Franchisor as an express precondition to any such assignment or subletting, and further providing that no such assignment or subletting shall relieve Tenant of its obligations under the Lease.

Further, either Tenant or Franchisor shall have the right, without need of Landlord's further consent, during the initial term and any renewal term of the Lease to assign (or cause the assignment of) the Lease or sublet the Premises to a bona fide franchisee of Franchisor, provided that in the event of such an assignment, such assignee shall concurrently assume in writing for benefit of Landlord all of the terms, covenants and conditions imposed upon the Tenant under said Lease, and in the case of a sublease, such sublease shall be subordinate and subject to the terms, covenants and condition of this Lease, and provided that in either case, such successor franchisee concurrently cures any then-existing defaults of Tenant under the Lease which are susceptible of being cured by such successor franchisee as an express precondition to any such assignment or subletting, and further providing that no such assignment or subletting shall relieve Tenant of its obligations under the Lease.

In the event that Tenant is in default under either the Lease or the Franchise Agreement (or both) beyond the applicable notice and cure period(s) (whether or not Franchisor or a successor franchisee has tendered a cure on Tenant's behalf), and Tenant thereafter fails or refuses to execute an assignment or sublease to either Franchisor or a successor franchisee within five (5) business days following Tenant's receipt of Franchisor's written request therefor, Franchisor is hereby expressly and specifically authorized by Tenant to execute any such assignment or sublease on Tenant's behalf and in Tenant's name, and Tenant hereby appoints Franchisor as its attorney-in-fact for such purpose and in connection therewith and hereby authorizes Franchisor to execute such assignment or sublease and such other documents as are reasonably necessary in connection therewith. Landlord hereby agrees that subject to and in consideration of the protections granted to Landlord in Paragraph 6 hereinbelow, Landlord shall accept and recognize as valid for all purposes Franchisor's execution of an assignment or sublease on Tenant's behalf, based upon the foregoing authorization.

4. **Default Notices by Landlord.** Landlord shall give Franchisor a copy of any and all notices of default given to Tenant, as required to be given by Landlord to Tenant under the terms of the Lease, at the same time such notice is given to Tenant. Within thirty (30) days following the expiration of the applicable cure periods granted to Tenant under the Lease (the "Franchisor Cure Period"), Franchisor shall have the right, but not the obligation, to cure any such default on Tenant's behalf, subject to the provisions of Paragraphs 2, 3 and 6 hereinabove and the rights of Franchisor thereunder to assign or cause assignment of the Lease, or to sublet the Premises. Landlord shall not terminate the Lease prior to expiration of the Franchisor Cure Period unless Franchisor has notified Landlord in writing that Franchisor has elected not to cure Tenant's defaults.

5. **No Modification.** Notwithstanding anything to the contrary elsewhere in the Lease or any addendum or amendment thereto, Landlord and Tenant agree that the terms and provisions set forth in this Addendum shall control and shall not be superseded, terminated or modified without the prior written consent of Franchisor, whom Landlord and Tenant each acknowledge is an intended third party beneficiary to the Lease, and who is a party to this Addendum. Landlord and Tenant shall not amend or terminate the Lease or permit the surrender of the Premises without Franchisor's prior written consent, and Franchisor shall not be bound by any of the foregoing unless Franchisor has consented thereto in writing.

6. **Landlord Indemnity.** In the event that Franchisor exercises any of the rights or remedies provided for hereinabove, or in the Franchise Agreement, Franchisor shall indemnify, hold harmless and defend Landlord (with counsel reasonably acceptable to Landlord) from and against any and all claims, suits, demands, loss, damage, judgments or other obligations arising out of, or in

connection with, any cooperation or permission given by Landlord to Franchisor in furtherance of Franchisor's exercise of such rights as Franchisor may have hereunder, or pursuant to the Franchise Agreement. Landlord shall have the right to conclusively rely upon the validity of any notice or election by Franchisor hereunder, and shall have no duty or obligation to independently verify the correctness of any such notice or election, or the facts or circumstances underlying any exercise by Franchisor of its rights hereunder. As a material consideration of the Lease, Tenant hereby waives any and all such claims and releases Landlord from any and all liability therefor.

7. Notices. Notices to Landlord and/or to Tenant hereunder shall be given in the manner provided for in the Lease to the addresses for Landlord and/or Tenant provided for therein, as the same may be changed pursuant to the Lease from time to time. Notices to Franchisor hereunder shall be given in the manner provided in the Lease to the following address:

PACIFIC MANAGEMENT VENTURES, INC.
615 S. Central
Los Angeles, California 90021

Franchisor shall have the right to change its address for notice purposes hereunder by providing both Landlord and Tenant of written notice of such changed address.

IN WITNESS WHEREOF, the parties have executed this Addendum this ___ day of _____, 200__.

"LANDLORD"

"TENANT"

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

"FRANCHISOR"

By: _____
Name: _____
Title: _____

SANSAI USA, INC.

**Exhibit 3.2 B
Collateral Assignment of Lease**

THIS COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") is entered into as of _____, 200__ between _____ ("Franchisee") and SanSai USA, Inc., a California corporation ("Franchisor.")

Subject to the provisions hereof, the Franchisee, to secure its obligations to the Franchisor under the franchise agreement between the Franchisor and the Franchisee for the operation of a SanSai Japanese Grill franchise, dated _____, 200_ (the "Franchise Agreement"), hereby assigns, transfers and sets over unto Franchisor [and/or such person(s)/entity(ies) as Franchisor may from time-to-time designate] all of Franchisee's right, title and interest, whether as tenant or otherwise, in, to and under that certain lease (the "Lease"), a copy of which is attached to this Assignment, dated _____, 200_, between Franchisee and _____ ("Landlord"), respecting that property commonly known as _____ (the "Premises"). The Franchisor shall have no liabilities or obligations of any kind arising from, or in connection with, this Assignment, the Lease or otherwise (including, but not limited to, any obligation to pay rent and/or other amounts) until and unless the Franchisor, in its sole and absolute discretion, takes possession of the Premises pursuant to the terms hereof and expressly (and in writing) assumes the rights and obligations of Franchisee under the Lease, the Franchisor only being responsible for those obligations accruing after the date of such assumption.

The Franchisee agrees to indemnify and hold harmless the Franchisor from and against all claims and demands of any type, kind or nature made by the Landlord or any third party that arise out of or are in any manner connected with the Franchisee's use and occupancy of the Premises subject to the Lease.

The Franchisee represents and warrants to the Franchisor that the Franchisee has full power and authority to assign the Lease and its interest in the Lease, as evidenced by the execution of the Franchise Addendum to Lease Agreement attached to the Lease and incorporated therein by reference.

The Franchisor will not take possession of the Premises until and unless the Franchisee defaults (and/or until there is a termination, cancellation, rescission or expiration of the Franchisee's rights) under the Lease, any sublease, the Franchise Agreement or other agreement between the Franchisee and the Franchisor (or any affiliate). In such event, the Franchisor (or its designee) shall have the right, and is hereby empowered, (but has no obligation) to take possession of the Premises, expel Franchisee therefrom, and, in such event, Franchisee shall have no further right, title or interest in or under the Lease or to the Premises, all such rights thereby passing to the Franchisor or its designee, in each case without the Landlord's further consent. The Franchisee agrees to do all acts necessary or appropriate to accomplish such assignment on the Franchisor's request. The Franchisee will reimburse the Franchisor for the costs and expenses incurred in connection with any such retaking, including, without limitation, the payment of any back rent and other payments due under the Lease (whether such payments are made by a separate agreement with the Landlord or otherwise), attorney's fees and expenses of litigation incurred in enforcing this Assignment, costs incurred in reletting the Premises and costs incurred for putting the Premises in good working order and repair.

Franchisee agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Franchisor, and will notify Franchisor of any impending negotiations in accordance with section 3.2 of the Franchise Agreement. Throughout the term of the Franchise Agreement, Franchisee agrees that it shall elect and exercise on a timely basis all

options to extend the term, or renew or assume in bankruptcy, the Lease, unless Franchisor otherwise agrees in writing. Upon failure of Franchisee to so elect to extend or renew or assume the Lease, Franchisee hereby appoints Franchisor as its true and lawful attorney-in-fact to exercise such options in the name, place and stead of Franchisee for the sole purpose of effecting any extension, renewal or assumption, in each case for the account of the Franchisee and without any liability or obligation of the Franchisor

Failure of the Franchisor to exercise any remedy hereunder shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of the Franchisor under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which the Franchisor shall have under or by virtue of the Franchise Agreement or otherwise. The terms, covenants, and conditions contained herein shall bind the Franchisee and its successors and assigns, and inure to the benefit of the Franchisor and its successors and assigns. In the event of any dispute between the parties regarding this Assignment, or any matter related in any way to it, the dispute resolution provisions (including, but not limited to, mediation, binding arbitration, waiver of jury trial and limitation of damages) of the Franchise Agreement between the Franchisor and the Franchisee shall apply. The arbitrator in any such proceeding shall have the full power and authority to grant an appropriate award to give full effect to this Assignment, expelling the Franchisee from the Premises and awarding possession to the Franchisor, as well as granting such other relief as may be proper and fair at law and by equity. If there is more than one Franchisee, their obligations hereunder will be joint and several.

This Assignment, any memorandum hereof or any financial statement related hereto may be recorded by, and at the expense of, the Franchisor. The Franchisee hereby appoints the Franchisor as its attorney in fact to execute any and all documents and to take any and all such actions, as are necessary or appropriate to record such instrument referenced above.

Notwithstanding anything to the contrary contained herein, the Franchisee agrees to indemnify, defend and hold harmless the Franchisor with respect to all obligations and liabilities, including, without limitation, the obligations to pay all rent and other monies due under the Lease, that arise after the date of any assignment of the Lease that transpires under this Assignment; provided, however, nothing hereunder shall affect any obligations or covenants of the Franchisee owed under its Franchise Agreement with the Franchisor, including, without limitation, any post-termination covenant not to compete.

FRANCHISEE:

Signature

Signature

Printed Name

Printed Name

SANSAI USA, INC.

Exhibit 3.3

**SITE SELECTION ACKNOWLEDGMENT
AND ADA CERTIFICATION FORM**

SanSai USA, Inc., a California Corporation, ("Franchisor", or "we", "us" or "our") and _____ ("Franchisee(s)" or "you") are parties to a franchise agreement dated _____, 200__ (the "Franchise Agreement") for the operation of a SanSai Japanese Grill at the location identified below (the "Store"). This Form refers to the following proposed location (the "site"), which we have accepted and consented to under the terms of a Franchise Agreement:

(STORE ADDRESS)

You understand and agree that:

- You have independently selected and are solely responsible for the selection, development and operation of the site. Alternatively, if we propose a site to you, you have independently investigated those locations and you are solely responsible for your selection, development and operation of the site.
- Our consent to (or proposal of) the site is not, and should not be relied upon as, a recommendation or endorsement of such location, nor a representation or warranty as to the suitability of the site for any purpose, the likelihood of any success at such site, or otherwise. We cannot and do not guarantee the success of any location, whether selected by you or suggested by us.
- Although we, or companies referred by or associated with us, may assist you in site location, identification, financing and/or development by providing consultation, lease negotiation, evaluation and/or other assistance, including references to potential locations, contractors and other professionals (individually and collectively referenced as "site-related matters") neither we nor any Franchisor-Related Persons/Entities will have any liability with respect to any location to be selected, obtained and/or used by you or for any site-related matters. The sole responsibility for the selection and/or approval of the site and all site related matters is your own.
- We and/or any Franchisor-Related Persons/Entities may have made, or may make, available to you standard and/or site specific plans and specifications to be used by you in the construction of your Store. You are solely responsible for obtaining architectural, engineering and other applicable professional services to prepare surveys, site and foundation plans and adapt any plans and specifications to the site and all applicable laws, regulations and ordinances.
- In signing this form, you acknowledge that you have not relied on any assistance or input from us or any Franchisor-Related Persons/Entities with respect to the site and any site related matter, and you waive any claims you may have against us and/or any Franchisor-Related Persons Entities in connection with the site and any such matters.
- You acknowledge that you (and each of your owners, if you are a Business Entity) have had the opportunity and been advised by us to have this Agreement and all other documents reviewed by your own attorney, and that you have read, understood, had an opportunity to discuss and agreed to each provision of this Agreement. You agree that you have been under no compulsion to sign this Agreement.

- You agree that this Form, along with the Franchise Agreement between us, contains the final, complete and exclusive expression of the terms of your and our agreement with respect to the subject matter of this document and supersedes all other agreements and/or representations of any kind or nature. Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this document and the Franchise Agreement are expressly disclaimed by you.

ADA Certification:

In accordance with Section 3.3 of the Franchise Agreement, Franchisee certifies to Franchisor that to the best of Franchisee's knowledge, the Store and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing or operation of the Store. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify Franchisor and Franchisor-Related Persons/Entities, and each of their respective officers, directors, and employees, in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by such indemnified party(ies) as a result of any matters associated with Franchisee's compliance (or failure to comply) with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

In the event of any dispute concerning or relating to this document and/or any of the transactions and/or matters to which it may apply, such dispute will be resolved in accordance with the dispute resolution provisions of the Franchise Agreement (including, but not limited to, Articles 19, 20 and 21 of the Franchise Agreement, providing for BINDING ARBITRATION and WAIVER OF JURY TRIAL among other terms). Terms not defined in this document shall have the same meaning as they do in the Franchise Agreement.

All signers are jointly and severally responsible for the representations and promises described in this Acknowledgment and Certification Form.

FRANCHISEE(S)

By: _____

Printed Name: _____

Date: _____

By: _____

Printed Name: _____

Date: _____

By: _____

Printed Name: _____

Date: _____

SANSAI USA, INC.

EXHIBIT 8.1

SANSAI™ EMPLOYEE CONFIDENTIALITY, ETC. AGREEMENT

*(Note to Franchisee: This is a form which has **not** been checked by us for compliance with local laws and should be reviewed by your attorney for your protection and to maximize enforceability. You are responsible for ensuring that the terms of the agreement used by you comply with all applicable laws, since they may vary from one state or province to another.)*

In consideration of the employment of the below named Employee, and as inducement for disclosure by _____ [franchisee entity or individual name] (the "Franchisee"), doing business as an independent SanSai Franchisee, for the continuation of such employment, and for the compensation which I have received and may receive during the period of such employment, I, the undersigned Employee, hereby agree that during my employment with the Franchisee and for any post-term periods specified in this Agreement:

- 1) My employment by the Franchisee will be in accordance with the policies, rules and regulations of the Franchisee, as the same now exist, or as they may be established or modified from time to time.
- 2) The Franchisee has, subject to a Franchise Agreement with SanSai USA, Inc. (the "Franchisor") acquired specified rights to use certain "Confidential Information," which includes all information (current and future) relating to the operation of an SanSai Japanese Grill or the SanSai System, including, among other things, all: i) Manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of SanSai Japanese Grills; ii) designs, specifications and information about Products and Services, iii) all information regarding customers and suppliers, customer, supplier and product lists, technical processes and know how, specifications, manuals, notes, reports, memoranda, data, equipment and/or secured areas (in written, audio, magnetic and/or electronic format), including any statistical and/or financial information and all lists, together with various designs, techniques, know-how, marketing concepts and information, operating procedures and technical information and ancillary products, services and techniques and other related applications which are not generally known in the industry or to the public, and, in addition, iv) any other items that an arbitrator or court deems reasonably appropriate for protection.
- 3) "Confidential Information" is not intended to include any information that: is or subsequently becomes publicly available (other than by breach of any legal obligation), or became known to you other than through a breach of a legal obligation.
- 4) By virtue of my employment by the Franchisee, the Employee will or may have access to Confidential Information.
- 5) With reference to the Confidential Information, the Employee agrees as follows:

a. The Confidential Information is a valuable trade secret licensed to the Franchisee by the Franchisor and/or related companies, and I will not use the Confidential Information other than within the course and scope of my employment responsibilities and functions.

b. I will not release or divulge any Confidential Information unless first expressly authorized to do so in writing by a superior or an officer of the Franchisee; provided, however, that during the period of my employment, I will be permitted to release or divulge the same, or any portion thereof, to persons employed or otherwise closely associated with the Franchisee, but only to the extent that such persons have a need to know the same within the course and scope of their employment by, or close association with, the Franchisee (for example, attorneys and/or accountants retained by the Franchisee.)

c. Any and all publications/copies/disclosures of the Confidential Information in any form, which may be presented to me or to which I may be granted access, are on loan and will at all times remain, the exclusive property of the Franchisee and/or the Franchisor; the Confidential Information is being given to me in trust and confidence; and I will accept the same subject to such trust.

d. During the period of my employment by the Franchisee, I will take all necessary steps to safeguard and maintain the secrecy and confidentiality of the Confidential Information in my possession or control, including (by way of illustration and not limitation) (i) securing the Confidential Information in locked or otherwise secured files; and (ii) refraining from making copies or reproductions of the Confidential Information, or any portions thereof, unless necessary for the carrying out of my employment responsibilities, or if first expressly authorized to do so by a superior or an officer of the Franchisee.

e. Upon the termination of my employment by the Franchisee, I will immediately return to the Franchisee any and all Confidential Information and all copies thereof, which may have been entrusted to me or which I may have generated or copied, as well as any physical property of the Franchisee, including books, tapes, equipment, and the like, whether proprietary or not, which I may have in my possession or control.

f. My obligations with respect to the Confidential Information will continue beyond the period of my employment.

6) All inventions, discoveries, developments, improvements, innovations, and writings, whether or not eligible for patent and/or copyright protection (hereinafter collectively referred to as "Innovations" or "Inventions" as may be appropriate), conceived or made by me either solely or in concert with others, during the period of my employment by the Franchisee (including, but not limited to, any period prior to the date of this Agreement) whether or not made or conceived during working hours, which (a) relate in any manner to the existing or contemplated business, or the development of activities, of the Franchisee and/or the Franchisor, or (b) are suggested by, or result from, my work for the Franchisee, or (c) result from my use of the Franchisee's time, materials, or facilities, will be the sole and exclusive property of the Franchisor. Any Inventions made by me, or disclosed by me to a third party, or described in a patent application of mine, within nine (9) months following the period of my employment by the Franchisee, will be presumed to have been conceived or made by me during the period of my employment with the Franchisee, unless I can prove they were entirely conceived and made by me following the period of such employment.

7) I will promptly make a full disclosure to the Franchisor, and hold in trust for the sole right and benefit of the Franchisor, any and all Inventions which I may solely or jointly conceive, write, develop, reduce to practice; or cause to be conceived, written, developed, or reduced to practice, during the period of time I am employed by the Franchisee, and thereafter in accordance with the provisions of this Agreement.

8) I hereby assign and agree to assign to the Franchisor, all of my right, title and interest in and to all my Inventions, if any, and agree, during and subsequent to my employment, to execute and deliver to the Franchisor, ownership, title and exclusive rights therein, all without charge.

9) I hereby assign and agree to assign to the Franchisor all of my right, title and interest in and to any and all United States and foreign patents and copyrights covering my Inventions, and all reissues, registrations and renewals thereof. I further agree, during and subsequent to my employment, to aid (i) in the prosecution of any United States or foreign applications for Letters Patent or the registration of copyrights covering such inventions and (ii) in the enforcement of any such patents or copyrights. In this connection, I will, at the Franchisor's request and expense, execute, acknowledge and deliver any and all documents and oaths, and take such further action considered necessary by the Franchisor for the foregoing purposes, without charge.

10) In the event the Franchisor is unable, for any reason whatsoever, to secure my signature to any lawful and necessary documents required to assign, apply for, or prosecute any United States or foreign applications for Letters Patent or the registration of copyrights in and to my Inventions or otherwise which belong to the Franchisor by virtue of the provisions of this Agreement or otherwise, I hereby irrevocably designate and appoint the Franchisor and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such assignments and applications, and to do all other lawfully permitted acts to further the prosecution and issuance of Letters Patent thereon and/or registrations of copyrights with the same legal force and effect as if executed by me.

11) My compensation as an employee of the Franchisee will cover any Inventions which I may conceive or make hereunder, and I will not be entitled to any additional compensation therefore.

12) I represent to the Franchisee and the Franchisor that I have no right, title or interest in or to any invention which has been made, conceived or reduced to practice by me (solely or jointly with others) prior to my employment by the Franchisee.

13) My services, and the Confidential Information which may be entrusted to me, are unique, and, if I breach this Agreement, the Franchisee and the Franchisor may not be adequately compensated by damages. Therefore, if I violate the terms of this Agreement, either during or after my employment, the Franchisee and the Franchisor will be entitled, in addition to all other remedies available to either, to equitable relief by injunction or otherwise, thereby enjoining or restraining me, and those persons acting in concert with me, from the continuation of any breaches hereof. The right to equitable relief granted in the foregoing sentence will not preclude the Franchisee or the Franchisor from seeking actual money damages from me or any other party in the event of a breach or threatened breach of this Agreement.

14) During my employment by the Franchisee, and for one (1) year after termination of such employment, I will not; i) directly or indirectly, or in concert with others, employ or attempt to employ or solicit for any employment any of the Franchisee's or Franchisor's employees, ii) conduct, operate, consult, advise or in any manner be associated, directly or indirectly, with any business or operation substantially similar to or competitive with that conducted by the Franchisee within the Franchisee's Territory (as defined by Franchisee's franchise agreement). Such restriction includes the furnishing and/or use of the Confidential Information to any person and/or entity, whether gratuitously, on a consulting basis, as an owner, shareholder, partner, employee or associate. For informational purposes, the Territory as it currently exists is shown on an attachment to this Agreement.

15) Nothing contained in this Agreement will be construed to prevent me from engaging in a lawful profession, trade or business after my employment with the Franchisee. I confirm that I possess valuable skills unrelated to the Franchised Business and have the ability to be self-supporting and employed regardless of the restrictions described in this Agreement. I also acknowledge that the restrictions of this Agreement will not prevent me from practicing a lawful profession, trade, or business and are limited to the express restrictions detailed herein. This Agreement will be construed only as one which prohibits me from engaging in practices unfair to the Franchisee, and which are in violation of the confidence and trust reposed in me by the Franchisee with respect to its Confidential Information.

16) The parties agree to the following dispute resolution provisions:

a. **Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever** including any claim for equitable relief and/or where you are acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving you and us on whatever theory and/or facts based, and whether or not arising out of this Agreement, and including any dispute involving the Franchisor, ("Claim") will be processed in the following manner, you and we each expressly waiving all rights to any court proceeding, except as expressly provided below at sub-sections (g) and (h) below:

i) First, submitted to non-binding mediation for a minimum of four (4) hours before 1) Franchise Arbitration and Mediation, Inc. ("FAM") or its successor (or an organization designated by FAM or its successor), or 2) any other mediation organization approved by all parties, or 3) by Judicial Arbitration and Mediation Service ("JAMS") or its successor (or an organization designated by JAMS or its successor), if FAM cannot conduct such mediation and the parties cannot agree on a mediation organization. The Franchisee will pay the costs of the first four (4) hours of any mediation, and no mediation is required to extend beyond such four (4) hour period. Any mediation/arbitration (and any appeal of arbitration) will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

ii) Second, submitted to and finally resolved by binding arbitration before and in accordance with the arbitration rules of FAM or its successor (or an organization designated by FAM or its successor); provided that if such arbitration is unable to be heard by any such organization(s), then the arbitration will be conducted before and in accordance with the arbitration rules of JAMS or its successor (or an organization designated by JAMS or its successor); provided that, in any case, arbitration may be filed prior to a face-to-face meeting and/or mediation, with such face-to-face meeting and/or mediation to follow as quickly thereafter as possible.

iii) Third, a final award by an arbitrator (there will be no appeal of interim awards or other interim relief), may be appealed within thirty (30) days of such final award. Appeals will be conducted before a three (3) arbitrator panel appointed by the same organization as conducted the arbitration, each member of which shall be experienced in franchising. The arbitration panel will not conduct any trial de novo or other fact-finding function. Such panel's decision shall be in writing, may be entered in any court having jurisdiction and will be binding, final and non-appealable.

b. Any mediation/arbitration (and any appeal of arbitration) will be conducted at the Franchisee's then-current principal offices and by a mediator/arbitrator experienced in the legal subject matter of the matter; but if the Franchisor provides notice that it believes its interests are involved in any such mediation/arbitration, in which case the mediation/arbitration will be conducted at the Franchisor's then-current principal offices (the Franchisor's present principal offices are located at 615 S. Central, Los Angeles, California 90021, and the parties to this Agreement understand that conducting any mediation/arbitration at those offices, or at the Franchisee's or Franchisor's then-current principal offices, may involve additional expense and/or inconvenience for the undersigned.) The Franchisee shall pay the fees and expenses of the mediator(s) and arbitrator(s) (but if the Franchisor provides notice that it believes its interests are involved in any such mediation/arbitration the Franchisor and Franchisee will equally share such costs); provided that i) the parties shall otherwise each bear their own costs, including attorneys fees, and ii) for matters not settled through agreement of the parties, the arbitrator may assess all, or any portion, of the fees and costs incurred in connection with any arbitration and/or appeal (but not any attorneys' fees) against the party who does not prevail. Each participant must submit or file any claim which would constitute a compulsory counterclaim (as defined by the applicable rule under 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, will be forever barred. The arbitrator's award shall be

in writing. On request by either party, the arbitrator (or appeal panel) shall provide to all disputants a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitrator's fees and costs connected therewith.

c. Judgment on any preliminary or final arbitration award (subject to the opportunity for appeal as contemplated above) may be entered in any court having jurisdiction and will be binding, final and non-appealable.

d. The parties each knowingly waive all rights to trial by a court or jury, understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, still strongly preferring, and having mutually selected, mediation and/or arbitration as provided in this Agreement to resolve any disputes, the parties having had an express meeting of the minds on each these matters. The Franchisee intends to, and the Employee expressly agrees that the Franchisee may, fully enforce each of the provisions of this Agreement, including those relating to arbitration, waiver of jury trial, venue, choice of laws, or otherwise, having had an express meeting of the minds regarding each of such matters.

e. Notwithstanding any provision of this Agreement or otherwise relating to which state or other laws this Agreement will be governed by, any provisions of state, or other law to the contrary, the Franchisee and the Employee mutually intend and agree that (1) the arbitrator shall decide any and all questions relating in any way to the parties' agreement (or claimed agreement) to arbitrate, including but not limited to applicability, subject matter, timeliness, scope, remedies, claimed unconscionability and any alleged fraud in the inducement and/or the enforcement of the agreement to arbitrate contained herein and that this Agreement and all related matters shall be governed exclusively by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and (2) the Franchisee and the Employee mutually intend and agree (and have expressly had a meeting of the minds) to fully enforce all of the provisions of this Agreement and all other documents signed by the Franchisee and the Employee, including (but not limited to) all venue, choice-of-laws, mediation/arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.).

f. No party will be required to post a bond in order to obtain any injunctive or other equitable relief. Any claim will be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis.

g. These dispute resolution provisions apply to any claims/arbitration between the parties (including any dispute involving the Franchisor and/or any person/entity related in any way to it), and/or by any owner and/or affiliate thereof, or which could be brought in their behalf or by any successor; provided that any claims or disputes relating primarily to the validity of the Franchisor's Marks and/or any Intellectual Property licensed to the Franchisee will be subjected to court proceedings; provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any Intellectual Property licensed to the Franchisee and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the process outlined above

h. Subject to the foregoing obligations regarding mediation/arbitration, any litigation (for example, to enforce such obligations) between the undersigned (or involving the Franchisor) will be held in the United States District Court encompassing the Franchisee's then-current headquarters (the "Proper Federal Court"). Proceedings will be held only in the Proper Federal Court, subject to the following exceptions:

i) if a basis for federal jurisdiction does not exist, then any such proceeding shall be brought exclusively before a court in the most immediate state judicial district encompassing the Franchisee's then-current headquarters and having subject matter jurisdiction (the "Proper State Court");

ii) proceedings to remove or transfer a matter to the Proper Federal Court and/or to compel arbitration as contemplated by this Agreement may be brought in the court where the applicable action is pending and/or the Proper State or Federal Court; and

iii) any action primarily with respect to any real and/or personal property (including any action in unlawful detainer, ejectment or otherwise) may be brought in any court of competent jurisdiction and/or the Proper State or Federal Court.

17) Upon the termination of the Employee's employment, the Franchisee may notify anyone thereafter employing me of the existence and provisions of this Agreement.

18) The employee understands that his/her employment is at will, and that just as the Employee may terminate his/her employment at any time and for any reason (or for no reason), the Franchisee may do the same, unless a fixed term is specified herein or in another writing, executed by the Employee and the Franchisee.

19) The Employee represents that he/she has no existing agreements with, obligations to, or interest in any other party that keep the Employee from complying with his/her obligations under this Agreement, or which may give rise to a conflict of interest, except those identified on the attached list signed by the Employee and the Franchisee. If no list is attached, the Employee agrees that there are no such agreements, obligations or interests on my part. In addition, the Employee agrees to promptly disclose in writing to his/her superior any future agreements, obligations and/or interests which may preclude or conflict with his/her obligations hereunder.

20) The Employee will not use on behalf of, or divulge to, the Franchisee, or its agents or employees, during his/her employment by the Franchisee, confidential or trade secret information acquired during any prior employment of his/hers or from any other source outside of the Franchisee, provided, of course, that the Employee knows or should know of its nature as confidential or a trade secret.

21) The Employee understands and confirms that he/she has no authority whatsoever to make any commitment or enter into any arrangement or contract on behalf of the Franchisee unless authorized by an officer of the Franchisee in writing.

22) The Franchisee and the Employee agree that this Agreement supersedes any prior oral agreement and/or written agreement by and between them relating generally to the subject matter of this Agreement; the Employee represents and warrants that there are no such prior oral agreement and/or written agreement.

23) The Franchisee and the Employee agree that, if it is determined that any provision of this Agreement is illegal or unenforceable, such provision will be enforced to the fullest extent permissible under governing law and such determination will solely affect such provision and not impair the remaining provisions of this Agreement. The time period of the restrictions described in this Agreement will be extended by the length of time during which the Employee is in breach of any such provision of this Agreement.

24) The Franchisee and the Employee agree that this Agreement will be construed, and the validity, performance and enforcement hereof will be governed by the laws of the State in which the Franchisee's headquarters is located.

25) A waiver by the Franchisee or Franchisor of any breach of this Agreement on the Employee's part will not operate as or be construed as a waiver of any subsequent breach hereof.

26) This Agreement will inure to the benefit of and be enforceable by the Franchisee and the Franchisor, and any successors and assigns of the foregoing, and that it will be binding upon the

Employee, his/her executors, administrators, legatees, distributees, heirs and other successors in interest. The Franchisor is an intended third-party beneficiary of this Agreement and may protect its interests by enforcing the parties' obligations, but the Franchisor is not a party to this Agreement, is not the employer of, and has no obligations to, the Employee.

27) The Employee has read the foregoing provisions, understands that this Agreement defines the terms and conditions under which the Franchisee is willing to employ or continue to employ the Employee, is executing this Agreement and agreeing to abide by its provisions voluntarily, and the Franchisee has given the Employee a copy of this Agreement for his/her future reference so as to avoid any possible oversights or misunderstandings regarding its provisions.

Dated _____, 20____ at _____, _____
City State

FRANCHISEE:

By: _____

Its: _____

EMPLOYEE:

Employee's signature

Employee's name

SANSAI USA, INC.

EXHIBIT 10.4

EXECUTIVE ORDER 13224 AND RELATED CERTIFICATIONS

If the Franchisee is an individual or individuals, the Franchisee certifies that he/she/they are not, nor to my/our best knowledge have I/us been designated, a terrorist and/or a suspected terrorist, nor am I/us associated and/or affiliated in any way with any terrorist and/or suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

If the Franchisee is a company, the person(s) signing on behalf of the Franchisee certifies(y) that, to the Franchisee's and such person's best knowledge, neither the Franchisee, such person, and/or any owners, officers, board members, similar individuals and/or affiliates/associates of the Franchisee have been designated, a terrorist and/or a suspected terrorist, nor is the Franchisee or any such persons and/or affiliates/associates owned, controlled, associated and/or affiliated in any way with any terrorist and/or a suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

Franchisee agrees to fully comply and/or assist Franchisor in its compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations, including properly performing any currency reporting and other obligations, whether relating to the Franchise or otherwise, and/or required under applicable law. The indemnification responsibilities provided in the Franchise Agreement cover the Franchisee's obligations hereunder.

FRANCHISEE

By: _____

Printed Name: _____

Title: _____

Date: _____