

FRANCHISE DISCLOSURE DOCUMENT
TAHINI'S FRANCHISING USA CORP.
d/b/a TAHINI'S MEDITERRANEAN CUISINE
a Delaware corporation
2-657 Wilton Grove Road
London ON N6N 1N7
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The franchise offered is for a fast-casual restaurant operating under the name “Tahini’s Mediterranean Cuisine,” which restaurants specialize in the sale of Mediterranean cuisine for dine-in and take-out.

The total investment necessary to begin operations of a single Tahini’s Mediterranean Cuisine restaurant under a Franchise Agreement with us is between \$383,500 and \$667,000. This includes \$65,000 that must be paid to the franchisor or its affiliates.

The total investment necessary to enter into an Area Development Agreement with us for the right to develop between two (2) and three (3) Tahini’s Mediterranean Cuisine restaurants ranges from \$405,500 to \$701,000, which includes (i) \$45,000 that must be paid to the franchisor or its affiliates, and (ii) the estimated initial investment for the first Franchised Business you will open under the Development Agreement. The total investment necessary to enter into an Area Development Agreement will vary depending on the number of Tahini’s Mediterranean Cuisine restaurants to be developed under the Area Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Shawn Saraga, Tahini’s Franchising USA Corp. at 2-657 Wilton Grove Road, London ON N6N 1N7 or shawn@tahinis.com.

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

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

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

Issuance Date: September 3, 2025, as amended October 16, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and the Area Development Agreement require you to resolve disputes with the franchisor by arbitration or litigation only in Dover, Delaware. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Dover, Delaware than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
3. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Supplier control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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

MICHIGAN NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assents to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to sell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

The fact that there is a notice of this offer on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, 670 Law Building, Lansing, MI 48913, telephone: 517-373-7117.

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

The Franchisor

The franchisor is Tahini's Franchising USA Corp. (referred to in this Disclosure Document as "Tahini's," "we," "us," or "our"). We were formed as a Delaware corporation on February 6, 2024. Our principal place of business is 2-657 Wilton Grove Road, London ON N6N 1N7, and we do business under our corporate name and the name "Tahini's Mediterranean Cuisine". We have not and do not conduct a business of the type to be operated by you, but our parent company does. We have offered franchises for this business since April 29, 2024. We have not conducted business in any other line of business.

In this Disclosure Document, we refer to person or business entity that will be signing the Franchise Agreement and Area Development Agreement (defined below) as "you," "your," "franchisee" or "area developer." While not uniformly imposed, it is our practice to require you to form business entity to serve as the "franchisee" and/or "area developer" under the Franchise Agreement and Area Development Agreement. As such, all references to "you," "your," "franchisee" and "area developer" includes all owners and partners of such business entity.

Our agents for service of process are listed in Exhibit G.

Our Parents, Predecessors and Affiliates

Our parent is Tahinis Franchising Corp. ("TFC"). TFC is an Ontario corporation that was incorporated under the *Business Corporations Act* (Ontario) on December 5, 2018. TFC is located at our address. TFC offers franchises in Canada for businesses similar to the franchise offered under this Disclosure Document, which operate under the trademark "Tahini's." TFC has been operating businesses similar to those franchises since 2019 in Canada and began franchising in Canada in 2019. As of December 31, 2024, TFC had fifty-six (56) open franchised locations and one (1) company-owned location.

In 2022, TFC commenced to offer existing Tahini's franchisees in Canada the opportunity to co-brand their Tahini's location with the DoughBits concept, which was licensed to TFC from its affiliated corporation DoughBits Inc. There are currently 4 DoughBits locations in Canada. TFC is no longer offer this concept as a co-branding opportunity and TFC is in the process of divesting ourselves from any interest in the concept.

Our affiliate, Tahinis LTD, owns the Proprietary Marks (described below) which it has licensed to us so that we may sublicense them to our franchisees through a trademark license agreement dated February 28, 2024. Tahinis LTD is located at our address. Tahinis LTD has never offered franchises in this or any other lines of business, and is not an approved supplier of any product or service that you must purchase.

Description of Franchise

We and our affiliates have developed a proprietary system (the "System") for opening and operating Tahini's Mediterranean Cuisine Restaurants, which are fast-casual restaurants specializing in the sale of high-quality Middle Eastern cuisine such as shawarma, falafel, kababs, and salads (each, a "Restaurant" or a "Franchised Business"). One of TFC's corporate-owned Tahini's restaurants also sells pastries; however, this feature is not part of our standard Tahini's restaurant franchise model. The size and layout of the "Location" of Franchised Businesses may vary significantly. Locations will typically be 1,500

square feet in size. The System makes use of the trade name and mark “Tahini’s”, as well as additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin (as identified in Item 13). These principal marks and all other marks which may be designated by us in the future in writing for use with the System are referred to in this Disclosure Document as the “Proprietary Marks”. The System includes distinctive signage, interior and exterior design, décor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of sale and tracking systems); training and assistance; and advertising, all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and in our Confidential Operations Manual (the “Manual”) (which you should expect to evolve over time) that will be provided to you as a franchisee.

Types of Franchises

This Disclosure Document offers two basic types of franchises for Franchised Businesses - unit franchise rights and area development rights.

For those who desire and are granted the right to operate a single Franchised Business, we offer a unit franchise program under which you will sign a “Franchise Agreement” and commit yourself to develop and open one (1) Franchised Business (see the current form of Franchise Agreement in Exhibit B).

For those who desire and are granted the right, to operate multiple Franchised Businesses within a defined area (the “Development Territory”), we offer an area development program under which you must make a commitment to sign separate Franchise Agreements for, and open, a pre-determined number of Franchised Businesses (no less than two (2)) according to a specified development schedule (the “Development Schedule”) (see our current form of Area Development Agreement in Exhibit C) (the “Development Agreement”). We will determine the Development Territory before you sign the Development Agreement and it will be set forth in the Development Agreement. The size of the Development Territory will vary depending upon local market conditions and the number of Franchised Businesses to be developed. The Franchise Agreement for your first Franchised Business will be signed at the same time as the Development Agreement. For each additional Franchised Business developed under the Development Agreement, you must sign our then-current form of Franchise Agreement that we are then offering to new franchisees, which may differ from the one disclosed in this disclosure document, but the Royalty Fee and the Advertising Fee will be the same as for your first Franchised Business. You may not open a Franchised Business for business until a fully executed Franchise Agreement is in place for that Franchised Business and the initial franchise fee has been fully paid.

We reserve the right to make any adjustments to our services as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually.

Market and Competition

The market for fast-casual restaurants in general is well developed and intensely competitive. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. You may also compete with other Franchised Businesses, ghost kitchens, cloud kitchens and delivery only businesses, and businesses owned by us, our affiliates or other franchisees. Some competitors may be larger and have better financial resources. Some competitors may have better name recognition than Tahini’s. Some may be privately held or publicly held entities. We do not believe that the fast-casual restaurant market is seasonal.

Industry Regulations

The restaurant industry is heavily regulated. A wide variety of federal, state and local laws, rules and regulations have been enacted that may impact the operation of your Franchised Business, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Franchised Business' premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and (e) regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Franchised Business and you should consider both their effect and costs of compliance.

Many of the laws, rules and regulations that apply to business generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to restaurants. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

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

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Franchised Business, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Franchised Business. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments.

ITEM 2 **BUSINESS EXPERIENCE**

Omar Hamam – Chief Executive Officer, Chief Financial Officer and Director

Omar Hamam has been our Chief Executive Officer, Chief Financial Officer and a Director since our inception in February 2024. He has also served as the Chief Executive Officer and a Director in London ON of TFC since December 2018; Tahinis LTD. since November 2017; and Alex Food Service Corp. since August 2019.

Aly Hamam – Chief Marketing Officer and Director

Aly Hamam has been our Chief Marketing Officer and a Director since our inception in February 2024 and the Chief Marketing Officer and a Director of TFC in London ON since December 2018.

Ahmed Dessouki – Chief Operating Officer, Chief Financial Officer and Director

Ahmed Dessouki has been our Chief Operating Officer, Chief Financial Officer and a Director since our inception in February 2024 and the Chief Operating Officer, Chief Financial Officer and a Director of TFC in London ON since December 2018.

Shawn Saraga – Chief Development Officer

Shawn Saraga has been our Chief Development Officer since our inception in February 2024 and the Chief Development Officer of TFC in London ON since September 2023. Mr. Saraga has also been a registered real estate broker since 2006, currently holding his license with Revel Realty Inc in Toronto, ON since 2018, and is the Founder and President of The Franchise Academy, in which since 2005. Mr. Saraga also served as the Vice President of Development for bar BURRTO from May 2020 to April 2022 and the Vice President of Development for Freshii & Foodtastic from May 2022 to October 2023. Mr. Saraga also sits on Board seats on several AI start-ups, and has also been a Board Member of Leadership Sinai since 2005. Mr. Saraga has been based in London, ON for all of these roles.

Khalid Sariffodeen – Chief Operations Officer, Vice President of Operations

Khalid Sariffodeen is our Chief Operations Officer and VP of Operations. He has served as our Chief Operations Officer since November, 2024 and VP of Operations since June, 2022. Prior to this role, Mr. Sariffodeen served as our Head of Operations from November, 2020 to July, 2022. Prior to this, Mr. Sariffodeen served as Director of Operations at Mindful Snacks from November, 2017 to November, 2020 and director of Project Management at Freshii from March, 2012 to December, 2017.

**ITEM 3
LITIGATION**

BarBurrito Restaurants Inc. v. Shawn Saraga, Sarah Ibbrahim, Tahini's Ltd., and Tahini's Franchising Corp. (Ontario Superior Court of Justice, CV-25-00737651-0000)

The plaintiff brought an action against the Franchisor and other defendants alleging, among other things, unlawful retention and use of confidential information. The plaintiff seeks an interlocutory and/or permanent injunction, as well as damages in an amount to be particularized at trial. The Franchisor and other defendants deny the allegations made by the plaintiff, and consider the suit to be frivolous and vexatious. The action is in its early stages, and the Franchisor and other defendants intend to vigorously defend the claim.

Except for the above, no litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

ITEM 5
INITIAL FEES

Franchise Agreement: You must pay an initial franchise fee of \$40,000 (“Initial Franchise Fee”) to purchase a Tahini’s Mediterranean Cuisine franchise. The Initial Franchise Fee is fully earned when paid and except as set forth below is nonrefundable. Unless you sign a Development Agreement, the Initial Franchise Fee is paid in one lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is generally uniformly imposed on all franchisees that purchase a Tahini’s Mediterranean Cuisine franchise except for the discount of the Initial Franchise Fee we offer to an area developer as described below. We did not accept any reduced Initial Franchise Fees during our prior fiscal year.

We will be primarily responsible for finding a suitable location for your Restaurant. We will present you with up to three locations for your Restaurant that reasonably meet our selection criteria. If you reject each of those three locations or 12 months pass after you sign the Franchise Agreement and you have not yet agreed to a location for your Restaurant, whichever comes first, you and we will each have the right to terminate the Franchise Agreement. There is no guarantee that we will find three suitable locations within such 12-month period. If either of us terminates that Franchise Agreement in such case, upon your execution of a release (except for claims under an applicable franchise law statute that are not permitted to be released), we will refund you the Initial Franchise Fee, without interest, less all costs and expenses incurred by us in connection with the execution of the Franchise Agreement and the performance of obligations or the provision of services in connection therewith, including but not limited to such costs and expenses related to background checks performed on the Franchisee, any franchise disclosure document delivered to the Franchisee, locating potential locations for the Franchised Business, and any training provided to the Franchisee or its employees. The Initial Franchise Fee is not refundable in any other circumstance.

You must pay a site supervision fee of \$20,000 (“Site Supervision Fee”) for our oversight and supervision of the construction, renovation, equipping and furnishing of the Location of your Franchised Business. This Site Supervision Fee is paid in one lump sum upon our demand and is not refundable.

You must pay a fee of \$5,000 (“Grand Opening Advertising Fee”) in one lump sum. This fee is due not less than thirty (30) days prior to the initial opening of the Franchised Business and is not refundable. This sum will be used to prepare a grand opening promotional package to assist you with your opening of your Franchised Business. Within sixty (60) days of the opening of the Franchised Business, we will prepare an accounting of our expenditures and will return to you any portion of the fee not used by us.

Development Agreement: When you sign the Development Agreement, you must pay us a development fee (“Development Fee”) that is calculated based on the total number of Franchised Businesses you commit to develop under the Development Agreement. The Development Fee will be equal to \$10,000 multiplied by the aggregate number of Franchised Businesses which you commit to develop. The Development Fee is fully earned by us upon receipt and is not refundable under any circumstances. The Development Fee is calculated uniformly for all Area Developers. For example if you commit to develop 3 Franchised Businesses, the Development Fee is calculated as 3 x \$10,000 = \$30,000.

You must sign the Franchise Agreement for the first Restaurant at the same time you sign the Development Agreement. The Initial Franchise Fee for the first Restaurant is \$20,000 (discounted by 50%) and is paid in one lump sum when you sign the Franchise Agreement. We will apply a \$10,000 (pro rata portion) of the Development Fee you are paying as a credit toward the amount of the Initial Franchise Fee. For each additional Restaurant you develop, on the date specified in your Development Agreement you must sign our then-current Franchise Agreement and pay us the Initial Franchise Fee which will be

discounted by 50% of our then-current Initial Franchise Fee, and you will receive the same credit of a portion of the Development Fee you have paid.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Franchised Business opens.

ITEM 6
OTHER FEES

Type of fee⁽¹⁾	Amount	Due Date	Remarks
Royalty	5% of Gross Sales ⁽²⁾	Wednesday of each week for the preceding calendar week (Monday to Sunday).	Gross Sales include all revenue from the franchise location or attributable to your sale of products/services regardless of whether such amounts are paid directly to you or to a third party. Gross Sales do not include sales tax, customer refunds, or coupons, vouchers or promotional items or programs approved in writing by us. ⁽³⁾
Marketing and Promotional Fund Fee	2% of Gross Sales ⁽²⁾	Wednesday of each week for the preceding calendar week (Monday to Sunday).	This amount may be increased or decreased from time to time in our discretion up to a maximum rate of 3%.
Technology Fee	\$925 to \$1,500 per month	Monthly, upon invoice	Monthly, upon invoice. Payable in respect of various software solutions, including POS, app, loyalty and gift cards, delivery platform aggregator, music licensing, and TV rentals. Subject to increase based on increases imposed by third-party vendors.
White Label Delivery	\$5 to \$8 per delivery. Total costs will vary with transaction volume.	Upon invoice	Independent delivery service companies, payable upon each delivery being completed. Payable to third-party vendors. Subject to change by third-party vendors.
Payment Solutions	0.0% to 3.5% + \$0.20 cents per transaction	Monthly	Payable to third-party vendors. Subject to change by third-party vendors.
Interest	15% per annum (compounded monthly; effective annual rate of 16.1%); or the maximum rate allowed by applicable law.	As incurred	All amounts to be paid to us bear interest when past due.

Type of fee ⁽¹⁾	Amount	Due Date	Remarks
Reimbursement of Monies Paid on Behalf of Franchisee	Our costs	Within 15 days of demand.	If we pay or are required to pay any money on your behalf by consent or otherwise under the Franchise Agreement, then you must reimburse us for such amounts.
Late Fee and NSF Payments	\$250 per occurrence	When invoiced.	For each occurrence where your bank refuses to honor payment due to us for any reason.
Training of replacement Designated Operator	\$6,000	Prior to training.	We provide initial training for the Designated Operator upon payment of the initial franchise fee. You may replace your Designated Operator after your Franchised Business opens provided we approve the new individual and you pay the fee set forth in Column 2.
Remedial Training	\$500 per day per trainee.	Prior to training.	We may require you and/or your employees to attend mandatory continuing training sessions from time to time. If we do, you will have to pay us the fee set forth in Column 2.
Additional Training	\$1,000 to \$3,000 per week.	When invoiced.	If we agree to provide any of your other employees with training (i.e., other than the Designated Operator or Manager), you must pay us the fee set forth in Column 2.
Restaurant Management and Additional Assistance	10% of Gross Sales, plus our costs, if we manage the Franchised Business for you, or \$500 per day per trainee	When invoiced.	If you require additional assistance or assistance specific to your Franchised Business, you must pay us a the fee set forth in Column 2 for providing that assistance to you.
Audit Fee	Cost of audit plus interest on underpayment.	When invoiced.	You are responsible for cost of audit only if actual Gross Sales for audit period are greater than reported Gross Sales by 3% or more
Renewal Fee	50% of our current initial franchise fee (i.e., \$20,000)	Before renewal.	Payable when you request to renew your Franchise Agreement.
Administrative and legal costs for renewal	Our costs including legal fees	Before renewal.	You must reimburse us for our reasonable legal fees and other costs incurred resulting from your renewal.
Relocation	Our costs including legal fees.	Before relocation.	Payable when you request to relocate your Franchised Business.

Type of fee⁽¹⁾	Amount	Due Date	Remarks
Term Extension Fee	Pro-rated initial franchise fee	Upon execution of the lease for the new location.	Payable when you relocate your Franchised Business and the initial term under the lease is longer than the term remaining on your Franchise Agreement at the time of the relocation.
Transfer Request Fee	\$6,500	Upon request to transfer your franchise.	Payable when you request our consent to transfer your franchise. This fee will be applied to the transfer fee (if the transfer is completed) or our legal and administrative costs (if the transfer is not completed).
Administrative and legal costs for transfer	Our costs including legal fees	As incurred.	Payable regardless of whether the transfer is completed. If the transfer is not completed, the transfer request fee of \$6,500 will be credited against these costs. If the administrative and legal costs incurred by us are more than \$6,500, you will be required to reimburse us for those additional costs. If the transfer is not completed and our administrative and legal fees are less than \$6,500, we will refund to you the remaining balance.
Transfer Fee	50% of current initial franchise fee (i.e., \$20,000)	Before transfer.	Payable when you sell or transfer your franchise. The transfer request fee of \$6,500 is credited against this amount if the transfer is completed.
Post-transfer holdback	\$20,000	Upon transfer	Applied to any post-transfer adjustments from the landlord (if the Location is subleased) or other obligations of yours remaining after the transfer. The balance of the holdback will be paid to you on the earlier of (i) 90 days after the completion of the transfer, or (ii) once we or our affiliate receives confirmation that no further amounts are due under your Restaurant lease.
Termination	Our damages, costs, and expenses, including legal fees.	Within 3 days following termination.	Payable when your franchise is terminated due to your defaulting on the Franchise Agreement.
Failure to abide by the terms of the Franchise Agreement.	Our damages, costs, and expenses, including legal fees, if we default on behalf of you.	Payable on demand.	If you fail to abide by your obligations under the Franchise Agreement and we elect to do so on your behalf.

Type of fee ⁽¹⁾	Amount	Due Date	Remarks
Group Insurance Plan	Out costs of the insurance premiums	Monthly.	We may require you to purchase insurance through our blanket insurance policy and pay us or a supplier the monthly premiums.
Emergency operation of Franchised Business	Our costs, plus 10% of Gross Sales	As incurred.	If you are unable to continue normal operation of the Franchised Business, we may operate it on your behalf.
Indemnification	Our damages, costs, and expenses, including legal fees	As incurred.	You must indemnify us against your breaches of the Franchise Agreement and against any third party claims arising from the operation of your franchise, unpaid taxes, the transfer of your franchise, if we are required to temporarily operate your franchise, or if we are required to exercise our power of attorney.

Notes:

- (1) Except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us, non-refundable and are currently uniformly imposed. However, for any costs set forth above that are required to be paid to our approved suppliers, for the ease of systemwide contract maintenance, we have the right (but not the obligation) to pay those suppliers directly on behalf of amounts owed by franchisees, and then collect those amounts from franchisees. You must participate in a pre-authorized debit system whereby Royalty Fees, Advertising Fees, and other amounts payable to us and our affiliates are automatically debited from your bank account. For any cost charged to you as a pass-through from third-parties, we have the right to impose an additional 15% administrative fee on same. In addition, we will have the right to make inflation adjustments to the fixed-dollar amounts under the Franchise Agreement if there are changes in the Index from the year in which you signed the Franchise Agreement. "Index" means the Consumer Price Index published by the U.S. Bureau of Labor Statistics ("BLS") (1982-84=100; all items; CPI-U; all urban consumers). If the BLS no longer publishes the Index, then we can designate a reasonable alternative measure of inflation.
- (1) If you are currently receiving business interruption insurance, then your Royalty Fee and Marketing Fund Fee will be calculated by taking 5% and 2% (or the then-current rate), respectively, of imputed sales for such period based on your average weekly Gross Sales over the past 6 months or such lesser period if the Restaurant has not yet been in operation for 6-months.
- (2) If you fail to keep proper business records, we may estimate your Gross Sales and you will be required to pay us Royalty Fees and Advertising Fees based on those estimated Gross Sales.
- (3) Prior to transferring your franchise, you must obtain our consent. In order to request our consent you must pay us the transfer request fee. We have the right to: consent to the transfer; exercise our option to purchase the franchise from you; or reasonably refuse our consent. If we consent to the transfer, then you will need to pay a transfer fee (see the table above, under the row "Transfer fee") and the transfer request fee will be applied to this amount. If we exercise our option to purchase, then the transfer request fee will be applied to the purchase

price. If we reasonably refuse to provide consent, then we will credit the transfer request fee against the legal and administrative costs that we have incurred and refund to you any remaining balance.

ITEM 7
ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT OF ONE RESTAURANT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee (1)	\$40,000	\$40,000	Lump Sum	On signing Franchise Agreement	Us
Site Supervision (2)	\$20,000	\$20,000	Lump Sum	On signing Franchise Agreement	Us
Fixtures, Furnishings, Equipment, Signage, Etc. (3)	\$52,500	\$108,500	Lump Sum	As Incurred	Suppliers
Leasehold Improvements, Construction Cost (4)	\$189,000	\$329,000	Lump Sum	As Agreed	Supplier
Opening Inventory (5)	\$10,000	\$15,000	Lump Sum	Prior to Opening	Suppliers
Insurance – 3 Months (6)	\$5,500	\$8,500	Lump Sum	As Incurred	Insurance Companies
Business Permits	\$1,000	\$1,000	Lump Sum	Prior to Opening	Municipality or Other Government Authority
Travel/Living Expenses during Training (7)	\$2,500	\$5,000	As Incurred	As Incurred	Airline, Hotel, Restaurants, etc.
Rent/Security Deposit (8)	\$10,000	\$50,000	Lump Sum	As Agreed	Landlord
Utility and other fees/deposits during initial period (9)	\$3,000	\$5,000	Lump Sum	Opening of Accounts	Utility Providers
Professional Fees (10)	\$5,000	\$10,000	As Arranged	As Arranged	Attorney, Accountant
Grand Opening Advertising (11)	\$5,000	\$5,000	Lump Sum	Prior to Opening	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Employee Wages during Training and first 3 months (12)	\$10,000	\$20,000	As Incurred	As Incurred	Employees
Additional Funds – 3 months (14)	\$30,000	\$50,000	As Incurred	As Incurred	Employees, suppliers, utilities
TOTAL (15)	\$383,500 - \$667,000				

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must pay to third party suppliers may be refundable. We do not finance any portion of your initial investment.

Notes:

1. **Initial Franchise Fee.** We will be primarily responsible for finding a suitable location for your Restaurant. We will present you with up to three locations for your Restaurant that reasonably meet our selection criteria. If you reject each of those three locations or 12 months pass after you sign the Franchise Agreement and you have not yet agreed to a location for your Restaurant, whichever comes first, you and we will each have the right to terminate the Franchise Agreement. There is no guarantee that we will find three suitable locations within such 12-month period. If either of us terminates that Franchise Agreement in such case, upon your execution of a release (except for claims under an applicable franchise law statute that are not permitted to be released), we will refund you the Initial Franchise Fee, without interest, less all costs and expenses incurred by us in connection with the execution of the Franchise Agreement and the performance of obligations or the provision of services in connection therewith, including but not limited to such costs and expenses related to background checks performed on the Franchisee, any franchise disclosure document delivered to the Franchisee, locating potential locations for the Franchised Business, and any training provided to the Franchisee or its employees. The Initial Franchise Fee is not refundable in any other circumstance.
2. **Site Supervision.** We will oversee and supervise the construction, renovation, equipping and furnishing of the location of the Franchised Business. The current fee we charge for this is \$20,000 and is not refundable.
3. **Fixtures, Furnishings, Equipment, Signage, etc.** This estimate includes the purchase of stainless steel equipment, kitchen equipment (including refrigerator), furniture, and smallwares. This estimate also includes the initial fee for the Point of Sale (POS) equipment and other Restaurant equipment and systems, such as a telecommunications equipment, video displays, music license and sound system, video surveillance and monitoring system and payment processing equipment. You will be required to use the POS system that we designate including our designated supplier for installation and servicing of the POS equipment. We have the right to designate suppliers for all equipment and systems and different equipment and systems if we consider it advisable. This expense will be on the higher or lower end of the estimate depending on layout and size of the Franchised Business premises. For example, costs will depend on the number and size of exterior signs required for the premises, the amount of furniture required, the size of walk-in fridge and freezer required, and the configuration and size of the hood. Costs will be lower if the location has pre-existing hoods, walk-in fridges, or freezers that are suitable for operating a Tahini's restaurant.

4. ***Leasehold Improvements and Construction Costs.*** It is assumed that the Franchised Business will not be located in premises in which a restaurant has been operated in the past. The investment required for leasehold improvements will vary from location to location, depending in part on the extent of suitable leasehold improvements already located in the premises, the amount of electrical and mechanical work to be completed, and the amount and type of finishing required depending on the pre-existing condition of the premises. Some sites may have unique conditions or features posing challenges that require different levels of improvements and upgrading. The estimate above is based on construction costs related to demolition, plumbing and gas, HVAC unit, walls, flooring, millwork, interior and exterior signage, electrical, fire alarm, sprinklers, painting, refrigeration, general contractor fees as well as building and sign permit fees.
5. ***Opening Inventory.*** You will be required to invest in an opening inventory of food, beverages, paper supplies and uniforms. We will help you place your first order of opening inventory with our designated suppliers and those suppliers will charge the cost of the order to you directly.
6. ***Insurance.*** The estimate provided is for 3 months of monthly insurance premiums for the insurance policies we require you to maintain. Our insurance requirements are described in Item 8. You should contact your insurance agent and obtain an estimate of your actual insurance costs.
7. ***Travel/Living Expenses during Training.*** These estimates include only your out-of-pocket costs associated with the Designated Operator's attending our initial training program, including air travel, lodging and meals for the duration of training in London, Ontario, or such other location we designate, where initial training will take place. Your costs may vary depending on the distance traveled, and selection of lodging and dining establishments.
8. ***Rent/Security Deposit.*** You may be required to pay a security deposit for first and last months' rent in respect of the premises as well as a damage deposit, depending on the terms of the lease. The amount of the security deposit is not uniform for all franchisees as it depends on the location and what the landlord demands. You will be responsible for all fees that are payable to the landlord.
9. ***Utilities and Other Fees/Deposits During Initial Period.*** . You will be required to provide deposits to utility providers when you open up accounts with them.
10. ***Professional Fees.*** These fees will depend on the level of review and advice sought from lawyers, accountants, and other consultants.
11. ***Grand Opening Advertising.*** We create a grand opening promotional package to assist you with the initial opening of your Franchised Business. The current fee we charge is \$5,000. Sixty (60) days after the opening of your Franchised Business we will prepare an accounting of our expenditures and any unused portion of this fee will be returned to you.
12. ***Employee Wages During Training and First 3 Months.*** Includes wages for the training of staff other than the Designated Operator as well as 12 weeks of wages. It is assumed that you will require training for approximately 4 people (in addition to the Designated Operator) who will be paid a current market-rate salary for these services and receive 40 hours of training each. It is also assumed that when you commence operations, you will require 1 full-time Kitchen Manager who will be paid a current market-rate salary for these services, 2 full-time Shift Supervisors who will be paid a current market-rate salary for these services and 10 part-time cooks/dishwashers (typically paid minimum wage). The staff you require may be more or less depending on the size of your Franchised Business and the amount of sales your Franchised Business generates. Note that you

(and not we) will at all times be responsible for all employment decisions of your Franchised Business including but not limited to hiring, firing, training, promotion, remuneration, compliance with law (including without limitation wage and hour laws), recordkeeping, supervision and discipline of employees. We do not have the power to hire, fire, or control in any manner whatsoever the employees of your Franchised Business.

13. **Additional Funds.** The amount of working capital needed will depend on the time necessary to achieve cash flow to cover operating expenses. This category includes estimated payroll, utilities, advertising, promotion and similar costs during the initial phase of a new Restaurant, which we estimate will be 3 months, but we have not included or factored in any sales revenue generated by your Franchised Business during this period. Shortfalls of capital may arise from a variety of reasons such as delays or shortages, economic conditions, local prevailing wages and availability of suppliers within the local market. Your costs will depend on factors such as the sales volume of the Franchised Business, local economic conditions, the prevailing wage rate, competition, your rent structure, and other factors
14. **Total.** We relied on our parent’s experience opening and operating Tahini’s restaurants in Ontario since 2019 when preparing these estimates. Estimates are based on the typical square footage of a Restaurant of 1,500 square feet. These estimates do not include any draw or salary for you, Royalties or Advertising Fees.

YOUR ESTIMATED INITIAL INVESTMENT – AREA DEVELOPER

YOUR ESTIMATED INITIAL INVESTMENT DEVELOPMENT RIGHTS FOR TWO (2) TO THREE (3) RESTAURANTS				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (1)	\$20,000 to \$30,000	Lump Sum	When Development Agreement is Signed	Us
Professional Fees – Legal (2)	\$2,000 to \$4,000	As Arranged	As Arranged	Attorney, Accountant
Total (3)	\$22,000 to \$34,000			

1. **Development Fee.** When you sign the Development Agreement, you must pay us a development fee (“Development Fee”) that is calculated based on the total number of Franchised Businesses you commit to develop under the Development Agreement. The Development Fee will be equal to \$10,000 multiplied by the aggregate number of Franchised Businesses which you commit to develop.
2. **Professional Fees.** We recommend strongly that you engage the services of professionals to assist you in evaluating our franchise and to enter into the Development Agreement. This will include attorneys and accountants. Actual cost depends on the work done by your attorneys and accountants and their rates.

3. ***Other Expenditures for First Restaurant.*** If you sign a Development Agreement, the estimated initial investment for the first Franchised Business you open under the Development Agreement is as disclosed in the Item 7 table above for individual Franchise Agreements (i.e., between \$383,500 and \$667,000) less a discount of \$20,000 of the Initial Franchise Fee and credit of \$10,000 applied to the Initial Franchise Fee (representing a pro rata portion of the Development Fee) for the first Franchised Business. You should be aware that although the Initial Franchise Fees you pay will be discounted by 50% of our then-current Initial Franchise Fee and a portion of the Development Fee will be credited to your Initial Franchise Fees, the initial investment (the estimate of which is disclosed in the Item 7 table above for individual Franchise Agreements) for your second and subsequent Franchised Businesses, will likely be higher than for your first Franchised Business due to inflation and other economic factors that may vary over time. In addition, we expect that if you need a vehicle to view potential sites, oversee the build-outs, supervise multiple locations, etc., you will already have such a vehicle prior to your acquisition of development rights that you can use for this purpose, so have not included these costs.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Products and Services

In order to maintain the reputation, goodwill, high standards, quality, uniformity and image of Tahini's restaurants, you must strictly adhere to the Tahini's system standards at all times. You may only provide products and services approved or authorized by us or which conform to our standards and specifications, and you must offer all products and services that we require you to sell. You must sell, display and use in your Franchised Business only those types, brands and styles of products and services, and only such smallwares, equipment, fixtures, posters, signs, furnishings, paper goods, forms, menu boards, uniforms that we have approved. You must maintain a balanced inventory of all products we specify in sufficient quantity to fulfill your customers' needs and that meets or exceeds any minimum inventory levels we prescribe. You may not use any product which does not meet our standards and specifications, or which was obtained from any source other than designated suppliers. You must comply with our requirements concerning the introduction of any new or different products or services for sale or use in your Franchised Business. The foods you sell in your Franchised Business must be prepared using recipes we specify.

Purchases from Us or through Designated or Approved Sources

You must use in the operation of your Franchised Business only those fixtures, equipment and signs that we have approved. You must purchase all furniture, fixtures, equipment and signage for your Franchised Business from our designated suppliers, which may include us or our affiliates. You must place or display at your Franchised Business only such signs, emblems, logos and display materials as are approved in writing by us. You must maintain all furniture, fixtures, equipment, and signage and promptly replace any non-repairable or obsolete equipment with new items that we specify.

If requested by us, you must purchase certain types of products from our designated or approved suppliers or distributors, notwithstanding that you may have adequate facilities and personnel to prepare such products on your own premises or in another related premises. We reserve the right to designate suppliers and distributors of products and services, which may include us, our affiliates or franchisees of an affiliate. Products you must purchase from our designated suppliers include without limitation food products, paper products, supplies, uniforms, equipment, and a software license for the POS system.

You must use the POS system that we designate and pay software license fees to the designated supplier. You must also enter into an agreement with an approved payment processor to provide credit/debit payment terminals and process transactions. These payment processors typically charge fees (as a percentage or fixed fee) based on the number of transactions, the type of transaction (*e.g.*, Interac, Visa, MasterCard), as well as the number of credit/debit payment terminals supplied. We have the right to designate a different system or supplier if we consider it advisable.

You must have arrangements in existence with such credit issuers, check verification services, electronic funds transfer systems, debit card, and gift/loyalty card software, maintenance, service and support service providers that we designate to enable you (or us or any designated service provider) to accept customers' credit cards, debit cards, loyalty card, gift card, checks and other methods of payment for goods.

You may be required to participate in any delivery, ordering, or catering programs including online platforms operated by us, our affiliates, or a supplier that we designate such as UberEATS (collectively, "Online Restaurant Platforms"). In such case, you would be required to enter into contracts with us, our affiliates, or our designated suppliers (as applicable) which may include specified or mandatory provisions, and obligations to purchase and install any applicable equipment, software systems, or other items to be used in connection with the Online Restaurant Platforms.

You may be required to use designated service providers with respect to grease trap cleaning, exhaust hood cleaning, HVAC maintenance and repair, and pest control. These providers will be designated by the landlord or by us. If we require you to, you must use our designated service providers for the maintenance of certain equipment in your Franchised Business. You may not enter into any direct energy or similar contracts which cannot be terminated at any time.

Insurance

You must maintain insurance coverage with insurance carriers acceptable to us, and must meet our current minimum insurance requirements as described in this paragraph or as otherwise provided in the Manual. Currently we require our franchisees to have the following insurance coverages: (i) comprehensive general liability insurance covering the operation of the Franchised Business having not less than \$5,000,000 combined limit with respect to property damage, premises liability, employer's liability, bodily injury and/or personal injury combined per occurrence; (ii) motor vehicle insurance having not less than a \$2,000,000 limit; (iii) all risks property insurance for the full replacement value of the property of the Franchised Business (including full replacement value of inventory, fixtures, furniture, signage, equipment and smallwares with coverage against fire, flood, earthquake, windstorm, sewage back-up, malicious mischief, employee dishonesty, robbery, and burglary); (iv) workers' compensation as designated by law; (v) comprehensive equipment breakdown insurance on a replacement cost basis covering all insurable objects that are the franchisee's responsibility to insure; (vi) wrap up liability insurance and construction insurance during the initial construction of the Location and during period of renovation; (vii) cyber security insurance; (viii) business interruption insurance with reimbursement coverage for direct or indirect loss of earnings with coverage for a period of interruption of not less than 180 days, and including coverage for royalty, other payments due to us and our affiliates and under any lease, sublease or other agreement affecting the Franchised Business; and, (ix) any other insurance coverages we may require in the future. Among other requirements, your insurance (except for workers' compensation and employer's liability) must name us and the other indemnitees identified in the Franchise Agreement as additional insureds, must be primary and must contain a waiver of subrogation rights in favor all those parties. At our option we may require you to purchase insurance from our designated supplier and/or obtain coverage under a blanket insurance policy for the Tahini's system. You must also comply with the insurance requirements set out in the lease for your Franchised Business location.

Purchases by Specification

You must purchase or lease from any supplier and use in the operation of your Franchised Business such equipment, furniture and fixtures as are specified, and which meet the standards set out, in the Manual. We have the right to inspect the Franchised Business, equipment, fixtures and products at your premises; to take inventory of such products; and to examine the manner in which you are conducting your business. You are required to cooperate fully with any such inspection.

You are responsible for purchasing, maintaining, and upgrading any computer hardware and software used in connection with the operation of your Franchised Business. Upon our request, you must acquire, install, update or replace any computer hardware and/or software designated by us.

You must purchase all food products, including ingredients and all restaurant accessories, supplies, and equipment (including, without limitation, containers, smallwares, cutlery, furniture, napkins, and uniforms) from sources or suppliers approved or designated in writing by us (which sources or suppliers may include affiliates of ours), or in accordance with our specifications. We formulate these specifications to improve efficiency in the system and maintain a cohesive image across the franchise system. We will send you memorandums when we make changes to the system specifications.

Site Selection and Construction

You must obtain our approval of the site for the Location of the Franchised Business before you acquire the site. You must also obtain our approval of the sale or lease of the Location before you sign the contract or lease. At our request, you and your landlord must sign a Collateral Lease Assignment and Lease Rider (Schedule 5 of the Franchise Agreement), which among other things, permits your lease to be assigned to us upon expiration or termination of your Franchise Agreement. We reserve the right to require you to use, or to engage on your behalf, designated real estate brokers in connection with same, who may be us or our affiliates. You shall be solely responsible for any and all broker and other commission and real estate fees related to same. If we are unable to identify and acquire a suitable location for your Restaurant within 12 months after you sign the Franchise Agreement or you reject up to three locations that we present to you which reasonably meet our site selection criteria, you and we will each have the option to terminate the Franchise Agreement. In such case, we will refund you the Franchise Fee, without interest, less any amounts for related costs, expenses or fees we incur during that time (including, for example, fees related to background checks performed on you, preparation of this disclosure document, locating potential locations for the Restaurant, and any training provided to you or your employees).

In most circumstances, we will undertake the development of all or any part of the Franchised Business's premises and do or cause to be done all or any part of such things as may be necessary to complete the Franchised Business's premises for use by you, including appointing architects, designers and contractors. In such event, we will liaise with design, engineering and construction, and other firms on your behalf, however you will contract with and pay such firms directly. We may subcontract out some or all of the management and supervisory services undertaken by us. If we exercise our right to do so, upon request, you must pay us or our nominee an administrative or management fee in respect of the time and expenses incurred relating to the administration, participation or involvement with respect to the construction or development of the Franchised Business's premises, including reimbursement for reasonable travel and lodging costs incurred by any representatives of ours or our nominee in connection with the foregoing. Such administrative fee is currently equal to 5% of the total cost of development. If we do not elect to manage and supervise the construction and development of the Franchised Business's premises on your behalf as described above, you will be solely responsible for constructing and equipping the Franchised Business's premises in accordance with our timetable and in conformity with layout plans, specifications and drawings approved in writing by us. Any contractor, subcontractor, or other professionals engaged or retained by you

must be approved or designated by us. The responsibility and cost of preparing plans, specifications and drawings for the Franchised Business's premises and all costs pertaining to the construction and equipping of the Franchised Business's premises are borne exclusively by you. We will have the right to inspect the construction and development of the Franchised Business's premises at all reasonable times.

Advertising Materials

All advertising in any medium must be conducted in a dignified manner and conform to the standards and requirements we specify in the Manual or otherwise. You must obtain our approval before you use any advertising and promotional plans and materials that have not been prepared or previously approved by us.

System Changes

We reserve the right at any time to add, delete or change any component of our franchise system (for example by adding a new trademark, altering an operating procedure, or discontinuing a product), as well as to re-brand the entire system (including your Franchised Business) under a different name and primary trademark if we so choose, and you must implement all changes at your expense.

Required Renovations

We may, acting reasonably, require you to modernize and/or renovate the Franchised Business and the contents thereof from time to time in accordance with our evolving system requirements and the plans, designs and specifications we may supply you, and you will be required to complete such renovations within 90 days after receiving our notice requiring you to do so.

Rebates and Other Material Consideration

We and our affiliates reserve the right to negotiate with various vendors for contracts, including price terms, that may include rebates, profits, bonuses, discounts, co-ordination fees, marketing funds and promotional funds or other allowances to us and/or to our affiliates in the future from sources or suppliers associated with your franchise as a result of our (or our affiliates') involvement (if any) in the construction of your Location or purchases and leases of goods and services by franchisees. We and our affiliates reserve the right to receive tenant allowances in connection with the site supervision services for our franchisees' restaurant premises. Our policy is to retain these rebates, profits, bonuses, discounts, co-ordination fees, marketing funds and promotional funds or other allowances for our own account and not share these rebates with franchisees directly or indirectly. We and our affiliates may also make a profit through the reasonable mark-ups we charge on any products and services you buy from us or our affiliates, all of which we would retain for ourselves.

As of the issuance date of this Disclosure Document, neither we nor our affiliates derived revenue from selling products or services to franchisees or received any rebates from suppliers on account of purchases by franchisees except for the site supervision fee, but we intend to receive such revenue and rebates in the future. As of the issuance date of this Disclosure Document, we do not provide any material benefits (including, for example, renewal or granting additional franchises) to a franchisee based on the franchisee's purchase of particular products or services or use of designated or approved suppliers.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 80% to 100% of your total purchases in establishing and operating the Franchised Business.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement and DA means the Development Agreement.

Obligation	Article/Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA – Sections 5.1 and 5.2, and Schedule 5	Items 8 and 11
b. Pre-opening purchases/leases	FA – Articles 5 and 14 and Sections 6.8, 8.4, 9.1, 9.5, 9.15, 9.26, 9.27, 9.30, 13.1, 13.9	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA – Articles 5 and 14 and Sections 9.1, 9.5, 9.7, 9.15, 9.27, 9.30, 13.1 and 13.9 DA – Sections 6 and 7	Items 1, 8 and 11
d. Initial and ongoing training	FA – Sections 9.1, 9.2, 9.3, 9.4 and 9.7	Items 6, 7 and 11
e. Opening	FA – Section 5.8 DA – Section 6	Items 5, 6, and 11
f. Fees	FA – Articles 6, 18 and 19 and Sections 4.3(h), 5.4(f), 7.5, 9.3, 9.4, 9.7, 13.1, 13.8, 15.3, 15.4 and 15.5 DA – Sections 5 12.02 and 18.11	Items 5 and 6
g. Compliance with standards and policies/operating manual	FA – Articles 5, 8, 9, 11, 12, 13, 14, 15 and 16 and Sections 1.6, 3.2, 3.5 and 4.3 DA – Section 9.02	Items 11 and 14
h. Trademarks and proprietary information	FA – Articles 10 and 11 and Sections 1.2, 2.3, 9.14 and 9.19	Items 13 and 14
i. Restrictions on products/services offered	FA – Article 8	Items 8 and 16
j. Warranty and customer service requirements	FA – Article 8	Item 8
k. Territorial development and sales quotas	DA – Section 6	12

Obligation	Article/Section in Agreement	Disclosure Document Item
l. Ongoing product/service purchases	FA – Articles 8, 13 and 14 and Sections 4.3, 5.5, 9.2 – 9.5, 9.7, 9.15, 9.17, 9.25 – 9.27 and 9.30	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA – Article 15 and Sections 4.3, 5.5, 5.6, 8.1, 8.2, 8.6, 8.14, 9.13, 9.15, 9.17, 9.25 – 9.27 and 15.4	Items 8 and 11
n. Insurance	FA – Article 14	Items 7 and 8
o. Advertising	FA – Article 13 and Sections 8.6 and 9.12	Items 5, 6, 7, 8, 11
p. Indemnification	FA – Articles 19 and 20 DA – Sections 9.03, 9.07 and 14.01	Item 6
q. Owner’s participation/management/staffing	FA – Sections 8.10, 9.7 and 20.4 DA – Sections 9.06 and 14.01	Items 11 and 15
r. Records and reports	FA – Article 12	Item 6
s. Inspections and audits	FA – Sections 9.13 and 12.9	Items 6, 8 and 11
t. Transfer	FA – Article 15 DA – Section 12	Items 6 and 17
u. Renewal	FA – Section 4.2	Items 6 and 17
v. Post-termination obligations	FA – Article 18 and Sections 9.19, 9.20, 19.3, 19.6, 19.8 and 19.9 and Schedule 6-A DA – Sections 9.03, 10.01, 11.01 and 16 and Exhibit B-1	Items 6 and 17
w. Non-competition covenants	FA – Section 9.20 and Schedule 6-A DA – Sections 10.01 and 11 and Exhibit B-1	Item 17
x. Dispute resolution	FA – Section 21.11 DA – Section 18.18	Items 6 and 17
y. Liquidated damages	FA – Sections 5.3 and 17.1	Item 6

ITEM 10
FINANCING

We do not offer, either directly or indirectly, any financing arrangements to you.

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

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

Pre-Opening Obligations

Development Agreement: Under the Development Agreement we will provide you with the following assistance:

1. We will grant to you development rights to a Development Territory within which you will assume responsibility to establish and operate an agreed-upon number of Franchised Businesses under separate Franchise Agreements (Development Agreement, Section 2.01)
2. We will offer and perform the training, assistance and other activities set forth in the Franchise Agreements for your Franchised Businesses. (Development Agreement, Section 8.01)

Franchise Agreement: Before the opening of a Franchised Business, we will provide you with the following assistance and services, without additional charge except where noted:

1. assist with the selection and build-out of the location. The criteria we use when evaluating a site you propose includes: available term, demographics, pedestrian traffic, visibility, premises size, parking, space for signage, surrounding businesses, and the estimated costs to complete construction.
2. arrange for the preparation of detailed plans and specifications for the design, layout and construction of the Location for your approval and establish a budget for the construction of the Location for your approval. (Franchise Agreement, Section 5.3)
3. oversight and supervision of the construction, renovation, equipping and furnishing of the location for the Franchised Business in accordance with our standard plans and specifications. You must pay our site supervision fee for these services. (Franchise Agreement, Section 5.3)
4. specifications for equipment and supplies and assistance in arranging sources of all food and beverage items, smallwares, equipment, paper goods, maintenance, supplies and other items that you must purchase, (however we do not deliver or install such items or provide any other assistance for the procurement of such items.) (Franchise Agreement, Section 7.3)
5. guidelines and specifications for the operation of the Franchised Business. (Franchise Agreement, Section 7.3);
6. an initial training program for the operation of the Franchised Business at a location we designate (see below under heading "Training").
7. loan you a copy of the Manual. (Franchise Agreement, Section 7.3)
8. provide you with specifications for equipment, supplies. (Franchise Agreement, Section 7.3)
9. prepare a grand opening promotional package to advertise and promote the opening of the Franchised Business. You must pay us a grand opening advertising fee for this assistance. (Franchise Agreement, Section 13.1)

10. We may, but are not required, to set or establish franchisee pricing of products and services, as permitted by then-applicable law. For example, we may prescribe the maximum, minimum or exact retail prices that you may charge customers; make recommendations to you for the prices you charge customers and advertise specific retail prices for some or all products or services sold by your franchised business, which prices you would be compelled to observe. (Franchise Agreement, Section 8.9)

Post-Opening Assistance

Franchise Agreement: After you have opened your Franchised Business we will provide you with the following assistance, without additional charge except where noted:

1. general advisory assistance for the operation, advertising, and promotion of the Franchised Business. (Franchise Agreement, Section 7.4)
2. conduct as we consider advisable, inspections of Tahini's Restaurants during which we assess quality standards and customer service. (Franchise Agreement, Section 7.4)
3. at your request or if we determine it is necessary, additional assistance to you. You must pay our fee for our additional assistance. (Franchise Agreement, Section 7.5)
4. administer the Marketing and Promotion Fund. (Franchise Agreement, Section 13.6)
5. at our option and to the extent permitted by applicable law, continue to set or establish franchisee pricing of products and services as described above in this Item 11. (Franchise Agreement, Section 8.9)

Advertising

Grand Opening Advertising

We will provide you with a grand opening promotional package to advertise and promote the opening of your Franchised Business, including your 'soft opening' and a grand opening event. You must pay us a Grand Opening Advertising Fee for this assistance of \$5,000. The grand opening promotional package might include advertising in local media including print, radio, and/or online, distributing flyers, posting advertisements on community bulletin boards, developing a strategy for and advertising initial discounted prices on products sold by your Franchised Business, and other marketing plans and materials as appropriate for your local market in our opinion. The grand opening promotional package may change from time to time, and you will not necessarily receive the same package as other franchisees. Within 60 days of opening your Franchised Business, we will provide you with an accounting of how the Grand Opening Advertising Fee was used and return to you any remaining balance.

Tahini's Marketing and Promotion Fund

We intend to establish a Tahini's Marketing and Promotion Fund (the "Fund") which we administer and control. You must contribute 2% of your Franchised Business' Gross Sales to the Fund. We may also maintain the Fund on a worldwide basis, and consolidate with the advertising fees paid by franchisees of our affiliate franchisors in other countries. Tahini's Restaurants that we and our affiliates own may (but need not) contribute to the Fund on the same basis as franchisees

We have not yet established a US-specific Fund as of the Issuance Date of this Disclosure Document, but our affiliate, TFC, has and currently operates such Fund on an amalgamated basis in the

United States and Canada. For the fiscal year ending March 31, 2025 (which is the TFC's prior fiscal year end), the Fund was spent 51% on national or local advertised campaigns (including media placement and production) and 49% to defray salaries and expenses of the Franchisor's staff engaged in the development, production and implementation of advertising and promotional campaigns and programs in order to foster and promote goodwill and customer recognition, loyalty to the System and to the Franchised Business, and to attract new franchisees to the System. The advertising figures presented in this section have not been verified by an accountant, and the Franchisor provides estimates only.

The Fund will be used and expended, in our discretion, without limitation, for brand awareness programs, brand management costs, marketing department fees, media costs, commissions, market research costs, creative and production costs, special programs or projects that generally benefit the System, initiatives intended to maintain the goodwill of the Proprietary Marks, including, without limitation, promotions offered through a Delivery Programs, new product launches and the equipment or other costs associated therewith, the cost of refunds, coupons or products provided to unsatisfied Delivery Programs or in-store customers, the costs of creating promotions and artwork, printing, collateral and point of sale materials, and electronic media costs, and other costs relating to advertising and promotional programs undertaken by us. We reserve the right to place and develop such advertisements and promotions and to market them as agents for and on behalf of you, either directly or through an advertising agency retained or formed for such purpose or through co-operative advertising groups composed of System franchisees designated by us. The Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, and overhead (calculated on a fully allocated basis), if any, as we may incur in activities reasonably related to the administration or direction of the Fund and its advertising programs (including, without limitation, conducting market research).

The Fund is intended to maximize general public recognition and patronage of the businesses using the System, or any other system operated or franchised by us, for the general benefit of all restaurants and franchisees, and we undertake no obligation in administering the Fund to ensure that any particular franchisee, including you, benefits directly or pro-rata from the placement or conduct of such advertising and promotion. We are under no obligation to administer or distribute the Fund according to any particular geographic area or territory or exclusively within the United States of America. If we deem it appropriate, we, together with our affiliates, have the right to co-mingle, merge, and/or separate funds and the monies therein and the administration thereof to create one or more Funds for the System or the Systems, and/or to allocate a portion of the Fund to regional advertising co-operatives administered by one or more groups of franchisees, without prior notice to you. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund in that year and we may make loans to the Fund bearing reasonable interest to cover any deficits of the Fund and cause the Fund to invest any surplus for future use by the Fund. A statement will be prepared annually on the use of the Fund and provided to you upon request, at the expense of the Fund.

If there is a surplus at the end of the year, we will carry the balance forward into the following year. Our advertising programs will be conducted by us or with the assistance of an advertisement agency. The Fund will not be used for any activity whose sole purpose is the sale of franchises, however, the design and maintenance of our website (for which Fund monies may be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Tahini's brand and franchise opportunity.

Upon your written request, we shall provide an unaudited annual report on advertising activities financed by the Fund that will be available for you to review; provided, however, that we shall have no obligation to prepare or provide such report more than once per calendar year. The Fund is not a trust and the Franchisor is not a fiduciary with respect to the Fund.

Although the Fund is intended to be of perpetual duration, we reserve the right to terminate the Fund in our sole discretion. The Fund will not be terminated, however, until all monies in the Fund have been spent for advertising and/or promotional purposes.

We may establish such policies and procedures for the administration of the Fund we, in our discretion, may consider necessary and appropriate. We also reserve the right to establish a Fund specific to its franchisees in the United States at any time upon notice.

Local Advertising

In addition to your contributions to the Fund, you must spend at least 1% of your Gross Sales annually on local or regional advertising we designate or approve, and if we request provide documentation to us demonstrating these expenditures. All of your advertising and promotions must be only in a manner that will reflect favorably on us, you, the Franchised Business, the System, the Proprietary Marks, and the good name, goodwill and reputation of each. All of your advertising must be completely factual, conform to the highest standards of ethical advertising, consistent with our advertising and promotional campaigns and that of other franchisees within your region. All of your advertising in any medium must be conducted in a dignified manner and conform with our established standards and requirements. All advertising, promotional plans and materials you propose to use that have not been prepared by or previously approved by us must be submitted to us for our approval before you may use it. We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising, promotional plan or materials. Unless you receive written disapproval from us within 15 days of our receipt of the materials, the materials are deemed approved.

Advertising Cooperatives

There are currently no advertising cooperatives, however, we may, from time to time, establish, change, merge or dissolve one or more regional advertising cooperatives (each, a “Cooperative”) in any area, or we may approve of the formation of a Cooperative by our franchisees and establish the rules and regulations of the Cooperative. If a Cooperative is formed for your area, we will notify you in writing of the starting date, the amount of your Cooperative contributions and the rules, regulations and bylaws that will govern your Cooperative. If a Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative. You will not be required to be a member of more than one Cooperative. All Cooperatives must be governed in the manner we prescribe. Cooperatives may require members to contribute up to one-half of one percent (0.5%) of their Gross Sales. Any funds you contribute to a Cooperative will be credited against your local advertising requirement.

You may not use our trademarks in any URL or e-mail address. You may not operate a website for the Franchised Business, although we will list your Franchised Business location on our website located at www.tahinis.com. We may require you to sign up for telephone and/or online directly listings. We currently maintain a Facebook page, LinkedIn page, TikTok page, YouTube page and X account for the Tahini’s system. You are not allowed to engage in any online social media websites in connection with your Restaurant. You may not make social media posts or create and share online content, and you may not send marketing emails, text messages, or other electronic messages without our prior written approval.

Computer Requirements

You must obtain and maintain telephone, facsimile, video, high-speed Internet, e-mail, point-of-sale, card processing equipment, satellite, and other telecommunications hardware, software, service, maintenance, and support that is stipulated in the Manual and described below.

You will be required to use the POS system that we designate as well as purchase any applicable software license and related hardware. We will have access to your POS system over the internet. You are also required to enter into an agreement with payment processors to provide credit/debit payment terminals and process transactions. We have the right to designate a different system or supplier if we consider it advisable. You must record all sales on POS systems that we approve or on such other types of cash registers or systems as we may designate in the Manual or otherwise in writing (each, a “**POS system**”). You must utilize POS systems that are fully compatible with any program, software program, and/or system which we, in our discretion, may employ (including mobile or remote device, application and payment systems), and you must record all Gross Sales and all sales information on such equipment. We may designate one or more third party suppliers or servicers to provide installation, maintenance, and/or support for the POS system, and you must enter into and maintain such agreements (including making such payments) as we or the third-party suppliers and/or servicers require in connection with the installation, maintenance, and/or support for the POS system. The POS system is part of the Digital System. You must at all times maintain a continuous high-speed Ethernet-cabled (not wireless) connection to the Internet to send and receive POS data to us.

You must purchase and install a camera system at the premises of the Franchised Business. You are responsible for ongoing maintenance of the camera system. Such system must be turned on and operational at all times and accessible to us for monitoring your Franchised Business over the internet or otherwise.

We may give you an email address under our domain (e.g., *@tahinis.com). Currently, there is no cost to you for this email address. We will be able to access your emails on the email server. Upon expiry or termination of your Franchise Agreement, you must assign this email address to us (see Sections 13.9 and 18.1 of the Franchise Agreement).

We may require you to participate in centralized food ordering, delivery and/or catering programs which include online food ordering and/or delivery platforms. Such platforms may require you to install certain applications or software.

We may periodically specify in the Manual or otherwise in writing the information that you must collect and maintain on its computer systems, POS systems, software, hardware, and models of communication (the “**Digital System**”), and you must provide to us such reports as we may reasonably request from the data so collected and maintained.

The cost of the POS system and other required computer hardware and software is approximately \$10,000. The estimated annual cost of maintenance for the POS system and other required computer hardware and software is \$6,000.

Manual

A copy of the table of contents for the Manual can be found at Exhibit E of this Disclosure Document. The Manual consists of approximately 46 total pages.

The Manual and any other information about the Tahini’s system are confidential. You will be required to agree to the confidential nature of the Manual and system information. You must keep all such information confidential, even if you cease to be a Tahini’s franchisee.

We reserve the right to add to, revise, substitute or rescind portions of the Manual periodically, and you must implement such changes when made, at your cost, even if additional investment or expenditures are required. You must keep your copy of the Manual current and must destroy superseded provisions of

the Manual. If there is a conflict between your copy of the Manual and the master copy of the Manual maintained by us, then the master copy maintained by us will control.

Site Selection and Opening

You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Franchised Business and for constructing and equipping the Franchised Business at the accepted site. We generally do not own the premises and lease it to you. You will select the site for the Franchised Business subject to our approval and using our site submittal forms and/or criteria. Our approval of your Franchised Business site only means that the site has met our minimum requirements for a Tahini's Restaurant and does not mean or imply anything else. If you are unable to locate a site for your Restaurant within 12 months after you sign the Franchise Agreement, we have the right to terminate your Franchise Agreement. If we cannot agree on a proposed site within 12 months after you sign the Franchise Agreement, we may elect to terminate the Franchise Agreement.

We estimate that the time from when the Franchise Agreement is signed to the opening of the Franchised Business will be approximately 5 to 7 months. This time may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Restaurant, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Restaurant, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Restaurant, including purchasing inventory and supplies. You must open the Restaurant and begin business within 12 months after the effective date of the Franchise Agreement (or within 24 months if you have been approved to have the Restaurant constructed on an undeveloped parcel of land). If you fail to comply with this deadline, we may terminate the Franchise Agreement and any other related agreements entered into by you with us or our affiliate and retain the Initial Franchise Fee.

If you are an Area Developer, you must sign your first Franchise Agreement at the same time you sign the Area Development Agreement and must open each franchised Business by the deadline set forth in the Development Schedule you and we mutually agree upon. If the franchised Businesses are not open within the deadlines set forth in such Development Schedule, then we may terminate your Area Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your franchised Business is the same as for an individual franchisee.

Training

Initial and ongoing training is mandatory. Initial training will be provided to the Designated Operator (who is responsible for general management of the Franchised Business and will be actively involved in the Franchised Business on a day-to-day basis). The Designated Operator must complete 5 weeks of initial training. The first 3 weeks of training will occur prior to your Franchised Business opening at either our headquarters in London, Ontario, our corporate affiliates' Tahini's restaurants located in London, Ontario, or another Location we designate. The remaining 2 weeks of training will occur take place at your Franchised Business around the opening date of the Franchised Business, at which time we will send 1 or 2 trainers to your Franchised Business.

While our costs for initial training for the Designated Operator are included in the initial franchise fee, you will be responsible for the cost of travel and accommodation and the wages of all participants. You will also be responsible for hiring and training any additional staff you may require. If you request (and we agree) to provide any of your employees (other than the Designated Operator) training, you must pay us an additional training fee equal to between \$1,000 per week to \$3,000 per week. If you choose the replace

your Designated Operator after you open for business, you will be required to pay us \$6,000 to train your new Designated Operator.

At the beginning of the initial training program you will be given the Tahini’s Manual. You will review all aspects of the Manual with our instructor. Our initial training program includes the following subjects:

TRAINING PROGRAM

Subject	Materials	Hours of Classroom Instruction	Hours of On-the-Job Training	Location
Human Resources	Operations Manual	4	4	Our headquarters in London, Ontario, a corporate affiliates’ Tahini’s Restaurant in London, Ontario and/or another location we designate
Operations	Operations Manual	2	40	Our headquarters in London, Ontario, a corporate affiliates’ Tahini’s Restaurant in London, Ontario and/or another location we designate
Health and Safety	Operations Manual	2	1	Our headquarters in London, Ontario, a corporate affiliates’ Tahini’s Restaurant in London, Ontario and/or another location we designate

The initial training program will be conducted for all franchisees approximately thirty (30) days before the opening of the Franchised Business. We will also conduct the initial training program as needed for purposes of retraining a current franchisee and prior to a new owner assuming operations in the event of a franchise transfer. We will conduct the initial training program as frequently as required.

The initial training program is currently conducted by our Mr. Ahmed Dessouki. Mr. Dessouki has served as our Chief Operating Officer, Chief Financial Officer and Director since February 2024. He has more than 5 years of experience overseeing the day-to-day operation of the Tahini’s system for TFC and has served as Chief Operating Officer, Chief Financial Officer and a Director of TFC since December 2018.

If your Designated Operator fails to complete the initial training program to our satisfaction, we will be entitled to terminate the Franchise Agreement and you will not be entitled to any refund.

In addition to initial training, you and your key staff and management level employees must complete such additional continuing education and training programs as we may require from time to time,

and we have the right to charge you for such training an amount between \$1,000 to \$3,000 per week. You will also be required to attend any and all mandatory seminars, conferences, or other continuing education and training programs that we may organize for franchisees, at your cost. Additional training is mandatory for any new operational processes or new products we introduce to the Tahini's system and if your Franchised Business is not being operated in accordance with system requirements and standards.

In addition to our training program, we will make available to you, at no cost, such general consultation, advice, and guidance on the proper use of the system as we deem necessary through various means.

ITEM 12 **TERRITORY**

Franchise Agreement: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Under the Franchise Agreement we grant you the right to operate a Franchised Business at a specific location that we have approved (the "Location"). You will select the site for the Franchised Business subject to our approval and using our site submittal forms and/or criteria. The Franchise Agreement does not grant you any territorial rights. You have no option or rights of first refusal or similar rights to acquire additional franchises under the Franchise Agreement.

We may allow or require you to provide catering and delivery services. We may require you to participate in centralized food ordering, delivery and/or catering programs which might include online food ordering and/or delivery platforms (collectively, "Delivery Programs"). During the term of the Franchise Agreement at any time, upon 30 days' written notice, we may limit the customers and locations to which you are entitled to provide delivery and catering services or otherwise limit the delivery and catering services you provide to a defined area around your Restaurant. Subject to you being in compliance with such rules and procedures, all orders for products received by or through the Delivery Programs for delivery to customers in an area(s) which encompass(es) the Location (the "Delivery Area"), will be communicated, directly or indirectly, to you when it is determined by the Delivery Programs or us (as applicable) that you are to receive such orders, and the you must timely fill such orders in accordance with the terms, conditions and specifications communicated to you. The Delivery Area is subject to change from time to time and that there maybe multiple or different businesses or franchisees serving a Delivery Area which is serviced by you, at the same time, depending on the terms and conditions required for the operation of the Delivery Programs. The Delivery Area is non-exclusive. We, our affiliates, or others, may sell products in one or more Delivery Areas serviced by you, and none of the foregoing will be a breach of the Franchise Agreement or give rise to any liability on the part of us, our affiliates, or others. We expressly disclaim the making of, and you must acknowledge that you has not received any warranty or guarantee, expressed or implied, as to the potential volume of sales, revenue, profits or performance of the Delivery Programs.

You may only offer and sell products and services in, at and from the Franchised Business Location. Under no circumstances may you establish any physical presence besides the Location approved for the Franchised Business. You may not sell any System programs, products or services through any alternative channels of distribution, such as the internet/worldwide web/virtual platforms (including without limitation the metaverse) and other forms of electronic commerce; engage in cryptocurrency, non-fungible token (NFTs) and other blockchain promotions; "800" or similar toll-free telephone numbers; supermarkets, grocery stores or convenience stores; mail order; catalogs; ghost kitchens, cloud kitchens and other delivery-only concepts; or, any other channel of distribution whatsoever. You may not engage in the wholesale sale or distribution of any System products or services, or the products, equipment, and services which the Franchised Business is required or permitted to use or sell, or any component or ingredient of any of the foregoing which now or in the future constitutes part of the System. "Wholesale sale or

distribution” means any sale or distribution by the Franchisee to a third party for resale, retail sale, or further distribution. “Component” means any constituent part, ingredient, element, segment or derivative.

The rights granted to you are site-specific, for use only at the Location of your Franchised Business. All other rights are reserved to us and our affiliates, including without limitation, the rights: (a) to operate and to grant others the right to operate Tahini’s Restaurants at any location, including at a location immediately proximate to the Franchised Business; (b) to acquire and convert to Tahini’s restaurants any business, whether independent or franchised, including at a location immediately proximate to the Franchised Business at the Location; (c) a business using one or more other systems and/or trademarks aside from those licensed by the Franchise Agreement, whether now or hereafter owned or licensed by us or our affiliates, or whose owners or licensors own us or our affiliates, and regardless of whether they are competitive with the System or the products sold by you (the “Other Brands”); (d) to distribute, sell, offer, or grant to someone else the right to distribute, sell or offer, products sold by you or similar or different products, using the System and Marks (including the Other Brands) or similar or different business systems or trademarks, at any location, whether in close proximity to the Location or otherwise, of a temporary or permanent nature, by means of other or alternate channels of distribution, such as without limitation, by or through; (i) telephone orders, mail order, television, vending machines, electronic media (i.e. including the internet or mobile applications) or catalogue sales; (ii) through catering, catering trucks, carts, mobile vehicles, and/or delivery services, including the Delivery Programs (as defined below); (iii) supermarkets, grocery, retail, convenience, or similar stores, or as a concession, kiosk, department or as part of or in combination with any restaurant, supermarket, grocery, retail or similar establishments; or (iv) through outlets of any kind located at public or quasi-public institutions, such as without limitation, hospitals, schools, universities, colleges, correctional facilities, airports, train and/or bus stations, gas and/or service stations, highway rest stops and plazas, sports facilities, arenas, stadiums, concert halls, theatres, fairs and/or exhibitions, food court locations, office complexes and enclosed shopping malls; (e) to advertise, sponsor, endorse, or otherwise promote or advance the System, the Marks or Other Brands at any location, in any manner whatsoever; (f) to purchase, merge with, acquire or affiliate with, or be purchased or acquired by, an existing network, chain, entity or any other business, regardless of the locations or territories of such other franchise, chain, entity or other business and operating, franchising or licensing those businesses and/or being operated, franchised or licensed by those businesses under the Proprietary Marks or any other marks following such purchase, merger, acquisition or affiliations, regardless of location or proximity of locations or territories to the Location; and, (g) engage in any other activities at any location not expressly prohibited in the Franchise Agreement .

We may allow or require you to provide catering and delivery services. We may require you to participate in centralized food ordering, delivery and/or catering programs which might include online food ordering and/or delivery platforms (collectively, “**Delivery Programs**”). During the term of the Franchise Agreement at any time, upon 30 days’ written notice, we may limit the customers and locations to which you are entitled to provide delivery and catering services or otherwise limit the delivery and catering services you provide to a defined area around your Restaurant. Subject to you being in compliance with such rules and procedures, all orders for products received by or through the Delivery Programs for delivery to customers in an area(s) which encompass(es) the Location (the “**Delivery Area**”), will be communicated, directly or indirectly, to you when it is determined by the Delivery Programs or us (as applicable) that you are to receive such orders, and the you must timely fill such orders in accordance with the terms, conditions and specifications communicated to you. The Delivery Area is subject to change from time to time and that there maybe multiple or different businesses or franchisees serving a Delivery Area which is serviced by you, at the same time, depending on the terms and conditions required for the operation of the Delivery Programs. The Delivery Area is non-exclusive. We, our affiliates, or others, may sell products in one or more Delivery Areas serviced by you, and none of the foregoing will be a breach of the Franchise Agreement or give rise to any liability on the part of us, our affiliates, or others. We expressly disclaim the

making of, and you must acknowledge that you has not received any warranty or guarantee, expressed or implied, as to the potential volume of sales, revenue, profits or performance of the Delivery Programs.

We and our affiliates have the right to conduct any business activities, under any name, in any geographic area and at any location, regardless of the proximity to your Franchised Business or the economic effect on your Franchised Business or your activities under the Franchise Agreement.

If, during the term of the Franchise Agreement, the Location of the Franchised Business is destroyed, condemned or rendered unusable, or the lease for the Location is terminated and/or you lose possession of the Location through no fault of yours, or we determine relocation is warranted due to a change in the character or attributes of the Location, then you may be entitled to relocate if the following conditions are satisfied: (a) we have consented to your relocation and the new proposed Location; (b) you enter the lease and sign our then-current collateral lease assignment and lease rider for the new Location; (c) the lease for the new Location is executed within six (6) months from the termination of the lease for the former Location (as applicable); (d) you recommence operating the Franchised Business from the new Location on the scheduled opening date as prescribed by us; (e) if the initial term of the lease for the new Location is longer than the remainder of the then-current term of your Franchise Agreement, then your Franchise Agreement will be amended to extend the then-current term of the agreement to equal the initial term the lease and you will pay a term extension fee; (f) you are not in default of any terms of your Franchise Agreement; (g) you reimburse us for our full costs (including legal fees) of your relocation; and (h) you, your affiliates and guarantors have signed releases in favor of us and our affiliates. We will use our then-current criteria in reviewing a proposed new Location for your Franchised Business.

There are no minimum sales amounts, market penetration or other contingency that you must meet to retain your rights to the franchise, but you must comply with your Franchise Agreement, the System and all of our requirements.

Area Development Agreement: You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Under the Development Agreement we grant you the right to develop and operate the specified number of Tahini's Restaurants in a specified Development Territory, each as you and we mutually agree upon prior to the execution of the Development Agreement. The Development Territory, which is an exhibit to the Development Agreement, is typically described in terms of municipal boundaries, county boundaries or specified trade areas within a municipality. The actual size of the Development Territory will vary depending upon the availability of contiguous markets, our long range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Development Territory is not an assurance or warranty that there are a sufficient number of suitable sites for Franchised Businesses in the Development Territory for you to meet your Development Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our then-current criteria so you can meet the Development Schedule.

Except as described below, during the term of the Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of Restaurants to be located within the Development Territory. However, we have the right to terminate your development rights if you are not in full compliance with all of the terms and conditions of the Development Agreement (including the agreed upon Development Schedule) and all of the Franchise Agreements signed under it.

Both within and outside of the Development Territory, and during or following the Term, we and our affiliates and the franchisees of our affiliate, alone may engage in the following activities: (a) sell within and outside your Development Territory through any methods of distribution other than a dedicated

Tahini's Restaurant Business, including, without limitation, the internet/worldwide web and other forms of electronic commerce; online networks; "800" or similar toll-free telephone numbers (other than those we establish and make available to you for use in your franchised Business(es) hereunder); mail order; catalogues; direct marketing campaigns, including mail and phone solicitations; and, television sales, including "infomercials" (together, "Alternative Distribution Channels"); (b) operate, and to grant others the right to operate, franchised businesses located anywhere outside your Development Territory under any terms and conditions we and our affiliates deem appropriate and regardless of their proximity to the Development Territory or their actual or threatened impact on sales within the Development Territory, or, after your default, at any location(s) within the Development Territory that we may select from time to time; (c) develop and license the use of, at any location (whether within or outside the Development Territory), names and marks other than the Marks, in connection with the operation of a business which offers for sale at retail, or distributes products and/or services similar to those sold under the System, on such terms and conditions as we, in our sole business judgment, deems prudent or desirable; (d) develop, market, own, operate or participate in any business other than a franchised business under the Marks or any other trademarks; (e) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by the Tahini's Restaurant Business, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating within the Development Territory; (f) be acquired (in whole or in part and regardless of the form of transaction), by a business providing products and services similar to those provided by a Tahini's Restaurant Business, or by another business, even if such business operates, franchises and/or licenses a business involved in the offer or sale of products or services which are the same as or similar to those offered by a Tahini's Restaurant Business and even if it competes with a Tahini's Restaurant Business within the Development Territory; (g) establish and operate, or grant others the right to establish and operate, Non-Traditional Locations anywhere, including within the Development Territory; and (h) do such things and transact such business that the Development Agreement does not expressly grant to or confer upon the Area Developer.

"Non-Traditional Locations" means any non-traditional Tahini's operations, including, but not limited to: enclosed malls (provided the location does not have exterior access), institutions (such as hospitals, colleges, universities or other schools), airports, parks (including theme parks), military bases and sports arenas or stadiums, train stations, travel plazas, and entertainment venues that are subject to exclusive food vending rights of third parties or for which the Area Developer is otherwise precluded from obtaining occupancy or vending rights.

To maintain your rights under the Development Agreement you must have open and in operation the cumulative number of Tahini's Restaurants stated on the Development Schedule by the dates agreed upon in the Development Schedule. If you fail to comply with the Development Schedule, such failure will constitute a material breach of the Development Agreement, and we will have the right to terminate the Development Agreement.

Upon completion of the Development Schedule, your development rights under the Development Agreement with respect to the Development Territory will terminate. We and our affiliates will have the

right to operate and to grant to others development rights and franchises to develop and operate Restaurants within the Development Territory.

There are no minimum sales goals, market penetration or other contingency that you must meet to keep the development rights to your Development Territory, other than your compliance with the Development Schedule.

You are not granted any other option, right of first refusal or similar right to acquire additional Franchised Businesses in your Development Territory under the Development Agreement, except as described above.

ITEM 13
TRADEMARKS

We grant you the right to operate a restaurant business under the name “TAHINI’S”. We do not own the Marks. Our affiliate, Tahinis LTD, owns the Marks and licenses to us the right to use or license the use of the Marks pursuant to a trademark license agreement dated February 28, 2024 (the “Trademark License Agreement”) that is perpetual unless terminated by either party as a result of a material breach that is uncured within 60 days after written notice. If the Trademark License Agreement is terminated, your franchise agreement will be assigned to Tahinis LTD and Tahinis LTD will assume all of the franchisor obligations under the franchise agreement.

Tahinis LTD has registered the following principal Mark on the Principal Register with the U.S. Patent and Trademark Office (“USPTO”):

Mark	Registration Date	US Registration Number
TAHINI'S	January 30, 2024	7292855

Tahinis LTD has applied for registration of the following principal Mark on the Principal Register with the USPTO (the “Pending Mark”):

Mark	Application Date	US Application Number
	Dec. 06, 2023	98301676

We do not have a federal registration of our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally-registered trademark. If your right to use the trademark is challenged, you may have to change to an alternative trademark which may increase your expenses.

You may also use our (or our affiliate's) other current or future trademarks to operate your Franchised Business. By "Marks" we mean trade names, trademarks, and logos used to identify your Franchised Business and its products and services. You must use or display the Marks on all signs, forms, receipts, business cards, advertising and any other materials we prescribe, in the manner set out in the Manual.

Tahinis LTD. is the respondent in an administrative proceeding (the "Administrative Proceeding") currently pending before the U.S. Patent and Trademark Office's Trademark Trial and Appeal Board ("Board") (*Tahini, LLC v. Tahinis LTD.*, Cancellation No. 92/087,627 filed February 24, 2025). Petitioner, a putative competitor, seeks cancellation of Franchisor's federal Principal Register trademark registration No. 7,292,855 for the mark TAHINI'S issued on January 30, 2024, covering the following services: *Retail store services featuring food; Delivery of food by restaurants; Catering services; Restaurant services; Take-out restaurant services; Providing information in the fields of restaurant services and restaurant menus via a website.* Petitioner's cancellation action is based on claims of superior prior rights (allegedly dating back to December 3, 2013 generally and October 30, 2017 in commerce) and likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d) through use of the name TAHINI for restaurant services in the San Diego, California area. The parties have completed the initial pleadings stage of the proceeding, and the discovery period opens October 19, 2025. Tahinis LTD. will have the opportunity to test the strength of Petitioner's asserted claims during the discovery process.

Except for the Pending Mark and the Administrative Proceeding, there are no presently effective determinations of the USPTO or any court, no pending infringement, opposition or cancellation proceedings, and no pending material litigation involving the Marks. Except as alleged in the Administrative Proceeding, there are no infringing uses or superior prior rights actually known to us that could materially affect your use of the Marks as provided in the Franchise Agreement.

You must follow our rules when you use the Marks. You have no ownership in the trademarks or any goodwill associated with them. You acknowledge that proper operation of your Franchised Business is essential for protecting the value of the Marks. You cannot use any of the trademarks as part of your corporate, partnership, trade or other legal name; however, we will allow you to register the business name TAHINI'S. You cannot use the Marks on any website, as part of a domain name, or in an email address without our consent. You must place a conspicuous sign in your Franchised Business location indicating that you are a franchisee operating under license.

You must notify us immediately if you discover anyone using the Marks or a confusing variation of them. You may not take any action about such matters without our prior written approval, and must cooperate fully with us in any such action. We will have no obligation to take any affirmative action when notified of such claims. All decisions regarding any action involving the protection and defense of the Marks will be solely in our discretion, and you must cooperate fully with the us. We will have no obligation to indemnify you, whether from claims of infringement, unfair competition arising out of your use of the trademarks, or otherwise.

You must modify or discontinue the use of a Mark if we modify or discontinue using it. If this happens, you will be responsible for any costs of compliance (for example, changing signs).

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights: You do not receive the right to use any item covered by a registered patent or copyright. However, we do claim copyright in our written materials including the Manual. You cannot make copies of any printed materials which you purchase or otherwise acquire from us. You can use the proprietary information in the Manual, including cooking methods and recipes, but only in the operation of your Franchised Business during the term of your Franchise Agreement. We claim protective rights in our recipes, business practices, operating procedures, know-how, and other confidential information.

Confidential Operations Manual: You must operate the Franchised Business in accordance with the standards and procedures specified in the Manual. One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement. You must treat the Manual and any other manuals we create or approve for use in your operation of the Franchised Business, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manual remains our sole property and must be kept in a secure place on the Franchised Business premises. We may revise the contents of the Manual and you must comply with each new or changed standard. You must also make sure that the Manual is kept current at all times. If there is a dispute regarding the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information: We claim proprietary rights in certain of our recipes which are included in the Manual and which are our trade secrets. You may never – during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated – reveal any of our Confidential Information (as defined below) to another person or use it for any other person or business. You may not copy, record or otherwise reproduce any of our Confidential Information or give it to a third party except as we authorize. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, recipes, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, are considered confidential. Our Confidential Information will include information, knowledge, trade secrets or know-how used or embraced by the System, the Manual, and many other matters specified in the Franchise Agreement.

“**Confidential Information**” includes (without limitation) all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by us or any of our affiliates which concerns your or our systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Manual (including supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by us or by you in the offer and sale of programs, products and/or services at or from your Franchised Business; all pricing paradigms established by us or you; all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); our specifications, and your final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business; the identity of, and all information relating to, the computer and POS hardware and software utilized by us and you; all information pertaining to our and/or your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your Franchised Business; our and, if in the future we permit, your internet/web protocols, procedures and content; our training and other instructional programs and materials; all elements of our recommended staffing, staff

training and staff certification policies and procedures; all communications between us; additions to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which we employ now or in the future; and, all other information, knowledge and know-how which either we or our affiliates, now or in the future, designate as confidential.

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

The Franchise Agreement does not require you to participate personally and directly in the actual operation of your Franchised Business. However, you are required to hire a full-time manager (the “Designated Operator”) who will devote his/her full time, attention and effort to the daily management and operation of the franchise. The Designated Operator does not need to be a shareholder of your Tahini’s franchise business. The Franchised Business must always be under the direct, on-premises supervision of a Designated Operator who has successfully completed our training program.

If we determine, in our sole judgment, that you are unable to operate the Franchised Business in accordance with your obligations under the Franchise Agreement due to the death, absence or incapacity of you or your principals, shareholders or partners, or due to any other event that affects you or your principals, shareholders, partners or employees, then we may operate the Franchised Business as your agent and on your behalf for so long as we deem necessary and practical, and you will be required to reimburse us for all of our costs and expenses and reasonable compensation.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell all products and services we specify. You may only sell those specified products and services. You must comply with our requirements concerning the introduction of any new or different products or services for sale or use by the Franchised Business. You may not sell ingredients, menu items, products or services not approved by the by us, or to purchase products and services from non-approved suppliers. You may not engage in the wholesale sale or distribution of any System products or services or any component or ingredient of a System product or services. “Wholesale sale or distribution” means any sale or distribution by you to a third party for resale, retail sale, or further distribution. “Component” means any constituent part, ingredient, element, segment or derivative.

Aside from certain products, services, ingredients and materials, which are specific to Tahini’s restaurants that we, our affiliates or the franchisees of an affiliate will supply directly, all suppliers that we currently require franchisees to purchase ingredients, goods or services from operate at arm’s length from us.

We will have the right without notice to enter the Franchised Business and remove from the Franchised Business, and to dispose of, any product which does not meet the our standards and specifications, or which were obtained from any source other than designated suppliers, without liability or

accountability for such entry or disposal to you of any nature or kind. You must immediately remove from the Location and immediately dispose of any unauthorized items at our request.

You must maintain at the Location a balanced inventory of all products described in the Manual in sufficient quantity to satisfy your customers' needs, but in any event the inventory will always be equal to, or greater than, the minimum inventory level we specify in the Manual or otherwise.

We reserve the right to determine the minimum, maximum and exact prices for the products and services offered from your Franchised Business, as permitted by applicable law. You must comply with the prices required by us, but we make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits.

You may not install or permit the installation of any vending machines, bank machines, electronic games or other machines or terminals on the premises without written approval from us. Any revenue generated from such machines or terminals, if approved, must be included in your reports of Gross Sales.

You may not sell products or services in any manner other than at, in or from the Location of the Franchised Business or through catering and delivery services which meet our requirements and specifications.

As part of the operation of your Franchised Business, you may be required to provide catering and delivery services. These services may only originate from the Location. Upon 30 days' written notice, we may limit the customers and locations to which you are entitled to provide delivery and catering services or otherwise limit the delivery and catering services you provide to a defined area around your Location. We do not currently require our franchisees to enter into agreements with any particular online food ordering/delivery service providers (*e.g.*, UberEATS); however, we may do so in the future. You should note that some of these service providers limit the area around your Location within which they will accept and deliver food orders. These service providers would also charge you different service fees which typically include a percentage of the sale price for any items sold through their platform as well as additional transaction fees. In some cases, you would be required to purchase or rent related equipment and software from these designated suppliers. You should note that the definition of Gross Sales includes amounts that are attributable to the sale of products and/or services from your Franchised Business regardless of whether those amounts are paid to you or to a third party. For example, the total sale price paid by a customer for any food items from your Franchised Business will be included in Gross Sales regardless of whether a portion of such sale amount was received by UberEATS (for example) directly as a commission on that sale.

Subject to receiving our prior written approval, you may choose to arrange your own delivery services or participate in online platforms to service your customers.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	4.1	10 years, unless terminated earlier.
b. Renewal or extension of the term	4.2	2 renewal terms of 5 years each, if you are in good standing and comply with renewal conditions and procedures.
c. Requirements for franchisee to renew or extend	4.3	<p>Written notice; current with all obligations/full compliance with Franchise Agreement; renovate and/or upgrade your Restaurant to conform with our then-current standards; sign then-current form of general release; current with all obligations under your lease; sign our then-current form of renewal franchise agreement; payment of renewal fee and reimbursement of our costs related to renewal; compliance with training requirements; and, any other conditions that we require of renewing franchisees.</p> <p>You may asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous Franchise Agreement including changes in fees such as royalty and advertising fees.</p>
d. Termination by franchisee	5.1	You may terminate the Franchise Agreement if after 12 months of signing, you have not identified a proposed location for the Franchised Business that meets our site selection criteria and is approved by us.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with “cause”	17	We may terminate your Franchise Agreement if you default.
g. “Cause” defined – curable defaults	17.3, 17.4 and 19.15	Curable defaults include, without limitation: a violation of any law, ordinance, rule or regulation of a governmental agency; breach of covenants against competition; misuse of the

Provision	Section in Franchise Agreement	Summary
		<p>trademarks; engaging in any business or marketing any service which is confusingly similar to or impairs the goodwill of the trademarks; failure to obtain, maintain, or renew any required license or permit; failure to maintain minimum working capital; inadequate staffing; failure to comply with obligations under the Franchise Agreement not listed in Sections 17.1 or 17.2; failure to timely submit all required reports; failure to attend and successfully complete any mandatory training program; non-compliance with the system and standards; failure to keep the location and equipment in good working order and repair; receiving more than 10% above the average number of customer complaints or 5 or more customer complaints of the same nature and failure to timely remedy customer complaints; a curable default under any other agreement with us or any of our affiliates (except for a failure to fulfill development obligations under an area development agreement); failure to execute a general security agreement. You typically have 15 days to cure a curable defaults.</p> <p>A failure to</p>
<p>h. “Cause” defined – non-curable defaults</p>	<p>17.1, 17.2 and 17.4</p>	<p>Non-curable defaults include, but are not limited to: failure to timely select a site for the premises, obtain required licenses, permits and certifications, and commence operations; your Designated Operator fails to satisfactorily complete training or is unsuitable as a franchisee; failure to pay monies owing within 5 days of demand or your bank refuses 3 or more pre-authorized debits; Franchisee or any officer, shareholder, director, partner or key employee, agent or independent contractor is alleged to have committed an indictable offence or any other crime or offense that may adversely affect the System or the Marks; disclosure of confidential information; failure to timely complete an approved transfer following the death or incapacity of the franchisee; an order to wind up, dissolve, or liquidate; an execution, seizure, attachment or similar process is issued on assets, or a creditor takes any action to seize</p>

Provision	Section in Franchise Agreement	Summary
		<p>the Franchised Business or its assets, or a judgement against you remains unsatisfied for more than 15 days; attempted bulk sale of the Franchised Business assets without our consent; the lease expires or terminates for any reason; bankruptcy, insolvency or a general assignment for the benefit of creditors; abandoning operations at the Franchised Business; attempted transfer of Franchise Agreement or any other agreements without complying with transfer terms; attempted transfer of Franchise Agreement or any other agreements without our consent; knowingly maintain false books or records or make a false statement to us; misrepresentation or any deceptive or unlawful act; submission of a report, financial statement, tax return, schedule or any other information or supporting record which understates Gross Sales by more than 3% on two or more occasions in a 24-month period; a repeated failure to timely submit reports; operation of Franchised Business in manner that presents a health or safety hazard that remains uncorrected for 48 hours following notice; 3 or more notices of default in a 12-month period, regardless of whether such defaults are cured or whether they are for the same or different defaults; failure to commence correcting a default within two days after written notice to comply is sent; failure to diligently continue taking corrective action to cure a default; selling or offering to sell any unauthorized products; or a default under another agreement with us or any of our affiliates of the type which if the default were under the Franchise Agreement would be considered non-curable.</p>
<p>i. Franchisee's obligations on termination/non-renewal</p>	<p>9.19, 9.20, 18.1, 19.3, 19.6, 19.8 and 19.9</p>	<p>You must cease to operate the Franchised Business; you must immediately stop using the Marks, including all signage, any equipment, format, confidential method, program, literature, procedure and technique associated with the System; you must de-identify the location; you must cancel any business name registration which includes the Marks; you must allow us to grant other franchises or continue serving customers at the premises; you must pay all</p>

Provision	Section in Franchise Agreement	Summary
		<p>money owing to the Franchisor and suppliers within 3 days; you must pay our damages, costs, and expenses, including legal fees; you must turn over all copies of POS software, Manual, records, files, instructions, correspondence, agreements, disclosure statements and other materials and deliver list of employees; you must vacate the location; you must comply and cooperate with our option to purchase assets; you must notify telephone companies, ISP, social media platform companies and other accounts of assignment to us or our designee; you must assign all licenses, accreditation, applications, etc. to the us; you must execute any documents required to document the termination; you must acknowledge that you are still bound by restrictive covenants; you must indemnify us against any liabilities, losses, suits, claims, demands, costs, fines and actions of any kind; you must allow us to enter the location; and if we choose to acquire the Franchised Business and take possession of the Location, you must assign the Lease.</p>
j. Assignment of contract by franchisor	15.1	No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	15.2	Includes the sale, assignment, transfer, conveyance, giving away, pledge, mortgage, hypothecation, or other encumbrance of any legal or beneficial interest in the Franchise Agreement or the Franchised Business.
l. Franchisor approval of transfer by franchisee	15.2	We have the absolute right to approve all transfers but will not unreasonably withhold our consent. Any purported transfer done without our prior written consent will be null and void and will be grounds for termination.
m. Conditions for franchisor approval of transfer	15.4	You must request our written approval, give us an opportunity to exercise our right of first refusal, satisfy all monetary obligations, execute a general release, not be in default of Franchise Agreement or any other agreement with us, pay a transfer request processing fee, reimburse us for our costs in excess of the processing fee, and if the transfer is approved pay the remainder of transfer fee, you and your owners and guarantors

Provision	Section in Franchise Agreement	Summary
		<p>agree to remain bound by the Franchise Agreement.</p> <p>The transferee must meet our standards, be financially qualified, be a newly incorporated company, agree to discharge all obligations under the Franchise Agreement or agree to sign a new Franchise Agreement, successfully complete training, have its owners provide personal guarantees, complete renovations or reconstruction of the location if we request, comply will all laws.</p>
n. Franchisor’s right of first refusal to acquire franchisee’s business	15.3	We have the right to match any bona fide offer for the franchisee’s interest in the Franchise Agreement, assets or ownership interest.
o. Franchisor’s option to purchase franchisee’s business	19.8	We have the right, on termination or expiration of your Franchise Agreement, to purchase all or a portion of the assets of your Restaurant.
p. Death or disability of franchisee	2.3(i), 15.6, and 19.7	<p>“Incapacity” means that the person is unable to perform his or her normal duties for 30 days in any 90-day period.</p> <p>Within 3 months of the death or deemed incapacity of any person with an interest in the Franchisee, the person’s executor, administrator, personal representative or trustee will transfer his or its interest to a third party approved by us. The conditions for prior approval of transfers will apply.</p> <p>We have the right to operate the Franchised Business if, in our opinion, the death or incapacity of someone with an interest in the business interferes with the operation of the Franchised Business.</p>
q. Non-competition covenants during the term of the franchise	9.20	No interest or involvement with any competing business anywhere in the world (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	9.20	For a 2 year period following the termination or expiration of the Franchise Agreement, no interest or involvement with any competing business within 10 miles of the Location or any restaurant in the System (subject to state law).

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	21.2	No modifications to the Franchise Agreement, unless mutually agreed to, in writing, by the parties.
t. Integration/merger clause	21.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	21.11	Except for certain disputes which may be litigated, all disputes are to be resolved by arbitration in Dover, Delaware (subject to state law).
v. Choice of forum	21.9 and 21.11	Except for certain disputes, all disputes are to be arbitrated in Dover, Delaware (subject to state law).
w. Choice of law	21.8	Delaware law applies (subject to state law).

THE AREA DEVELOPMENT RELATIONSHIP

Provision	Section in Area Development Agreement	Summary
a. Length of the Area Development Agreement term	4.1	Until the signing or the scheduled signing of the last Franchise Agreement pursuant to the Development Schedule.
b. Renewal or extension of the term	Not applicable	No right to renew.
c. Requirements for area developer to renew or extend	Not applicable	Not applicable
d. Termination by area developer	Not applicable	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	15	We may terminate the Area Development Agreement if you default.
g. "Cause" defined – curable defaults	15.03	Except for the defaults described in h. below, you have 15 days to cure any default under the Area Development Agreement.

Provision	Section in Area Development Agreement	Summary
h. “Cause” defined – non-curable defaults	15.01 and 15.02	<p>Non-curable defaults include: insolvency, voluntary or involuntary bankruptcy, general assignment for benefit of creditors, reorganization, receivership, levy, or seizure of assets; misrepresentation or omission of any material fact in information furnished to us in connection with our decision to grant you development rights; a felony conviction; conviction or any serious offense likely to adversely affect the System or Marks; an unconsented attempt to transfer an interest; non-compliance with the covenant not to compete; unauthorized use, disclosure or misuse of confidential information or any aspect of the System; failure of your Area Manager and other required attendees to attend or successfully complete our initial training program; you knowingly, or through gross negligence, conceal revenues, maintain false books and records, falsify information, defraud or make false representations to us or submit any false report to us; 2 or more instances of a curable default in any 6 month period; willful misrepresentation or failure to make required material disclosure to any governmental authority; interference with our or our affiliates’ contractual relations; any act that materially impairs the goodwill associated with the Marks; failure to comply, after notice, with federal, state or local law or regulation, repeated failures to comply with the Area Development Agreement; engage in another business or offer services or products under a name or mark which is confusingly similar to the Marks; you are blocked under any law or regulation relating to terrorist activities; failure to cure a curable defaults under any other agreement with us or our affiliates (a “cross-default”); a default under another agreement with us or any of our affiliates of the type which if it occurred under the Area Development Agreement would be considered non-curable. If we terminate a Franchise Agreement with you for cause, we may exercise the cross-default provision in the Area Development Agreement to terminate the Area Development Agreement.</p>

Provision	Section in Area Development Agreement	Summary
i. Area developer's obligations on termination/ non-renewal	9.03, 10.01, 11.01 and 16	<p>You must pay all sums owed to us or our affiliates, and all other third parties; if we terminate for cause, you must pay us all losses and expenses, damages, fees, lost profits, travel and other costs of securing a new area developer for the Development Territory; you must sign all agreements necessary to document the termination; and you must comply with covenants not to compete and restrictions on your use of confidential information, trade secrets and know-how.</p> <p>Termination of the Area Development Agreement for your failure to comply with the Development Schedule will not terminate any of the Franchise Agreements you already signed with us, so long as you have opened the Franchised Businesses covered by the signed Franchise Agreements and you are not in default of the Franchise Agreements.</p>
j. Assignment of contract by franchisor	12.01	No restrictions on our right to assign.
k. "Transfer" by area developer – defined	12.02	Includes any assignment or transfer of an interest in, or rights, privileges or obligations in or under the Area Development Agreement, the franchised business(es) or a business entity franchisee.
l. Franchisor approval of transfer by area developer	12.02	No transfer without our consent.
m. Conditions for franchisor approval of transfer	12.02	You must obtain our written consent. We may impose a transfer fee.
n. Franchisor's right of first refusal to acquire area developer's business	Not applicable	Not applicable.
o. Franchisor's option to purchase area developer's business	Not applicable	Not applicable.

Provision	Section in Area Development Agreement	Summary
p. Death or disability of area developer	12.04	The estate may continue the operation of the franchised business if: the estate designates a competent, qualified Area Manager that is acceptable to us to operate your business on a full-time basis within 30 days of death or disability.
q. Non-competition covenants during the term of the franchise	11.01	No diversion of any business to any competitor and no involvement or interest in any competitive business anywhere (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	11.01	No involvement or interest in any competitive business for 2 years within your Development Territory, within a 10 miles radius of the perimeter of your Development Territory or within a 10 miles radius of any Tahini's Restaurant Business (whether company-owned, franchised or otherwise established and operated). No diversion of business to any competitor (subject to state law).
s. Modification of the agreement	18.02	No modifications except, in writing, by mutual agreement of the parties.
t. Integration/merger clause	18.02	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	18.17	Except for certain disputes which may be litigated, all disputes are to be resolved by arbitration in Dover, Delaware (subject to state law).
v. Choice of forum	18.12 and 18.17	Except for certain disputes, all disputes are to be arbitrated in Dover, Delaware (subject to state law).
w. Choice of law	18.11	Delaware law applies. (Subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Jennifer Iran at 1-657 Wilton Grove Road, London ON N1N N6A and 888-824-4647, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years December 31, 2022 - December 31, 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years December 31, 2022 – December 31, 2024

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For years December 31, 2022 – December 31, 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For years December 31, 2022 – December 31, 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal Year
Alabama	1	0	0
Illinois	1	1	0
New Jersey	1	0	0
All States	0	0	0
Total	3	1	0

A list of the names of all franchisees and area developers and the addresses and telephone numbers of the franchises and area developers is provided in Exhibit D to this disclosure document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee and area developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document is listed on Exhibit D to this disclosure document.

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

There are currently no trademark-specific organizations formed by our franchisees that are associated with Tahini's Mediterranean Cuisine System.

ITEM 21
FINANCIAL STATEMENTS

Our fiscal year end is December 31. We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Attached to this Disclosure Document as Exhibit A are our audited financial statements as of December 31, 2024, as well as our unaudited interim financial statements as of August 31, 2025.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | |
|-------------------------------|-----------|
| 1. Franchise Agreement | Exhibit B |
| 2. Area Development Agreement | Exhibit C |

ITEM 23
RECEIPTS

Two (2) copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document, as Exhibit I. Please return one (1) signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

TAHINI'S FRANCHISING USA CORP.
FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2024



Magone & Company, P.C.
Certified Public Accountants
& Business Consultants

Numbers are just the beginningSM

4 Century Drive, Suite 260, Parsippany, NJ 07054
Ph: (973) 301-2300 • Fax: (973) 301-2370
MagoneCPAs.com

TAHINI'S FRANCHISING USA CORP.
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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Tahini's Franchising USA Corp.

Opinion

We have audited the accompanying financial statements of Tahini's Franchising USA Corp. (a Delaware Corporation), which comprise the balance sheet as of December 31, 2024, and the related statements of operations and deficit and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tahini's Franchising USA Corp. as of December 31, 2024, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statement

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

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

-1-

Numbers are just the beginningSM



4 Century Drive, Suite 26C
Parsippany, NJ 07054
(973) 301-2300

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Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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



MAGONE & COMPANY, P.C.

Parsippany, New Jersey
July 18, 2025

TAHINI'S FRANCHISING USA CORP.

Balance Sheet

December 31, 2024

ASSETS

CURRENT ASSETS:

Cash	\$	26,520
Other current assets		<u>129</u>

DEFERRED TAX ASSET		<u>5,459</u>
--------------------	--	--------------

TOTAL ASSETS	\$	<u><u>32,108</u></u>
--------------	----	----------------------

LIABILITIES AND STOCKHOLDER'S DEFICIENCY

CURRENT LIABILITIES:

Accounts payable		4,404
Accrued expenses		7,500
Deferred revenue, current maturities		<u>4,000</u>

TOTAL CURRENT LIABILITIES		15,904
---------------------------	--	--------

DEFERRED REVENUE - LONG TERM, NET OF CURRENT MATURITIES		<u>24,333</u>
---	--	---------------

TOTAL LIABILITIES		<u>40,237</u>
-------------------	--	---------------

STOCKHOLDER'S (DEFICIENCY) EQUITY:

Common stock (5,000 shares authorized, par value \$0.01, 5,000 shares issued and outstanding)		500
Additional paid-in capital		4,609
Deficit		<u>(13,238)</u>

TOTAL STOCKHOLDER'S DEFICIENCY		<u>(8,129)</u>
--------------------------------	--	----------------

TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIENCY	\$	<u><u>32,108</u></u>
--	----	----------------------

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

TAHINI'S FRANCHISING USA CORP.
Statement of Operations and Deficit
For the Period Ended December 31, 2024

REVENUE	<u>\$ 1,667</u>
GENERAL AND ADMINISTRATIVE EXPENSES:	
Professional fees	19,384
Other	<u>480</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>19,864</u>
OPERATING LOSS	<u>(18,197)</u>
(BENEFIT FROM) PROVISION FOR INCOME TAXES	
Current	500
Deferred	<u>(5,459)</u>
BENEFIT FROM INCOME TAXES	<u>(4,959)</u>
NET LOSS	(13,238)
DEFICIT, BEGINNING OF YEAR	<u>-</u>
DEFICIT, END OF YEAR	<u>\$ (13,238)</u>

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

TAHINI'S FRANCHISING USA CORP.
Statement of Cash Flow
For the Period Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (13,238)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Benefit from deferred income tax	(5,459)
Increase in assets:	
Other assets	(129)
Increase in liabilities:	
Accounts payable	4,404
Accrued expenses	7,500
Deferred revenue	<u>28,333</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,411
CASH FLOWS FROM FINANCING ACTIVITIES:	
Capital contribution	<u>5,109</u>
NET CHANGE IN CASH	26,520
CASH, BEGINNING OF YEAR	<u>-</u>
CASH, END OF YEAR	<u><u>\$ 26,520</u></u>

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

TAHINI'S FRANCHISING USA CORP.

Notes to Financial Statement

December 31, 2024

Note 1 – Organization

Tahini's Franchising USA Corp. (the "Company") was formed as a corporation under the laws of the State of Delaware in February 2024, to grant the rights to operate Tahini's Restaurants in United States, serving high-quality Middle Eastern cuisine such as shawarma, falafel, kababs, and salads ("Franchise Business"). Operations began in the United States on April 3, 2024. Tahini's Franchising USA Corp. is a wholly owned subsidiary of Tahini Franchising Corp.

On December 31, 2024, the Company has entered into a franchise agreement with one franchisee.

Note 2 – Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Franchise and Royalty Fee Income

Revenue is recognized in accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers. Under the franchise agreement, the Company has a single performance obligation that includes (a) the grant of a franchise license, pre-opening services such as site supervision and training, (b) the management of the advertising and promotion fund, and (c) continuing franchise fees (royalties). As the components of the franchise license agreement are considered part of a single performance obligation, no allocation of the transaction price is made to the individual services or deliverables.

The initial franchise fee relates to the franchisee's right to operate under the Company's brand and system and is recognized as revenue on a straight-line basis over the contractual term of ten years, as the performance obligation is satisfied over that period. Amounts received in advance of revenue recognition are recorded as deferred revenue as of December 31, 2024.

As of December 31, 2024, the franchise location had not commenced construction or begun operations. Accordingly, no site supervision services had been performed, and no site supervision fees had been billed, collected, or recognized as revenue.

TAHINI'S FRANCHISING USA CORP.

Notes to Financial Statements

December 31, 2024

Note 2 – Summary of Significant Accounting Policies (cont'd.)

Franchise and Royalty Fee Income (cont'd.)

Royalties and advertising contributions represent variable considerations, calculated as a percentage of gross sales, and are recognized as revenue in the period in which the underlying sales occur. As of December 31, 2024, no revenue was recognized for royalties or advertising and promotion fund contributions, as the franchise location had not commenced operations and had not generated any sales.

Income Taxes

The Company is taxed as corporation. Income taxes are provided for the tax effects of transactions reported in their respective financial statements. The Company files income tax returns in various tax jurisdictions.

Income taxes are accounted for using the asset and liability method, as required by FASB ASC 740. Under this method, deferred income taxes are recognized for the estimated future tax effects attributable to temporary differences and carryforwards. The measurement of deferred tax assets and liabilities is based on provisions of the enacted tax law; the effects of future changes in tax laws or rates are not anticipated.

Deferred tax asset as of December 31, 2024 represents net loss carryforward.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through July 18, 2025, the date on which this financial statement was available to be issued. During this period, there were no material subsequent events requiring recognition or disclosure.

TAHINI'S FRANCHISING USA CORP.

Notes to Financial Statements

December 31, 2024

Note 3 - Concentrations of Risk

The Company maintains their cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit. As of December 31, 2024 the cash balance did not exceed this limit.

Note 4 - Income Taxes

The benefit from income taxes for the year ended December 31, 2024 were as follows:

Current provision:

State	\$ <u>500</u>
-------	---------------

Deferred tax benefit:

Federal	(3,821)
---------	---------

State	<u>(1,638)</u>
-------	----------------

<u>(5,459)</u>

<u>\$ (4,959)</u>

The benefit from income taxes differ from that computed by applying the blended federal and state statutory rates (30% as of December 31, 2024) to loss before benefit from income tax, results in the tax effect of the net loss carryforward amounting to \$5,459.

The deferred tax assets consist of a net loss carryforward as of December 31, 2024 in the amount of \$5,459.

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

Tahinis Franchising USA Corp

Balance Sheet

As of August 31, 2025

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
USA BMO Digital Business Checking (1702) - 1	42,254.71
Total Bank Accounts	\$42,254.71
Accounts Receivable	
Accounts Receivable (A/R)	-1.50
Total Accounts Receivable	\$ -1.50
Other Current Assets	
Due to / from Tahinis Franchising Corp - Canada	-5,401.67
Other current assets	129.00
Total Other Current Assets	\$ -5,272.67
Total Current Assets	\$36,980.54
TOTAL ASSETS	\$36,980.54
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	0.00
Total Accounts Payable	\$0.00
Other Current Liabilities	
Alabama, Auburn Payable	2,700.00
Delaware Division of Revenue Payable	0.00
New Jersey Division of Taxation Payable	1,986.00
Total Other Current Liabilities	\$4,686.00
Total Current Liabilities	\$4,686.00
Total Liabilities	\$4,686.00
Equity	
Common Stock	500.00
Paid-In Capital	4,609.00
Retained Earnings	18,315.74
Net Income	8,869.80
Total Equity	\$32,294.54
TOTAL LIABILITIES AND EQUITY	\$36,980.54

Profit and Loss
Tahinis Franchising USA Corp
 January-August, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Franchise Fees	\$31,660.18
Total for Income	\$31,660.18
Cost of Goods Sold	\$0.00
Gross Profit	\$31,660.18
Expenses	
Bank Charges	\$330.25
Legal & Professional Fees	\$22,460.13
Total for Expenses	\$22,790.38
Net Operating Income	\$8,869.80
Other Income	\$0.00
Other Expenses	
Unrealized Gain or Loss	
Total for Other Expenses	
Net Other Income	\$0.00
Net Income	\$8,869.80

EXHIBIT B TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

Between

TAHINI'S FRANCHISING USA CORP.

and

[Name of Franchisee]

and

[Insert Guarantor Name(s)]

Location: [Location of Office]

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- SCHEDULE 4 - ELECTRONIC FUNDS TRANSFER FORM
- SCHEDULE 5 - COLLATERAL LEASE ASSIGNMENT AND LEASE RIDER
- SCHEDULE 6-A - CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
- SCHEDULE 6-B - CONFIDENTIALITY AGREEMENT
- SCHEDULE 7 - ACKNOWLEDGMENT ADDENDUM
- SCHEDULE 8 - STATE AMENDMENTS



FRANCHISE AGREEMENT

THIS AGREEMENT is made this [day] of [month], [year].

BETWEEN:

TAHINI'S FRANCHISING USA CORP.,

a corporation formed under the laws of the State of Delaware

(the "Franchisor")

- and -

[Insert Corporate Franchise Name]

a [corporation/limited liability company] formed under the laws of the State of [Insert State]

(the "Franchisee")

ARTICLE 1 - BACKGROUND

1.1 System

As the result of a significant expenditure of time, skill, effort and money, the Franchisor has developed and owns a unique and proprietary System (as defined below) relating to the establishment, development and operation of a fast-casual restaurant specializing in the sale of Mediterranean cuisine, which must be operated in accordance with specified equipment, menu boards, systems, methods, procedures, recipes, know-how and designs, and under the proprietary trademarks licensed by the Franchisor.

1.2 Marks

In connection with its business of licensing and regulating businesses utilizing the System and the Marks, the Franchisor licenses the right from its affiliate to use and control the use of certain proprietary interests, trademarks, and trade names, including the word TAHINI'S, to identify to the public the source of goods and services marketed under those trademarks and to represent to the public high and uniform standards of quality and service. The Franchisor will grant the Franchisee a non-exclusive license, as set out in this Agreement, to use the Marks (as defined below).

1.3 Distinguishing Characteristics

The distinguishing characteristics of the System include, without limitation, unique methods, technical assistance and training in the operation, management and promotion of the Franchised Business (as defined below), sales and marketing, inventory control methods, financial management tools, specialized reporting, bookkeeping and accounting methods and advertising and promotional programs, all of which may be changed, improved and further developed by the Franchisor or its affiliate.

1.4 Desire to Obtain License

The Franchisee desires to obtain the non-exclusive right and license to use the Marks and System in connection with the operation of a Franchised Business in accordance with the terms of this Agreement and the Manual (as defined below) solely at the Location (as defined below) specified in this Agreement. The Franchisee represents that it does not wish to obtain such right and license for speculative or investment purposes and has no present intention to sell or transfer or attempt to sell or transfer all or any part of the Franchised Business.

1.5 Franchisee's Independent Investigation

The Franchisee expressly acknowledges that it is entering into this Agreement after having made an independent investigation of the Franchisor's operations and the Franchised Business and is not relying upon any representation as to the profits and/or sales volumes that the Franchisee might be expected to realize, nor upon any other statement, promise or representation whatsoever which is not contained in this Agreement. The Franchisee and Guarantor understands that he/she/it may sustain losses because of the operation or the closing of the Franchised Business. The Franchisee and Guarantor understand that the business venture contemplated by this Agreement involves a high degree of financial risk and depends to a large degree on the Franchisee's skills, abilities, initiative and hard work. The Franchisee and Guarantor have had a

full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by a lawyer or professional advisor of their own choosing.

1.6 Need for Strict Conformity

The Franchisee understands and acknowledges the importance of the Franchisor's uniformly high standards of quality and service and the necessity of operating the Franchised Business in strict conformity with the Franchisor's standards and specifications.

1.7 Reliance by Franchisor

The Franchisor has agreed to enter into this Agreement with the Franchisee based on the information provided to the Franchisor by the Franchisee, and in reliance upon the Franchisee's representation that it will fully and faithfully honor and perform all the obligations of the Franchisee contained in this Agreement for the entire term of this Agreement. .

ARTICLE 2 - INTERPRETATION

2.1 Principles of Interpretation

The Franchisee acknowledges that the nature of franchising is such that the Franchisor has responsibilities not only to the Franchisee but also to all other System franchisees, and to the Franchisor's corporate locations, customers, employees and shareholders. The Franchisee understands that those responsibilities may sometimes conflict or be inconsistent with one another.

The Franchisee knows other present or future owners or operators of System businesses may operate under different forms of agreement(s), and consequently that the Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances subject to any applicable statutory duty of fair dealing.

2.2 Incorporation of Recitals

The recitals of fact and representations set out in Article 1 are true and are incorporated in the body of this Agreement by reference.

2.3 Definitions

In this Agreement, the following words will have the meaning set out beside them.

- (a) **"Agreement"** means this agreement and any amendments made to it by the parties in accordance with the terms of this agreement.
- (b) **"day"** refers to a calendar day unless otherwise specified in this Agreement.
- (c) **"Delivery Programs"** has the meaning set out in Section 3.5(d).
- (d) **"Delivery Area"** has the meaning set out in Section 3.5(e)
- (e) **"Designated Operator"** means, where the Franchisee is a legal entity, such shareholder of the Franchisee holding no less than 10% interest in the outstanding equity of the Franchisee, as designated and agreed to between the Franchisee

and the Franchisor from time to time, who is responsible for the day-to-day management of the Restaurant.

- (f) **“Franchise Fee”** has the meaning set out in Section 6.1.
- (g) **“Franchised Business”** means the business to be operated by the Franchisee under the System and the Marks, at the Location, as licensed by and pursuant to this Agreement.
- (h) **“Franchisee”** means the Franchisee and any successor individual(s), partnership(s) or corporation(s) which may result from an approved reorganization, amalgamation or continuance of the Franchisee and any assignee to which an approved assignment of this Agreement is made.
- (i) **“Gross Sales”** for any period means the entire amount of sales whether for cash, cheque, credit card, debit card, gift card (or any replacement or additional method of payment), exchange or otherwise, in respect of and/or attributable to the sale of goods or provision of services in connection with the operation of the Franchised Business, whether or not any such sales amount or portion thereof is paid to and/or received by the Franchisee or a third party (including but not limited to third-party delivery service providers); and all other receipts whatsoever from all business conducted upon or originating from the Location, including telephone order sales, facsimile order sales, internet order sales, all proceeds and deposits from catering activities, the full amount of all income received directly or indirectly from any automatic teller (bank) machines, vending machine or coin operated machine at the Location and all other revenue, income or proceeds of the Franchisee of any kind. The performance of services is considered a “sale” when services have been completed or goods provided to entitle the Franchisee to payment for those services or goods, whether payment occurs. Gross Sales will include the amount of all sales assumed to have been lost by the interruption of business, to be determined upon the basis upon which proceeds of any business interruption insurance are paid or are payable to the Franchisee. Gross Sales will not include:
 - (i) any government tax, provided the amount of the tax is added to the selling price, the amount is expressly charged to the customer, a specific record is made at the time of each sale of the amount of the tax, and the tax is paid over to the appropriate taxing authority;
 - (ii) the amount of any refund or credit given in respect of any services or any Products returned or exchanged by a customer or client for which a refund of the whole or a part of the purchase price is made or for which a credit or discount is given, provided that the selling price of such services or goods was originally included in calculating Gross Sales; and
 - (iii) the value of any coupon, voucher, promotional item or programs previously approved in writing by the Franchisor and to the extent redeemed by a customer of the Franchisee.

No deduction will be allowed for uncollected or uncollectible accounts, credit card, third-party delivery or other charges, or in respect of any other matter.

- (j) **“Incapacity”** means that the person to whom such term is applied is unable to perform his/her normal duties within the Franchised Business for 30 days in any 90-day period during the term of this Agreement.
- (k) **“Interest Rate”** means the lesser of 15% annually (compounded monthly for an effective annual interest rate of 16.1%) or (ii) the maximum rate allowed by applicable law.
- (l) **“Lease”** means the lease entered into Landlord for the Location, which is more particularly described in Section 5.2.
- (m) **“Landlord”** means the landlord of the Location Lease.
- (n) **“Location”** means the retail business premises described in Schedule 1 or such other premises at which the Franchised Business is located with the consent of the Franchisor, but for greater certainty, includes only one location at any time.
- (o) **“Manual”** means any rules of operation, operations manuals, policy manuals, video and audio recordings, software, pamphlets, memoranda, bulletins, letters, directives, instructions (whether in written, machine readable, web-based or any other form, including electronic mail) and other materials prepared by or on behalf of the Franchisor for use by franchisees generally or the Franchisee in particular setting out information, advice, standards, requirements, operating procedures, instructions or policies relating to the operation of a System franchise, as such materials may be added to, deleted or otherwise modified by the Franchisor from time to time.
- (p) **“Marks”** means all trademarks, trade names, design marks and other commercial symbols that the Franchisor may designate from time to time for use in the System and includes but is not limited to the trademark, TAHINI’S, and the design mark depicted on the cover page of this Agreement.
- (q) **“Other Brands”** has the meaning set out in Section 3.4(c)
- (r) **“Products”** means all foods, beverages, services, wares, merchandise, supplies, accessories and items sold, dispensed, handled, used or otherwise dealt in, and all services performed at or from the Location or in connection with the Franchised Business, whether using the Marks or not, as may be amended or specified by the Franchisor from time to time;
- (s) **“Royalty Fee”** has the meaning set out in Section 6.2.
- (t) **“Site Supervision Fee”** has the meaning set out in Section Error! Reference source not found.
- (u) **“System”** means the method formulated and developed by the Franchisor from time to time for the establishment and ongoing operation of the food service system utilizing the Marks and licensed by this Agreement and includes, without limitation, the following:

- (i) the distinguishing and unique characteristic relating to the basic design, construction, appearance and color scheme of the interior and exterior of the outlets, and the substantially standardized uniform for use by the Franchisee's employees and any contract workers, all of which are identified with the Marks;
- (ii) the menu and proprietary recipes used in the preparation of foods sold by the Franchisee; and
- (iii) the rules of operation, training materials, computer software programs, information bulletins, advertising and bookkeeping services and systems, and advertising campaigns of the Franchisor (whether in the Manual or otherwise).

2.4 Severability

Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement will be considered severable and fully enforceable. If, for any reason, any part of this Agreement is determined to be invalid, contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, it will not impair the operation of, or have any other effect upon, any other part of this Agreement as may remain otherwise intelligible, and that part will continue to be given full force and effect and bind the parties. The invalid part or parts will not be a part of this Agreement.

2.5 Headings

All headings in this Agreement are intended solely for the convenience of the parties, and no heading will be considered to affect the meaning or interpretation of any part of this Agreement.

2.6 References

All references in this Agreement to the masculine, neuter or singular will be interpreted to include the masculine, feminine, neuter or plural, where applicable. Unless otherwise specified, references in this Agreement to "Articles", "Sections", and "Schedules", refer to articles of, sections of, and schedules to, this Agreement.

2.7 Benefit of Agreement

Nothing in this Agreement is intended, nor will it be considered, to confer any rights or remedies upon any person or legal entity other than the parties and those persons expressly indicated to be entitled to rights or remedies under this Agreement. This Agreement is available for the benefit of, and is binding upon, the heirs, executors, successors, personal legal representatives and permitted assigns of the parties.

2.8 Schedules

The following schedules are attached to and incorporated in this Agreement by reference.

SCHEDULE 1 - LOCATION

SCHEDULE 2 - PERSONAL GUARANTEE

SCHEDULE 3 - STATEMENT OF OWNERSHIP

SCHEDULE 4 - ELECTRONIC FUNDS TRANSFER FORM

SCHEDULE 5 - COLLATERAL ASSIGNMENT OF LEASE AND LEASE RIDER

SCHEDULE 6-A - CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

SCHEDULE 6-B - CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)

SCHEDULE 7 - ACKNOWLEDGEMENT ADDENDUM

SCHEDULE 8 - STATE AMENDMENTS

ARTICLE 3 - GRANT OF FRANCHISE

3.1 Grant of Franchise

Subject to all the terms and conditions of this Agreement, the Franchisor grants to the Franchisee, and the Franchisee accepts, the non-exclusive right and license to use the Marks and the System in the operation by the Franchisee of one Franchised Business.

3.2 Conditions

The Franchisee agrees to operate the Franchised Business using the System at the designated Location in strict compliance with the terms and conditions of this Agreement for the entire term of this Agreement, unless sooner terminated. The rights and privileges granted to the Franchisee by the Franchisor under this Agreement are applicable only to the single location designated as the Location, are personal in nature, and may not be used elsewhere or at any other location by the Franchisee. The Franchised Business may only offer and sell its products and services in, at and from the Location. Under no circumstance may the Franchised Business establish any physical presence besides from the Location at or from which System programs, products or services are sold or furnished. In addition, under no circumstance may the Franchised Business sell any System programs, products or services through any alternative channels of distribution, such as the internet/worldwide web/virtual platforms (including without limitation the metaverse) and other forms of electronic commerce; engage in cryptocurrency, non-fungible token (NFTs) and other blockchain promotions; "800" or similar toll-free telephone numbers; supermarkets, grocery stores or convenience stores; mail order; catalogs; ghost kitchens, cloud kitchens and other delivery-only concepts; or, any other channel of distribution whatsoever. Notwithstanding the foregoing, the Franchisee may offer catering and/or delivery from the Location to customers pursuant to the Franchisor's then-current catering and delivery standards and Section 3.5 below. The Franchisee may only engage in the retail sale of System products and services. The Franchisee is prohibited from engaging in the wholesale sale or distribution of any System products or services, or the products, equipment, and services which the Franchised Business is required or permitted to use or sell under this Agreement, or any component or ingredient of any of the foregoing which now or in the future constitutes part of the System. "Retail sale" means any sale by the Franchisee directly to an ultimate consumer. "Wholesale sale or distribution" means any sale or distribution by the Franchisee to a third party for resale, retail sale, or further distribution. "Component" means any constituent part, ingredient, element, segment or derivative.

3.3 Personal License

The Franchisee will not have the right to franchise, subfranchise, license or sublicense its rights under this Agreement. The Franchisee will not have the right to pledge, assign or transfer this Agreement or its rights or obligations under this Agreement, except as specifically provided for in this Agreement.

3.4 Rights Reserved by Franchisor

The rights granted to the Franchisee are site-specific, for use only at the Location, and provide no rights of exclusivity to the Franchisee. The Franchisee will not receive any form of exclusive or protected territory. Without limiting the foregoing, the Franchisor (on behalf of itself and its affiliates) reserves all rights not granted to the Franchisee pursuant to this Agreement, including but not limited to the following rights:

- (a) To operate and to grant others the right to operate a business using those specific Marks and the System and/or other trademarks and/or systems at any location, including at a location immediately proximate to the Franchised Business;
- (b) To acquire and convert any business to a business operating under the System and using the Marks, whether independent or franchised, including at a location immediately proximate to the Franchised Business at the Location;
- (c) To operate or grant to someone else a franchise or license to operate, at any location, whether in close proximity to the Location or otherwise, a business using one or more other systems and/or trademarks aside from those licensed by this Agreement, whether now or hereafter owned or licensed by the Franchisor or its affiliates, or whose owners or licensors own the Franchisor or its affiliates, and regardless of whether they are competitive with the System or the Products (the **"Other Brands"**); and
- (d) To use and license the use at any location, including at a location immediately proximate to the Franchised Business at the Location, of alternative proprietary marks or methods in connection with the operation of businesses under names which are not the same as or confusingly similar to the Marks, which businesses may be the same as, or similar to, or different from the Franchised Business and/or to require all or any part of the System (including the Franchised Business) to be re-branded under such alternative marks or names;
- (e) To distribute, sell, offer, or grant to someone else the right to distribute, sell or offer, the Products or similar or different products, using the System and Marks (including the Other Brands) or similar or different business systems or trademarks, at any location, whether in close proximity to the Location or otherwise, of a temporary or permanent nature, by means of other or alternate channels of distribution, such as without limitation, by or through; (i) telephone orders, mail order, television, vending machines, electronic media (i.e. including the internet or mobile applications) or catalogue sales; (ii) through catering, catering trucks, carts, mobile vehicles, and/or delivery services, including the Delivery Programs (as defined below); (iii) supermarkets, grocery, retail, convenience, or similar stores, or as a concession, kiosk, department or as part of or in combination with any restaurant, supermarket, grocery, retail or similar

establishments; or (iv) through outlets of any kind located at public or quasi-public institutions, such as without limitation, hospitals, schools, universities, colleges, correctional facilities, airports, train and/or bus stations, gas and/or service stations, highway rest stops and plazas, sports facilities, arenas, stadiums, concert halls, theatres, fairs and/or exhibitions, food court locations, office complexes and enclosed shopping malls; and

- (f) To advertise, sponsor, endorse, or otherwise promote or advance the System, the Marks or Other Brands at any location, in any manner whatsoever;
- (g) To purchase, merge with, acquire or affiliate with, or be purchased or acquired by, an existing network, chain, entity or any other business, regardless of the locations or territories of such other franchise, chain, entity or other business and operating, franchising or licensing those businesses and/or being operated, franchised or licensed by those businesses under the Proprietary Marks or any other marks following such purchase, merger, acquisition or affiliations, regardless of location or proximity of locations or territories; and
- (h) To engage in any other activities at any location not expressly prohibited in this Agreement.

3.5 Delivery and Catering Services

- (a) The Franchisee may only offer delivery and catering services if permitted by the Franchisor and in accordance with the Franchisor's specifications and shall provide such services if required by the Franchisor. Any delivery and catering services provided by the Franchisee may only originate from the Franchised Business at the Location.
- (b) If required or permitted to provide catering and delivery services in accordance with Subsection 3.5(a), the Franchisee shall, in doing so, provide "adequate delivery and catering services" which will mean that these services must be provided in accordance with the Franchisor's standards and specifications for delivery and catering as may be described in the Manual from time to time. These standards and specifications may include, but are not limited to: addressing customer satisfaction as to timeliness; ability to deliver food at specified temperatures; participation in centralized food ordering, delivery and/or catering programs operated by the Franchisor, its affiliate or any authorized third party supplier; participation in online food ordering and/or online delivery platforms; potential and actual sales volumes achieved through delivery and catering; and the physical, geographic or demographic characteristics of the area in which the delivery and catering services are being provided.
- (c) Upon 30 days' written notice to the Franchisee, the Franchisor may limit the delivery and catering services provided by the Franchisee to a defined area surrounding the designated Location or otherwise limit the customers and locations to which the Franchisee is entitled to provide delivery and catering services.
- (d) With respect to participation in online food ordering and/or online delivery platforms (collectively, "**Delivery Programs**"), the Franchisor may require the Franchisee to enter contracts with designated suppliers, which contracts may include specified

or mandatory provisions, and obligations to purchase and install any applicable equipment, software systems, or other items to be used in connection with participating in Delivery Programs.

- (e) Subject to the Franchisee being in compliance with such rules and procedures, all orders for Products received by or through the Delivery Programs for delivery to customers in an area(s) which encompass(es) the Location (the “**Delivery Area**”), shall be communicated, directly or indirectly, to the Franchisee when it is determined by the Delivery Programs or the Franchisor (as applicable) that the Franchisee is to receive such orders, and the Franchisee shall timely fill such orders in accordance with the terms, conditions and specifications communicated to the Franchisee. The Franchisee hereby acknowledges that the Delivery Area is subject to change from time to time and that there maybe multiple or different businesses or franchisees serving a Delivery Area, Delivery Areas which are serviced by the Franchisee, at the same time, depending on the terms and conditions required for the operation of the Delivery Programs. Accordingly, the Franchisee acknowledges and agrees that the Delivery Area is non-exclusive, that the Franchisor, its affiliates, or others, may sell Products in one or more Delivery Areas serviced by the Franchisee, and that none of the foregoing shall be a breach of this Agreement or give rise to any liability on the part of the Franchisor, its affiliates, or others. The Franchisor expressly disclaims the making of, and the Franchisee acknowledges that it has not received any warranty or guarantee, expressed or implied, as to the potential volume of sales, revenue, profits or performance of the Delivery Programs.

ARTICLE 4 - TERM

4.1 Commencement and Termination Date

This Agreement will commence on the date written on the first page of this Agreement and will expire on the 10th anniversary of the date that the Franchisee commences operation of the Franchised Business, unless sooner terminated by the Franchisor in accordance with the terms of this Agreement (the “**Initial Term**”).

4.2 Renewal

- (a) Subject to the conditions in Section 4.3, the Franchisee shall have two options to renew this Agreement for a renewal term equal to 5 years.

4.3 Conditions for Renewal

The within option to renew shall be subject to the following terms and conditions:

- (a) The Franchisee shall have given to the Franchisor written notice of its election to renew this Agreement not less than 6 months and not more than 9 months prior to the end of the initial term of this Agreement. No sooner than 15 days, but no later than 25 days, after the Franchisee receives the Franchisor’s renewal package, the Franchisee must execute the renewal franchise agreement and return it to the Franchisor.

- (b) Prior to the expiration of the initial term of this Agreement, the Franchisor will review all aspects of the Franchised Business and give notice of all required capital expenditures, modifications, renovations, alterations, refurbishment, remodeling and redecoration to the Location and to the Franchised Business necessary to comply with the Franchisor's then-current standards and image (collectively, the "**Updates**") If the Franchisee elects to renew this Agreement, the Franchisee shall have completed, at the Franchisee's own expense and to the Franchisor's satisfaction, all required Updates and shall have adopted and implemented any new methods, programs, modifications, systems and techniques required by the Franchisor's notice no later than 3 months prior to expiration of the initial term of this Agreement.
- (c) The Franchisee will not, on the date of notice, be in default of any provision of this Agreement, the Lease, or any other agreement between the Franchisee and the Franchisor or any affiliate of the Franchisor, will have substantially complied with all the terms and conditions of such agreements throughout the term of such agreements, and shall remain in full compliance with its obligations under those agreements for the balance of the initial term.
- (d) The Franchisee will have satisfied all monetary obligations owed by the Franchisee to the Franchisor on a timely basis throughout the term of this Agreement.
- (e) At the option of the Franchisor, the Franchisee shall execute the Franchisor's then-current form of franchise agreement and related documentation, including any personal guarantee, which will supersede in all respects this Agreement, and which may differ materially from the terms of this Agreement, including a different fee structure which may include, but not be limited to, higher amounts of Royalty Fees, Advertising Fees and other commercial terms.
- (f) The Franchisee, its shareholders, directors and officers and the Guarantor shall deliver to the Franchisor a complete and general release of the Franchisor, its directors, officers, and shareholders, its affiliates and subsidiaries and the directors, officers, and shareholders thereof, on Franchisor's then-current form of general release.
- (g) The Franchisee will not be in default of any provision of the Lease for the Location and will have the right to use and remain in possession of the Location to the end of the renewal term.
- (h) The Franchisee shall pay a renewal fee equal to 50% of the Franchisor's then-current franchise fee, plus all applicable taxes. In addition, the Franchisee shall reimburse the Franchisor for all reasonable legal fees and other costs and expenses incurred by it because of the Franchisee's exercise of the renewal option herein provided for. The Franchisee will have no further option to renew the term of this Agreement after the expiry of its one option to renew.
- (i) The Franchisor is still offering franchises in the area in which the Franchised Business is located.
- (j) The Franchisee or the Franchisee's Designated Operator (as applicable) and any other management and staff the Franchisor designates must attend and

successfully complete any training that the Franchisor may reasonably require, at the Franchisee's expense

If the Franchisee does not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered the Franchisee's conclusive election not to exercise the Franchisee's right to enter into a renewal franchise agreement and such right will then automatically lapse and expire without further notice or action by the Franchisor. If this occurs, this Agreement will expire at the end of the initial term, except for the post-termination and post-expiration provisions of this Agreement which by their nature will survive. Time is of the essence with regard to this section.

4.4 Overholding

If applicable law requires the Franchisor to give the Franchisee notice of expiration of this Agreement at a specified time prior to such expiration, and the Franchisor has not done so, then the term of this Agreement will be extended to the date following which the Franchisor's notice has been given and the legally required notice period has expired.

If the Franchisee shall continue to operate the Franchised Business from the Location after the termination or expiry of the Initial Term or any renewal thereof, without any further agreement in writing signed by the Franchisor, then such continued operation and the pre-existing and continuing grant of rights under this Agreement shall be deemed to be at will only and may be terminated by the Franchisor, without any cause or reason, upon thirty days (30) notice, but shall otherwise be subject to all the other terms and conditions of this Agreement or any renewal franchise agreement executed by the Franchisee and the Franchisor.

ARTICLE 5 - DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS

5.1 Location Selection

If the Franchisee has suggested a Location which the Franchisor has approved before the execution of this Agreement, then the address of that Location will be set forth on Schedule 1 to this Agreement. If the Franchisee has not suggested a Location which the Franchisor has approved before the execution of this Agreement, then the following provisions will apply:

- (a) The Franchisee will use its best efforts to find an acceptable Location. The Franchisor will assist the Franchisee in identifying a Location suitable for the operation of the Franchised Business. The Franchisee must comply with all the Franchisor's specifications, requirements and restrictions. The Location will be subject to the Franchisor's advance written approval, and the Franchisor's determination will be final. The Franchisor may require the Franchisee to submit maps, completed checklists, photographs, diagrams of the premises with measurements and other information and materials which the Franchisor may reasonably require to evaluate the proposed Location. The Franchisor also may visit the proposed Location in order to evaluate its suitability;
- (b) The Franchisee acknowledges that the Franchisor's approval or proposal of a location for the Franchised Business does not constitute a recommendation, endorsement or guarantee by the Franchisor of the suitability of the location or related lease to the Franchisee and will not be deemed to constitute, the Franchisor's express or implied representation, warranty, guarantee or any other

indication of the prospective profitability, viability or merit of the Location, and the Franchisee hereby forever waives any claim to the contrary. The Franchisee should take all steps necessary to ascertain whether such location and related lease are acceptable to the Franchisee;

- (c) Franchisor reserves the right to require Franchisee to use, or to engage on Franchisee's behalf, designated real estate brokers in connection with same, who may be Franchisor or Franchisor's affiliates. Franchisee shall be solely responsible for any and all broker and other commission and real estate fees related to same;
- (d) Franchisee shall cooperate with Franchisor and act diligently, in good faith, to find a suitable location for the Franchised Business which will reasonably meet the Franchisor's site selection criteria; and,
- (e) Upon the earlier of (a) the Franchisee failing to accept three potential locations for the Franchised Business that reasonably meet the Franchisor's site selection criteria, in the Franchisor's sole opinion and (b) 12 months following the execution of this Agreement, the Franchisor and the Franchisee will each have the right to terminate this Agreement by written notice to the other party. Upon any termination of this Agreement in accordance with this Section **Error! Reference source not found.**5.1, the Franchisee shall deliver to the Franchisor, its directors, officers and shareholders, such full and final releases on Franchisor's then-current form, and other documents as may be required by Franchisor. Upon compliance with the foregoing, the Franchisor shall refund any amounts received under this Agreement from the Franchisee, without interest, less all costs and expenses incurred by the Franchisor in connection with the execution of this Agreement and the performance of obligations or the provision of services in connection therewith, including but not limited to such costs and expenses related to background checks performed on the Franchisee, any franchise disclosure document delivered to the Franchisee, locating potential locations for the Franchised Business, and any training provided to the Franchisee or its employees.

5.2 Lease of Location

If the Franchisee will be leasing the Location, then promptly following the Franchisor's written approval of the proposed Location, the Franchisee agrees to obtain a lease or sublease for the Location which, unless the Franchisor otherwise approves the lease in advance, must be accompanied by a collateral assignment of lease and lease rider incorporating the requirements specified in Schedule 5 of this Agreement. The Franchisee agrees to deliver to the Franchisor a copy of any proposed lease or sublease for the Location and any related documents (collectively, the "**Lease**") before the Franchisee executes the Lease. Any Lease will be subject to the Franchisor's advance written approval, which the Franchisor will not unreasonably withhold or delay, provided, however, that the Franchisor expressly reserves the right to disapprove any Lease not accompanied by a signed collateral assignment of lease and lease rider embracing all of the provisions of Schedule 5. If the Franchisor does not communicate its approval or disapproval of a proposed Lease to the Franchisee within 20 business days following the Franchisor's receipt of the proposed Lease, and if the Lease is accompanied by a signed collateral assignment of lease and lease rider containing the required provisions of Schedule 5, then the Lease will be considered approved.

In any Lease, you may not create any obligations or grant any rights against us or our affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You agree to timely perform all terms, conditions, covenants and obligations under the Lease. You may not assign, transfer or encumber your Lease or sublet all or any part of the Location without our advance written approval.

5.3 Construction and Development of Premises

- (a) Construction and Development by the Franchisee. The Franchisee shall construct and equip the Location in accordance with the time table or schedule specified by, and in conformity with the standard layout plans and specifications of the System as designated by the Franchisor. Following receipt of the System standard plans, specification and drawings from the Franchisor, the responsibility and cost of customizing specific plans, specifications and drawings to the Location (upon the prior approval of the Franchisor) and all costs and expenses pertaining to the construction and equipping of the Location shall be borne exclusively by the Franchisee. The Franchisee agrees to do or cause to be done the following at its sole cost and expense:
- (i) retain and compensate all contractors, subcontractors or other professionals that are approved or designated by the Franchisor, and ensure that the Franchisor's requirements regarding insurance coverage are complied with (or insurance requirements under the Lease, whichever provide for greater coverage), in connection with the construction and development of the Location;
 - (ii) ensure that all applicable by-laws, building codes, permit requirements and Lease requirements and restrictions are complied with in connection with such construction;
 - (iii) obtain all required building, utility, sign, sanitation, and business permits and licenses and any other required permits and licenses;
 - (iv) construct all required improvements to the Location and decorate the Location in compliance with plans and specifications approved by the Franchisor; and
 - (v) subject to the provisions hereof, purchase or lease and install all fixtures, equipment, signs and other items and services required for the Location by the Franchisor.

The Franchisor shall have the right to inspect and supervise the construction and development of the Location at all reasonable times. The Franchisee acknowledges that the Franchisor's review or inspection of the design, construction and development of the Location is only for the purposes of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, that the Franchisee's design, construction and development of the Location are accurate or free of error concerning their structural application or are in compliance with applicable laws. The Franchisor is not responsible for design, architecture or engineering, or for code, zoning use or other requirements of the laws, ordinances, regulations or

bylaws of any federal, provincial, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor is the Franchisor responsible for any errors, omissions, or discrepancies of any nature in the Franchisee's design and construction plans.

- (b) *Construction and Development by the Franchisor.* Notwithstanding the provisions of Subsection 5.3(a), and (to the extent provided for herein) in lieu thereof, the Franchisor may, at its option, undertake, on an independent consultant basis, the partial or full development, including all or any part of the construction, fixturing and equipping of the Location in conformity with the System requirements. In the event the Franchisor exercises its right to do so:
- (i) The Franchisee hereby authorizes and directs the Franchisor to act as the Franchisee's project manager and supervisor and in so doing, to liaise with all design, engineering and construction, and other firms in respect of the development of all or any part of the Location as aforesaid, and to do or cause to be done all or any part of such things as may be necessary to manage and supervise the construction process on the Franchisee's behalf.
 - (ii) The Franchisee agrees that it shall:
 - a. be directly liable to pay all design firms, engineering and construction firms, and all other entities (which may be the Franchisor or its Affiliate) with whom the Franchisee will directly contract in respect of the development of all or any part of the Location; and
 - b. indemnify and hold harmless the Franchisor, its Affiliates and any of their respective directors, officers, shareholders, agents and representatives who may perform any of the management and supervisory services contemplated herein against and for, any loss, liability, taxes or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against the Franchisor or any of them or any action in which the Franchisor or any of them is named as a party (including, without limitation, legal fees) which the Franchisor or any of them may suffer, sustain or incur by reason of, arising from or in connection with the construction of the Location. This indemnity continues in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement for any reason.
 - (iii) The Franchisor shall not be obligated to solicit competitive bids for any work performed or equipment or merchandise supplied in connection with such management and supervisory services performed by the Franchisor.
 - (iv) The Franchisee acknowledges that:
 - a. all or any part of such management and supervisory services may be subcontracted out, or performed by such person or persons as the Franchisor may retain on the Franchisee's behalf, including persons

or entities affiliated with the Franchisor;

- b. the Franchisor's responsibility under this Section 5.3(b) shall be limited to exercising that degree of care and skill as would be exercised by a reasonable and prudent person performing like duties and services;
 - c. the Franchisor makes no representations or warranties as to the quality or fitness for any purpose of the work, services, or materials to be performed and provided hereunder, including without limitation, with respect to any equipment and/or furniture to be installed at the Location. In no event shall the Franchisor, its subsidiaries and/or affiliates be responsible for the acts or omissions of any person supplying goods or performing work or services in connection with the development and construction of the Location, including any losses, costs, liabilities, or damages resulting from any defect in the equipment and/or furniture, save and except for those arising from the gross negligence of the Franchisor or its employees; and,
 - d. Franchisor is entitled to make a profit in connection with the supervision of the Construction of the Location, to receive and retain for its own use any leasehold or tenant allowance, tenant inducement or other such payment from the Landlord, and to use such designers, architects, engineers, suppliers, materials and equipment as it in its sole discretion chooses. The Franchisee shall grant the Franchisor a license to occupy the Location (which license will not include exclusive possession of the Location and is not a sublease) to complete the construction and renovation of the Location and shall pay to the Franchisor any leasehold or tenant allowance that the Franchisee receives in respect of work completed by the Franchisor.
- (c) Site Supervision Fee. Regardless of whether the construction and development of the Premises is managed directly by you (in accordance with Section 5.3(a)) or by the Franchisor (in accordance with Section 5.3(b)), Franchisor will nevertheless, at its option, supervise the construction and development of the Premises, and in connection with the foregoing, Franchisee must pay Franchisor, upon demand, a site supervision fee in an amount equal to \$20,000 (the "**Site Supervision Fee**") in one lump sum. The Site Supervision Fee shall be fully earned when paid and not refundable in any circumstance.

The Franchisee agrees that if construction is not completed and the Franchised Business is not open for business within 1 year following the Franchisor approving the Location, exclusive of time lost by reason of events beyond the Franchisee's control, the Franchisor may in its absolute discretion cancel and terminate this Agreement and any other related agreements entered into by the Franchisee with the Franchisor or its affiliate (collectively, the "**Related Agreements**") and retain the Franchise Fee and Site Supervision Fee as liquidated damages and not as a penalty.

In the event of termination of this Agreement and the Related Agreements under this section, all such agreements will be of no further force or effect and the parties will have no further liability to one another, except that the obligations of the Franchisee and the Guarantor, which by their nature survive termination, including without limitation, those obligations pursuant to Article 10 and Sections 9.19, 9.20, 11.2 and 11.3 hereof, shall survive such termination.

5.4 Relocation

If, prior to the termination or expiration of this Agreement, (i) the Lease for the Location should terminate without fault of the Franchisee, (ii) the Location should be destroyed, condemned or otherwise rendered unusable for the purposes of this Agreement, (iii) the Location should be expropriated, (iv) the Franchisee otherwise loses possession of the Location without fault on its part, or (v) in the judgment of the Franchisor, there is a change in the character or attributes of the Location that is sufficiently detrimental to warrant its relocation, the Franchisee will be entitled to relocate the Franchised Business to another location acceptable to the Franchisor, provided that:

- (a) The Franchisor has first given its written consent to such relocation and to the new Location;
- (b) The Franchisee enters the lease for the new Location and executes Franchisor's then-current collateral lease assignment and lease rider;
- (c) The new Location will be developed in the same manner as described in Section 5.3 or as otherwise agreed by the Franchisor and the Franchisee, solely at the Franchisee's cost;
- (d) The lease for the new Location is executed by within 6 months from the date of termination of the Lease for the former Location, as applicable;
- (e) The Franchisee shall recommence operating the Franchised Business from the new Location on the scheduled opening date as advised by the Franchisor;
- (f) If the initial term of the lease for the new Location is longer than the remainder of the then-current term of this Agreement as at the date the lease for the original Location was terminated then:
 - (i) This Agreement will be amended such that the then-current term will be extended to equal the initial term under such lease (where the new Location is leased directly from the landlord by the Franchisee);
 - (ii) The Franchisee shall pay the Franchisor an amount equal to (a) the initial franchise fee pro-rated based on the number of years this Agreement is so extended beyond the initial 10-year term, if the lease for the original Location is terminated during the initial term of this Agreement or (b) the renewal fee set out in Section 4.3(h) pro-rated based on the number of years the renewal term of this Agreement is so extended beyond the 10-year renewal term, if the lease for the original Location is terminated during the renewal term of this Agreement (collectively, the "**Term Extension Fee**"); and
 - (iii) The Franchisee shall pay the Franchisor the Term Extension Fee upon execution of the lease for the new Location;
- (g) the Franchisee is not in default of the terms of this Agreement or any other agreement between the Franchisor and the Franchisee;

- (h) the Franchisee pays to the Franchisor its full costs (including legal fees) of such relocation;
- (i) the Franchisor and its affiliates have obtained a release from the Franchisee and its affiliates and guarantors; and
- (j) If the Franchisee is unable to relocate the Franchised Business and recommence business in accordance with the terms and condition in this Section, then this Agreement will be terminated effective immediately upon written notice by the Franchisor to the Franchisee that any such term or condition has not been fulfilled in the time required to do so.

5.5 Equipment, Fixtures, Accessories and Signs

The Franchisee agrees to use in the operation of the Franchised Business only those brands and models of equipment that the Franchisor has approved for System restaurants as meeting its specifications and standards for design, function, performance, serviceability and warranty. The Franchisee further agrees to place or display at the Location (interior and exterior) only such signs, emblems, lettering, logos and display materials, and agrees to use in the operation of the Franchised Business only such supplies that are from time to time approved in writing by the Franchisor. The Franchisee will not replace any of the equipment at the Location or add to such equipment, unless such replacement or additional equipment complies with the Franchisor's standards and specifications and is purchased from the Franchisor or its designated suppliers, if applicable. The Franchisee agrees to enter contracts for equipment maintenance with the Franchisor's designated equipment maintenance service providers, if required by the Franchisor.

5.6 Changes to Location

After the initial opening to the public of the Franchised Business, the Franchisee shall not make any replacements, alterations, changes or additions any of the fixtures, accessories, signs, or leasehold improvements at the Location without the prior written consent of the Franchisor.

5.7 Purchase of Franchisor-Owned Location

If the Franchisee purchases a location owned or operated by the Franchisor or any affiliate of the Franchisor, then:

- (a) The Franchisee agrees to complete the transfer of the assets associated with the location within 15 days from the successful completion of the Designated Operator's training pursuant to Subsection 9.1(b). Failure to successfully complete the training program and to transfer the assets by such date will constitute a default of this Agreement; and
- (b) The Franchisee understands and acknowledges that in granting a franchise for a site formerly operated by the Franchisor or any affiliate of the Franchisor, the Franchisor does not in any way endorse, warrant or guarantee either directly or indirectly the suitability of such site or the success of the Franchised Business to be operated by the Franchisee at such site.

5.8 Opening for Business

The Franchisee agrees to fulfill all of its pre-opening obligations and open the Franchised Business to the general public no later than (a) 12 months following the Effective Date of this Agreement, or (b) if the Franchisor approves the Franchised Business to build from the ground up (i.e., the construction involves constructing a building from scratch, starting with an undeveloped parcel of land), 24 months following the Effective Date of this Agreement. **The Franchisee acknowledges that time is of the essence.** This Agreement may be terminated at the Franchisor's option for failure by the Franchisee to commence its business as provided by this section. The Franchisee is not permitted to commence the Franchised Business until such time as it has passed the initial training program to the Franchisor's satisfaction and has provided evidence to the Franchisor that all suppliers utilized in connection with the development of the Location and its proposed opening have been paid in full.

ARTICLE 6 - FEES AND PAYMENTS

6.1 Franchise Fee

The Franchisee will pay to the Franchisor a non-recurring and non-refundable fee of \$40,000 plus all applicable taxes (the "**Franchise Fee**"). The Franchise Fee is payable in full at the time of signing this Agreement. The Franchisee acknowledges that the grant of the license to operate the Franchised Business constitutes the consideration for the payment of this Franchise Fee and that the Franchise Fee is fully earned by the Franchisor upon payment and The Franchise Fee is not refundable, except as may be contemplated in this Agreement.

6.2 Royalty Fee

In return for the ongoing rights and privileges granted to the Franchisee under this Agreement, the Franchisee agrees to pay a continuing non-refundable weekly royalty fee to the Franchisor equal to 5% of Gross Sales in each week plus all applicable taxes (the "**Royalty Fee**"), other than proceeds received because of business interruption insurance. During any period in which the Franchisee receives business interruption insurance proceeds, the Royalty Fee payable to the Franchisor will be equal to 5% of the imputed weekly sales for such period based on the Franchisee's average weekly Gross Sales earned over the immediately preceding 6-month period, or such lesser period if the Franchised Business has not yet been in operation for 6-months. The Franchisor reserves the right to require that all reporting and payments under this Section be made on a different payment schedule.

6.3 Marketing and Promotion Fund

The Franchisor has the right to create, maintain, administer and discontinue a general advertising fund or multiple funds for advertising and promotional programs in respect of the System (or any other system) as the Franchisor may deem necessary or appropriate (the "**Fund**"). The Franchisee is required to pay to the Franchisor for contribution to the Fund, a continuing non-refundable weekly advertising fee equal to 2% of Gross Sales in each week plus all applicable taxes (the "**Advertising Fee**") other than proceeds received because of business interruption insurance. During any period in which the Franchisee receives business interruption insurance proceeds, the Advertising Fee payable to the Franchisor will be equal to 2% (or then-current Advertising Fee rate) of the imputed weekly sales for such period based on the Franchisee's average weekly Gross Sales earned over the immediately preceding 6-month period, or such lesser period if the Franchised Business has not yet been in operation for 6-months. The amount

of the Advertising Fee payable by the Franchisee may be increased or decreased from time to time as determined by the Franchisor, subject to a maximum amount of 3% of Gross Sales. The Franchisor reserves the right to require that all reporting and payments under this Section be made on a different payment schedule.

6.4 Payment Due Date

All weekly payments required by this Agreement must be received by the Franchisor by pre-authorized debit or such other manner of payment as may be designated by the Franchisor on or before the Wednesday of each calendar week in respect of the immediately preceding calendar week (*i.e.*, Monday to Sunday). Any payment not actually received by the Franchisor on or before the due date will be considered overdue. Time is of the essence with respect to all payments to be made by you to us. All unpaid obligations under this Agreement shall bear interest at the Interest Rate. This provision does not constitute consent to late payments or an agreement to extend credit.

6.5 Pre-Authorized Payment Procedure

At the request of the Franchisor and at the Franchisee's expense, the Franchisee will promptly install, implement and always maintain and participate in such pre-authorized payment plans, computerized point of sale systems, credit verification systems and automatic banking systems as the Franchisor may from time to time require. The Franchisee will do all things necessary including, but not limited to, executing a pre-authorized debit agreement in the form attached as Schedule 4, to remit payments to the Franchisor, affiliates of the Franchisor and suppliers of the Franchisee (or suppliers to the Franchisor of products or services of or for the direct or indirect benefit of the Franchisee) by automatic bank transfer or any similar process or procedure which may be initiated by the Franchisor without further action or authorization on the part of the Franchisee. If the Franchisee has not reported its weekly Gross Sales to the Franchisor in a timely fashion to permit the Franchisor to calculate the weekly payments due to it pursuant to this Agreement, then the Franchisee authorizes the Franchisor to process a pre-authorized debit from the Franchisee's account in an amount equal to a reasonable estimate of the weekly payments due to the Franchisor. Any adjustment for overpayment or underpayment will be made upon receipt by the Franchisor of the Franchisee's complete report for the applicable weekly reporting period.

6.6 Reimbursements of Monies Paid on Behalf of Franchisee

The Franchisee shall pay to the Franchisor, within 15 days of any written request by the Franchisor, accompanied by substantiating material, any monies which the Franchisor has paid, or has become obligated to pay, on behalf of the Franchisee, by consent or otherwise under this Agreement.

6.7 Taxes

The expression and calculation of the payments to be made by the Franchisee to the Franchisor pursuant to this Agreement or any other agreement between them is understood to be exclusive of goods and services tax, sales tax or any other similar tax whether in addition to, or in replacement of, any current tax or any other federal, state or municipal tax. The Franchisee will pay to the Franchisor, at the same time and in addition to the payment required under this or any other agreement, all sales, excise, trademark, franchise, value added, or similar taxes imposed

on or collectible by the Franchisor on account of the Franchisor's collection of any of the fees or payments called for by this Agreement.

ARTICLE 7 - ROLE OF THE FRANCHISOR

7.1 Provision of Services

The Franchisor will offer the Franchisee initial and continuing services as it deems necessary or advisable in furthering the Franchised Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of the Franchisor. Failure of the Franchisor to provide any service, either initial or continuing, will not excuse the Franchisee from paying the Franchise Fee or the ongoing Royalty Fee or Advertising Fee.

7.2 Pre-Opening Services

The current services offered by the Franchisor prior to the opening of the Franchised Business are:

- (a) To assist the Franchisee in arranging sources of all food and beverage items, smallwares, equipment, paper goods, maintenance, supplies and other items and services;
- (b) To provide to the Franchisee guidelines and specifications for the operation and management of the Franchised Business, which guidelines and specifications must be adopted by the Franchisee;
- (c) To provide an initial training program for the operation of the Franchised Business at a location to be designated by the Franchisor, as well as further on-premises training in the Franchisor's discretion. The Franchisor will be responsible for the cost of tuition and materials only; and
- (d) To provide access to or loan to the Franchisee a single copy of the Manual as amended from time to time, which will include standards and specifications for procedures, equipment, supplies, management and operation of the Franchised Business.

7.3 Continuing Services

The current services offered by the Franchisor following the opening of the Franchised Business are:

- (a) To provide general advisory assistance considered by it to be helpful to the Franchisee in the ongoing operation, advertising and promotion of the Franchised Business; and,
- (b) To continue its efforts to establish and maintain high standards of quality, safety, customer satisfaction and service, and to that end to, in its own discretion: (i) conduct, as it considers advisable, inspections of the Franchised Business and its operations and (ii) upon request and subject to the terms of this Agreement, provide information to the Franchisee on the Franchisor's standards and specifications;

7.4 Additional Assistance

If the Franchisee requires (or the Franchisor, acting reasonably, determines that the Franchisee requires) additional assistance or assistance peculiar to the Franchised Business, the Franchisee shall pay to the Franchisor on demand a reasonable fee for such service as set out in the Manual from time to time.

7.5 No Warranties Other Than in Writing

With respect to any goods and/or services provided by the Franchisor, its affiliates and/or any person or company referred or approved by the Franchisor or its affiliates, other than specific written warranties expressly provided in connection with such items, such items are provided **without any warranties**, express or implied, and the warranties of merchantability and fitness for a particular purpose are expressly disclaimed.

ARTICLE 8 - QUALITY, UNIFORMITY AND STANDARDS

8.1 Condition and Appearance of the Location

The Franchisee agrees to maintain the condition, cleanliness, design and appearance of the Location consistent with the standards and requirements of the Franchisor (as specified in the Manual or otherwise) for the appearance of all System restaurants (the “**Image**”). The Franchisee agrees to effect such refurbishing and renovating of the Location as the Franchisor requires from time to time including, without limitation, replacement of worn out or obsolete equipment, and the repair or redecoration of the interior and exterior of the Location. If at any time in the Franchisor’s opinion the general state of repair, or the appearance or cleanliness of the Location, its equipment or decor do not meet the then applicable Image and standards, the Franchisor may so notify the Franchisee, specifying the action to be taken by the Franchisee to correct such deficiency, at Franchisee’s sole cost. If the Franchisee fails or refuses to initiate within 10 days after receipt of such notice and thereafter diligently continue a good faith and continuous effort to complete any such required cleaning, maintenance, replacement, redecorating or repair, the Franchisor will have the right, but will not be obligated, to enter upon the Location and effect such cleaning, maintenance, replacement, redecoration or repair of the Location or decor on behalf of the Franchisee and the Franchisee will pay or reimburse the entire costs of such work (including the Franchisor’s overhead) immediately upon demand.

8.2 Authorized Products and Services

The Franchisee will sell, display and use (as applicable) at the Location only those types, brands and styles of products and services, and only such smallwares, equipment, fixtures, posters, signs, furnishings, paper goods, forms, menu boards, uniforms and all such products and services as may be specified by the Franchisor from time to time (collectively, “**Products and Services**”). All Products and Services to be sold from, or displayed or used at the Location will be purchased from the Franchisor or its designated suppliers. The Franchisee will comply with the Franchisor’s requirements concerning the introduction of any new or different products or service for sale or use by the Franchisee. The Franchisor will have the right without notice to enter the Location and remove from the Location, and to dispose of, any product which does not meet the Franchisor’s standards and specifications, or which was obtained from any source other than designated suppliers (the “**Unauthorized Items**”), without liability or accountability for such entry or disposal to the Franchisee of any nature or kind. The Franchisee agrees to immediately remove from the

Location and to immediately dispose of any Unauthorized Items upon being instructed to do so by the Franchisor.

8.3 Utility Contracts

The Franchisee agrees not to enter any direct energy or similar contract relating to the supply of any utility, goods or services to the Location or the Franchised Business, which cannot be terminated at any time, without penalty or greater than 30 days' waiting period, at the option of the Franchisee, the Franchisor as sub-landlord, or successor tenant at the Location

8.4 Minimum Inventory

At all times, the Franchisee will maintain at the Location a balanced inventory of all products described in the Manual in sufficient quantity to satisfy its customers' needs, but in any event the inventory will always be equal to, or greater than, the minimum inventory level as set forth in the Manual or as otherwise directed by the Franchisor. In addition to this requirement, the Franchisee acknowledges that, from time to time, the Franchisor may require that it stock new and additional products in such minimum quantities as the Franchisor may determine to be desirable. The Franchisee agrees to comply with all requirements of the Franchisor concerning the purchase, storage, display, preparation, use and sale of all approved products. If at any time, in the Franchisor's opinion, the Location does not have sufficient inventory and supplies, the Franchisor will have the right to order additional inventory and supplies on behalf of the Franchisee in sufficient quantities to satisfy the Franchisor's minimum inventory requirements and the Franchisee will pay the full cost of purchasing and delivering such inventory and supplies to the Location.

8.5 Rebates and Other Benefits

The Franchisee acknowledges and agrees that the Franchisor or its affiliates may from time to time receive from the Franchisee's suppliers and lessors various rebates, profits, allowances, discounts, advertising allowances, construction allowances, and other benefits because of the Franchisee's or the Franchisor or its affiliate's leases or purchases. The Franchisee further acknowledges and agrees that the Franchisor or its affiliates will be entitled to retain for its or their own benefit all such payments, profits, or benefits. The Franchisee further acknowledges and agrees that the Franchisor or its affiliates are under no obligation whatsoever to apply any part of such benefits to the benefit of the Franchisee or to other franchisees generally. The Franchisor and its affiliates may also earn (and retain in full) a profit from the sale of any products and services to franchisees (including the Franchisee). The Franchisor and its affiliates may also operate a commissary which produces and/or carries certain products which the Franchisee is required to purchase; the franchisee also acknowledges and agrees that the price of any products provided by the Franchisor or its affiliate to the franchisee will be marked up above cost and the Franchisor and its affiliate may retain any resulting profit for their own account. Any product or service purchased by the Franchisee directly from the Franchisor or its affiliate will be paid for by the Franchisee on or before delivery or otherwise on such terms as specified by the Franchisor or its affiliate. Upon request, the Franchisee shall provide the Franchisor with a copy of all purchase orders for any products or services that the Franchisee purchases from suppliers other than the Franchisor or its affiliate.

8.6 Standards of Service

The Franchisee and its employees shall always give prompt, courteous, friendly, and efficient service to all customers. The Franchisee and its employees shall in all dealings with all customers, suppliers and the public adhere to the highest standards of honesty, integrity, good faith, fair dealing and ethical conduct, as well as comply with applicable laws. The Franchisee agrees not to deviate from the standards set by the Franchisor from time to time for the operation of the Franchised Business including without limitation, any of the following:

- (a) Strict adherence to use of the products and services authorized from time to time by the Franchisor in accordance with Section 8.2;
- (b) Methods and procedures concerning the correct method of delivering restaurant services;
- (c) The safety, maintenance, cleanliness, function, and appearance of the Location;
- (d) The uniform and other items to be worn by, and general appearance of, the Franchisee's employees;
- (e) The use and display of all Marks;
- (f) The hours during and the days on which the Location will be open for business to the public;
- (g) The honoring of credit, debit, or other card services which the Franchisor has approved;
- (h) The maintenance of adequate working capital;
- (i) Limiting or prohibiting the placement of personal property and other financial security interests in, or hypothecs or pledges of, its assets to any party other than a secured lender that financed the development or construction of the Location;
- (j) The use and illumination of signs, labels, posters, displays, standard formats and similar items;
- (k) The identification of the Franchisee as a TAHINI'S franchisee and the owner of the Franchised Business;
- (l) The content, style and media of advertising conducted by the Franchisee;
- (m) The sources, types and brands of all products and services sold or displayed at the Location;
- (n) The use and honoring of gift certificates, gift cards, coupons and other such local and national promotional programs authorized by the Franchisor; and
- (o) Attendance by the Franchisee at all seminars and meetings with other Franchisees.

8.7 Reputation

The Franchisee will not hire or use in the operation of the Franchised Business any person who has been convicted of any indictable offence or similar offence or any offence involving theft or fraud.

8.8 Credit Verification

The Franchisee and the Guarantor authorize the Franchisor to conduct investigations and to make enquiries of such persons as the Franchisor deems appropriate concerning the credit standing, character and personal qualifications of the Franchisee and the Guarantor and the Franchisee and the Guarantor agree to the conduct of such investigations and the making of such enquiries by the Franchisor and hereby authorize any bank, trust company, credit agency or other person to release all such information upon request to the Franchisor.

8.9 Prices to be Charged by the Franchisee

The Franchisor may stipulate minimum, maximum, or exact prices to be charged by the Franchisee with respect to any sale, gift, exchange, or refund, in respect of the conveyance or transfer of goods or services by the Franchisee or any affiliate of the Franchisee in respect of the Franchised Business to the fullest extent permitted by then-applicable law. The Franchisee agrees to comply with such directions from the Franchisor concerning prices. The Franchisee acknowledges and agrees that any maximum, minimum or other prices The Franchisor prescribes or suggests may or may not optimize the revenues or profitability of The Franchisee's Business and the Franchisee irrevocably waives any and all claims arising from or related to the Franchisor's prescription or suggestion of the Franchisee's Business's retail prices.

8.10 Full-Time and Attention; Management of Location

The Franchisee (if an individual) or its Designated Operator shall devote his or her full time, attention and best efforts to the management and operation of the Franchised Business, except to the extent that the Franchisor may specifically agree otherwise in writing. In addition to the Designated Operator, the Franchisee may hire a manager to assist in managing the day-to-day, on-premises operations of the Franchised Business. Any manager or replacement manager(s) must be approved by the Franchisor, and must complete the Franchisor's initial training program. The Franchisee acknowledges and agrees that the use of a manager in no way relieves the Franchisee or its Designated Operator of its obligations to ensure that the Franchised Business is properly operated in accordance with this Agreement.

8.11 Management of Location

The Franchised Business and the Location will always be under the direct on-premises supervision of the Franchisee or under the direct, on-premises supervision of the Designated Operator.

8.12 Hours of Operation

Subject to applicable laws, the Franchisee will keep the Location open for business and staffed with trained employees during such hours as required by the Lease and such additional hours of business as the Franchisor may require.

8.13 Development of Market

The Franchisee will always actively promote the products and services offered by the Franchised Business, and will use its best efforts to develop, cultivate, and expand the market for these products and services.

8.14 Responsibility for Service

The Franchisee will be solely responsible for the services and results of such services which are performed under this Agreement, with such responsibility remaining a continuing obligation beyond the termination of this Agreement regardless of the cause of termination.

8.15 Interim Remodeling

Without limiting the Franchisee's obligations under Section 8.1, the Franchisee agrees to remodel, renovate, and upgrade the Franchised Business to the extent and in accordance with the then current standards as required by the Franchisor throughout the term of this Agreement. All costs incurred in connection with such remodeling, renovation, upgrading, and the acquisition of any fixtures will be paid solely by the Franchisee. The Franchisee must complete such work within 90 days after receiving notice from the Franchisor to do so.

ARTICLE 9 - GENERAL OBLIGATIONS OF THE FRANCHISEE

9.1 Pre-Opening Requirements

Before commencing operation of the Franchised Business, the Franchisee, at its expense, will comply, to the Franchisor's satisfaction, with all the requirements set out below.

- (a) The Franchisee shall do all such acts and things as are necessary (including, without limiting the foregoing, compliance with all contractual obligations) to ensure that the Franchised Business is open for business with all necessary permits, licenses, and approvals in place, fully fixtured, stocked, and staffed, as soon as reasonably possible following completion of the leasehold improvements to the Franchised Business, all at the sole cost of the Franchisee.
- (b) The Designated Operator will attend and successfully complete the Franchisor's training program prior to the opening of the Franchised Business. The initial training program will be conducted at a location designated by the Franchisor and for such duration as the Franchisor, in its discretion, determines necessary. The Franchisee and its employees will be responsible for all meal, travel, lodging and other expenses that they incur in attending the Franchisor's training program. No compensation of any type will be payable to trainees by the Franchisor.
- (c) If, in the opinion of the Franchisor, the Designated Operator cannot or does not satisfactorily complete such pre-opening training programs or, in the Franchisor's opinion, the Franchisee has failed to demonstrate the qualities and abilities which the Franchisor deems necessary for the successful operation of the Franchised Business, the Franchisor may at its option terminate this Agreement in accordance with Section 17.1 hereof.

9.2 Ongoing Training

The Designated Operator will attend and successfully complete, and will cause those employees designated by the Franchisor to attend, and successfully complete, such additional continuing education and training programs as the Franchisor may require in writing from time to time. The Franchisor reserves the right to charge reasonable tuition and materials fees for these periodic training or retraining programs. The Franchisee will be responsible for all other expenses incurred in training, including, without limitation, the costs of meals, lodging, travel, and wages.

9.3 Replacement of Designated Operator

After the Franchisee commencing operation of the Franchised Business, no new or replacement Designated Operator shall work in the Franchised Business unless first approved by the Franchisor in writing and unless such individual has successfully completed the Franchisor's initial training program; in such circumstance, a training fee will be payable by the Franchisee to have the Designated Operator trained, in the amount of \$5,000. Payment shall be made prior to the commencement of training. The initial training program will be conducted at a location designated by the Franchisor and for such duration as the Franchisor, in its discretion, determines necessary. The Franchisee will be responsible for all meal, travel, lodging, and other expenses incurred in attending the Franchisor's training program. No compensation of any type will be payable to trainees by the Franchisor.

9.4 Additional Training

If, upon the Franchisee's request, the Franchisor agrees to train any of the Franchisee's employees (other than the Designated Operator), or if the Franchisor requires any of the Franchisee's employees to be trained where such employee does not meet the Franchisor's training standard, the Franchisee shall pay to the Franchisor its then current hourly rate for such training for each employee so trained. Payment shall be made immediately following invoicing by the Franchisor. Such training will be conducted at a location designated by the Franchisor and for such duration as the Franchisor, in its discretion, determines necessary. The Franchisee and its employees will be responsible for all meal, travel, lodging and other expenses that they incur in attending the Franchisor's training program. No compensation of any type will be payable to trainees by the Franchisor.

9.5 Credit, Debit and Other Payment Methods

The Franchisee agrees at all times to have arrangements in existence with such credit issuers or sponsors, cheque verification services, electronic funds transfer systems, and debit card hardware, software, maintenance, service and support service providers as the Franchisor designates or approves in writing from time to time to enable the Franchisee (or the Franchisor or any designated service provider via any central order-taking, banking, clearing or other service facility that may be established from time to time) to accept customers' credit cards, debit cards, loyalty cards, gift cards, cheques and other methods of payment for goods and services.

9.6 Bank Account

The Franchisee agrees to maintain a separate commercial business checking account for the purpose of depositing funds and debiting of fees pursuant to the terms and conditions of any merchant account service agreement.

9.7 Hiring and Training of Employees by the Franchisee

The Franchisee shall hire and train at its expense, all employees of its Franchised Business, and will be exclusively responsible for the terms of their employment and compensation. For greater certainty, the Franchisor shall not have any power to hire, fire, or control, in any manner whatsoever, the employees of the Franchised Business. The Franchisee shall ensure that its key staff and management level employees attend all mandatory training programs presented by the Franchisor. The Franchisor will be entitled to charge a fee for conducting such staff development programs. The Franchisee shall always maintain enough trained employees to service the Franchisee's customers but in any event at least the minimum number specified from time to time by the Franchisor in the Manual or otherwise. The minimum staffing requirements may be varied by the Franchisor from time to time depending upon the individual requirements of the Franchised Business. The Franchisee shall cause all employees to maintain a neat appearance and wear such uniforms as may be specified by the Franchisor from time to time.

9.8 Payment of Taxes and Indebtedness

The Franchisee will be absolutely and exclusively responsible and liable for filing all required tax returns and for the prompt payment of all federal, territorial, state and municipal, taxes, levies, duties, license fees, withholdings, remittances, and assessments including, but not limited to, individual and corporate income taxes, harmonized sales, sales, excise, value-added, goods and services, use, consumption, workers' compensation, health, environmental and/or property tax, assessment or levy (referred to in this section as "**taxes**"), whether direct or indirect, whether or not in existence at the date of this Agreement, and all accounts and other indebtedness of every kind incurred by or payable in connection with the operation or cessation of operation of the Franchised Business, the supply of goods or services to the Franchised Business by the Franchisor or its affiliates or other suppliers, employees or agents of the Franchisee (or suppliers to the Franchisor of products or services of or for the direct or indirect benefit of the Franchisee), the use or occupation of the Location by the Franchisee, or in respect of the personal property, income, business or other activity of the Franchisee in connection with the Franchised Business or the Location. The Franchisor will have no liability for any taxes or indebtedness that arise or result from the Franchised Business or in connection with the Location and the Franchisee will indemnify and hold harmless the Franchisor for any such taxes or indebtedness that may be assessed, levied, or claimed against the Franchisor arising out of or resulting from the operation or cessation of operation of the Franchised Business or in connection with the Location. The Franchisee will pay to the Franchisor an amount equal to any sales tax, harmonized sales tax, excise tax, value-added tax or any similar tax that is exigible with respect to any payments to the Franchisor or any marketing and promotion fund administered by the Franchisor. If the Franchisor is liable for or otherwise makes payment of any taxes on behalf of the Franchisee, the Franchisee will reimburse the Franchisor in respect of any such amount upon demand. If any indirect tax is imposed upon the Franchisor in a global manner or some other manner that does not specifically identify the Franchisee, the Franchisor will apportion the amount of such taxes as between the Franchisee and others.

9.9 Dispute Regarding Taxes or Indebtedness

In the event of any valid dispute as to liability for taxes assessed or other indebtedness, the Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. In no event will the Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment, seizure, or execution by a creditor, to occur against the Location or the assets of the Franchisee.

9.10 Compliance with Laws

A. The Franchisee will adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate the Franchised Business in strict compliance with all federal, state, territorial and local laws, rules, regulations, policies and guidelines (collectively, “**Applicable Laws**”) and must obtain and keep in good standing any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business in a timely manner, including, without limitation, licenses to do business, business name/fictitious name registrations and sales tax permits and also including without limitation compliance with all applicable privacy legislation with respect to the collection, use and disclosure of customers’ and employees’ personal information.

B. The Franchisee represents and warrants to the Franchisor that, as of the date of this Agreement and at all times during the Term hereof, and to the Franchisee’s actual or constructive knowledge, neither the Franchisee, any affiliate of the Franchisee, any individual or entity having a direct or indirect ownership interest in the Franchisee or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director or management employee of any of the foregoing, nor any funding source the Franchisee utilizes is or will be identified on the list of the U.S. Treasury’s Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. The Franchisee agrees that it will immediately notify the Franchisor in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, the Franchisee may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a “Specially Designated National or Blocked Person” (as defined below) or to an entity in which a “Specially Designated National or Blocked Person has an interest. For the purposes of this Agreement, “Specially Designated National or Blocked Person” means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a “specially designated national or blocked person” or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom the Franchisee (or any of the Franchisee’s owners or affiliates) or The Franchisor (or any of the Franchisor’s owners or affiliates) are prohibited from transacting business.

The Franchisee further agrees that it will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

C. Without limitation to the foregoing, the Franchisee must (i) abide by all applicable laws that regulate the processing of information that can be used (alone or when used in combination with other information within the Franchisee’s control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual (“**Personal Information**”), in any way, including, but not limited to, national and international data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules (“**Privacy Laws**”); (ii) comply with all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by the Franchisor that relate to Privacy Laws and the privacy and security of

Personal Information; (iii) refrain from any action or inaction that could cause the Franchisor to breach any Privacy Laws; (iv) do and execute, or arrange to be done and executed, each act, document and thing the Franchisor deems necessary in its business judgment to keep the Franchisor in compliance with the Privacy Laws; and (v) immediately report to the Franchisor the theft or loss of Personal Information (other than the Personal Information of the Franchisee's own officers, directors, shareholders, employees or service providers). The Franchisee must also comply with payment card industry ("PCI") standards, norms, requirements and protocols, including PCI Data Security Standards. If there is a conflict between the Franchisor's standards and policies pertaining to Privacy Laws and applicable law, the Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately give the Franchisor written notice of said conflict; and (c) promptly and fully cooperate with the Franchisor and the Franchisor's counsel as the Franchisor may request to assist in the Franchisor's determination regarding the most effective way, if any, to meet the Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law.

9.11 Duty to Notify

The Franchisee must immediately notify the Franchisor in writing within 3 days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental authority, which affects or relates to the operation or financial condition of the Franchised Business, including, without limiting the generality of the foregoing, any governmental authority with responsibility for the administration of food safety or public health. A copy of any such order, writ, injunction, award, or decree or of any complaint, claim or defense filed in connection with such action, suit or proceeding will be forwarded to the Franchisor within 3 days of the date of receipt to or forwarding by the Franchisee, as the case may be. Additionally, all customer-related complaints will be answered by the Franchisee within 5 days after receipt of the complaint. A copy of the answer to any complaint will be forwarded to the Franchisor within 3 days of the date that any answer is forwarded to the complaining customer.

9.12 Materials

The Franchisee will only use advertising materials, business stationery, printed materials and other marketing materials that have been pre-approved by the Franchisor.

9.13 Inspection of Location

- (a) The Franchisee will permit the Franchisor or its agents or representatives to enter upon the premises of the Franchised Business or any location at which the Franchisee is then providing services at any time during business hours and without notice for the purpose of inspecting the records of the Franchised Business, cash register tapes, bookkeeping and accounting records, invoices, payroll and employment records, time cards, cheque stubs, bank deposits, bank statements, cleared cheques, receipts, sales tax records and returns, inventory records, income tax records and returns, and other business records. Any such inspection may include the use of "test customers" or "secret shoppers" without prior notification to the Franchisee. The Franchisee will also permit the Franchisor to inspect the premises, take samples of food servings or food inventory (without charge), take photographs, interview employees and customers, and conduct any other reasonable review to ensure compliance with the Franchisor's standards and specifications and all public health regulations. The Franchisee will cooperate fully

with the Franchisor's agents or representatives in such inspections by rendering such assistance as they may reasonably request.

- (b) Without limiting the Franchisor's other rights under this Agreement:
- (i) if, in the Franchisor's opinion acting reasonably, the Franchisee is not conducting or otherwise managing the Franchised Business in a proper and businesslike manner and in accordance with the System standards and the Manual, and as a result, the operation of the Franchised Business is being adversely affected, the Franchisor shall have the right, but not the obligation, to send a representative to direct the Franchisee in conducting and otherwise managing the Franchised Business at the Franchisee's expense; and
 - (ii) upon notice from the Franchisor or its agents or representatives, the Franchisee shall take such steps as may be necessary to correct, within the period of time designated by the Franchisor in its notice, any deficiencies detected during such inspections, including, without limitation, immediately removing items that do not conform with applicable standards and specifications, and desisting from and preventing the further use of any methods, equipment, advertising materials, programs, supplies, products, services or other items that do not conform to the Franchisor's then-current specifications, standards or requirements. If the Franchisee fails to correct such deficiencies for any reason, the Franchisor shall have the right and authority, but not the obligation, to correct such deficiencies and to charge the Franchisee all costs and expenses incurred by the Franchisor in doing so payable by the Franchisee immediately upon notice, without prejudice to any other rights or recourses available to the Franchisor. Franchisee acknowledges and agrees that failure to correct such deficiencies, or the existence of repeated deficiencies, may lead to termination of this Agreement.

9.14 Use of Location and Business Name

The Franchisee will not share (whether by assignment, sublease, license, or permit, directly or indirectly) the use of the Location and will use the Location solely for the conduct of the Franchised Business and for no other purpose whatsoever. In connection with its use of the Location and its conduct of the Franchised Business, the Franchisee will use only the Marks or such other business name as the Franchisor approves or designates in writing from time to time, and will use no other business name, acronym or pseudonym of any nature or description whatsoever.

9.15 Communications Equipment and Services

The Franchisee acknowledges the importance to the success of the Franchised Business of maintaining timely communications with the Franchisor and all others who may wish to communicate with the Franchisee from time to time. For this purpose, the Franchisee agrees to obtain and maintain at its sole cost in proper working order at all times, including all necessary repairs, maintenance, replacement and upgrades (to current industry standards) all telephone, facsimile, video, internet, email address, point-of-sale, card processing equipment, satellite, and other telecommunications hardware, software, service, maintenance and support that may be stipulated from time to time by the Franchisor in the Manual or otherwise communicated to the

Franchisee, including such products and services which are not in existence at the date of this Agreement (referred to in this Section as “**Equipment and Services**”). The Franchisee must always keep such Equipment and Services on and in operation and always maintain a communications link with the Franchisor’s centralized computer systems. For clarity, the communications link with the Franchisor’s centralized computer systems shall allow the Franchisor to view both live and historical video surveillance of the Location. The Franchisee acknowledges and agrees that the Franchisor may purchase, lease or negotiate all or substantially all of the Equipment and Services on behalf of or for the benefit of the Franchisee, and the Franchisee agrees that payment in respect of such Equipment and Services will be made pursuant to the automatic payment procedure set out in Section 6.5, or upon demand by the Franchisor. The Franchisee hereby acknowledges that the Equipment and Services are provided “as is” and that the Franchisor does not provide any warranty of any kind, either express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose. The Franchisor does not warrant that the functions contained in the Equipment and Services will meet the Franchisee’s requirements or that the operation of the Equipment and Services will be uninterrupted or error free. To the extent permitted by statute or law, the Franchisee hereby waives all implied or express warranties provided by operation of statute or law.

9.16 Website

It is the intention of the Franchisor that it will maintain a central website. The Franchisee acknowledges and agrees not to maintain any other domain name, website, webpage, or URL and not to develop or maintain any other mode of electronic commerce in connection with the Franchisee’s Franchised Business; establish a link to any website the Franchisor establishes at or from any other website or page; or, at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “TAHINI’S” name or any name confusingly similar thereto on the internet without the prior written permission of the Franchisor. Any websites or other modes of electric commerce that the Franchisor establishes or maintains may – in addition to advertising and promoting the products, programs or services available at Businesses – also be devoted in part to offering Business franchises for sale and be utilized by the Franchisor to exploit the electronic commerce rights which the Franchisor alone reserves. The Franchisor alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any TAHINI’S website the Franchisor establishes and maintains, including any and all material the Franchisee may furnish to the Franchisor as provided above.

9.17 Maintenance of Equipment

The Franchisee will keep and maintain the Location and all of its equipment, fixtures and furnishings in good working order and repair, in spotless sanitary condition, turned-on and fully-functional at all times, and cause to be repaired or replaced such items of equipment, fixtures and furnishings which may have become obsolete or otherwise mechanically impaired to the extent that they require replacement, or purchase items of equipment, fixtures and furnishings, as the Franchisor may reasonably require from time to time.

9.18 ATM, Vending and Related Machines

The Franchisee will not install any automatic teller (bank) machines, electronic games, or any vending machine or coin operated machine without the Franchisor’s prior written approval. The

full amount of all income received directly or indirectly from any such source will be entered into the Franchisee's POS terminal, and will be included in the calculation of Gross Sales.

9.19 Confidential Information

The Franchisee and Guarantor acknowledge that they have had no part in the creation or development of nor do they have any property or other rights or claims of any kind in or to any element of the System, the Marks or any matters dealt with in the Manual and that all disclosures made to the Franchisee and the Guarantor relating to the System, including, without limitation, the specifications, standards, procedures, sales information relating to other locations within the System, and the Franchisor's franchise disclosure document, are communicated to the Franchisee and the Guarantor solely on a confidential basis and as trade secrets, in which the Franchisor has a substantial investment and a legitimate right to protect against unlawful disclosure. Accordingly, the Franchisee and the Guarantor covenant to maintain the confidentiality of all such information beginning on the date of this Agreement and at any time thereafter and shall not disclose any such information other than as may be required to enable the Franchisee to conduct its business from the Location, and the Franchisee and Guarantor further agree not to use any such information in any other business or in any manner not specifically approved in writing by the Franchisor.

The Franchisee shall be liable to the Franchisor in the event that any one of its shareholders, directors, officers, partners, managers and agents disclose any of the information which is subject to confidentiality on the part of the Franchisee or the Guarantor under this Agreement. It is expressly acknowledged by the parties thereto that this Section 9.19 shall survive a transfer or assignment of this Agreement or any interest therein, the expiration, termination or non-renewal of this Agreement for any reason whatsoever.

Notwithstanding the foregoing, none of the following shall be considered confidential and subject to this Section 9.19 , information (i) already known to the receiving party at the time of disclosure (ii) in the public domain through no fault of the receiving party (iii) which later becomes known from a third party without restrictions on disclosure (iv) required to be disclosed by law or by a court or administrative agency of competent jurisdiction.

9.20 Non-Solicitation and Non-Competition

The Franchisee acknowledges that pursuant to this Agreement, the Franchisee will receive valuable specialized training and Confidential Information. The Franchisee further acknowledges and confirms that it possesses the education, training, and experience necessary to earn a reasonable livelihood apart from operating the Franchised Business or a Competing Business (as defined below). Accordingly:

- (a) while this Agreement is in effect, neither the Franchisee nor any Guarantor shall, either individually or in partnership or in conjunction with any person or persons, firm, association, syndicate or company, as principal, agent, shareholder, partner, employee or in any other manner whatsoever, directly or indirectly, carry on, be engaged in, concerned with or interested in, lend money to, guarantee the debts or obligations of, or be employed by any person or persons, firm, association, syndicate or company engaged in or concerned with the operation of any restaurant whose menu features Middle Eastern and/or Mediterranean cuisine, other than the Franchised Business (a "**Competing Business**").
- (b) If this Agreement is terminated, assigned, not-renewed, or expires for any reason, then for 24 months thereafter, neither the Franchisee nor the Guarantor shall,

either individually or in partnership or in conjunction with any person or persons, firm, association, syndicate or company, as principal, agent, shareholder, partner, employee or in any other manner whatsoever, directly or indirectly, carry on, be engaged in, concerned with or interested in, lend money to, guarantee the debts or obligations of, or permit his or its name or any part thereof to be used or employed by any person or persons, firm, association, syndicate or company engaged in or concerned with the operation of a Competing Business at the Location or any place within a radius of 10 miles from the Location or from any other TAHINI'S location operated or franchised by the Franchisor.

- (c) Further, during the initial term or any renewal term of this Agreement, and for 24 months following the termination or expiration of same for any reason, the Franchisee agrees not to sell, assign, lease, sublease or otherwise grant possession of the Franchised Business and/or Location to any individual or entity which intends to utilize same to conduct a Competing Business thereat (and it shall be the Franchisee's affirmative duty in connection with any such sale, assignment or other disposition of the Franchised Business and/or Location to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competing Business, as herein defined, following the subject transaction).
- (d) If the Franchisee fails or refuses to comply with the covenants of Subsections 9.20(a), 9.20(b) or 9.20(c), even if such failure or refusal is based upon a claim that the laws of any particular jurisdiction excuse such non-compliance or make the provisions of said provision unenforceable in whole or in part, the Franchisee hereby separately covenants and agrees that while this Agreement is in effect and for 24 months after termination or expiry, the Franchisor shall have the right and option to require that all sales made in the operation of the Competing Business shall be reported to the Franchisor as Gross Sales subject to Article 6 hereof and the Franchisee agrees to pay the Franchisor upon demand the weekly fees at the rates and on the times and in the manner specified in Article 6 and in this Agreement, all without being deemed to revive, modify or expand this Agreement.
- (e) If the time or geographical limitations of paragraph (a), paragraph (b) or paragraph (c) of this Section 9.20 are determined by any court of record to be invalid or unreasonable under applicable law, the Franchisor and/or as applicable any court or agency with competent jurisdiction over the parties and subject matter shall have the right to substitute reasonable limitations in lieu thereof which are enforceable, and should not by necessity invalidate the entire covenants. The Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of this Section as if the resulting covenants were separately stated in and made a part of this Agreement
- (f) While the Agreement is in effect and for 24 months thereafter, the Franchisee and the Guarantor shall not hire or solicit for hire any employee employed by the Franchisor, its affiliate, or any other franchisee of the Franchisor without obtaining the prior written consent of the Franchisor, its affiliate, or the said franchisee, as applicable.
- (g) While this Agreement is in effect and for 24 months thereafter, the Franchisee and the Guarantor shall not, directly, or indirectly, individually or in partnership or in

conjunction with any person or persons, firm, association, syndicate or company, as principal, agent, shareholder, partner, employee or in any other manner whatsoever, divert or attempt to divert any business or customer of a TAHINI'S restaurant to any competitor in any manner.

- (h) It is the intention of these provisions that any person or entity within a legal or beneficial interest in or traceable to, down or through the Franchisee be bound by the provisions of this covenant, including (without limitation) the Franchisee's spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary of the Franchisee; and, any other related person or entity, regardless of how many levels or tiers there may be between the Franchisee and the person or entity.
- (i) If the Franchisee is a business entity, it agrees to cause the Franchisee's (as applicable) owners, members, shareholders, directors, officers, partners, general partner, proprietor and or any other beneficial owner to refrain from any of the competitive activities described above in any manner which the Franchisor reasonably requests. In all instances, the Franchisee shall also cause the Franchisee's Designated Operator (if applicable) and all other key management employees of the Franchisee's Business to refrain of any of the competitive activities described above in any manner which the Franchisor reasonably requests. The Franchisee's agreement to procure the execution of the Franchisor's Confidentiality and Non-Competition Agreement from certain such individuals is set forth below.
- (j) The Franchisee acknowledges that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to the Franchisor for which no adequate remedy at law will be available. Accordingly, the Franchisee consents to the entry of an injunction prohibiting any conduct by the Franchisee in violation of the terms of the covenants not to compete set forth in this Agreement. The Franchisee expressly agrees that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through the Franchisee's unlawful use of the Franchisor's Confidential Information, know-how, methods and procedures. Further, the Franchisee expressly agrees that any claims the Franchisee may have against the Franchisor, whether or not arising from this Agreement, will not constitute a defense to the Franchisor's enforcement of the covenants not to compete in this Agreement. The Franchisee agrees to pay all costs and expenses, including reasonable attorneys' and experts' fees that the Franchisor incurs in connection with the enforcement of the covenants not to compete set forth in this Agreement.
- (k) Franchisee shall require and obtain execution of Confidentiality and Non-Competition Agreements substantially in the form of Schedule 6-A hereto from the Designated Operator and all other employees who have or will have access to training from the Franchisor or who have received or will have access to Confidential Information, and if the Franchisee is a business entity the Franchisee shall also require and obtain execution of the same from its owners, members, shareholders, directors, officers, partners, general partner, proprietor and any other beneficial owner.

- (l) The Franchisee agrees to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality and Non-Competition Agreement executed by any of the individuals referenced above, and the Franchisee acknowledges the Franchisor's right, to be exercised as the Franchisor alone determines, to itself and enforces the terms of any such executed Confidentiality and Non-Competition Agreement. If the provisions of the Franchisor's Confidentiality and Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving the Franchisee's Franchised Business who has not executed a Confidentiality and Non-Competition Agreement, the Franchisee must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

The provisions of this Section 9.20 shall survive the termination, assignment, non-renewal, or expiration of this Agreement and continue in full force and effect thereafter.

9.21 Acknowledgment of Reasonableness

The Franchisee and the Guarantor confirm that all restrictions of the non-competition and non-solicitation covenants set out above are reasonable and valid, and that the Franchisor has been induced to enter into this Agreement in reliance upon such covenants, and upon the Franchisee's and the Guarantor's promise not to contest the enforceability of the non-competition and non-solicitation provisions of this Agreement.

9.22 Personal Guarantees

The Guarantor and all the Franchisee's shareholders will always be individually bound by this Agreement as reflected by the guarantee that shall be signed by all such individuals in the form attached as Schedule 2. The Guarantor and all shareholders of the Franchisee must execute the Guarantee and such other documents as may be necessary from time to time to give effect to this Section.

9.23 Organizational Documents

If the Franchisee is a corporation, then copies of the Franchisee's organizational documents, including the resolutions of the Board of Directors authorizing entry into this Agreement, will be promptly furnished to the Franchisor on request. The Franchisee's organizational documents will restrict the business that the corporation may carry on to the operation of a TAHINI'S franchise. The Franchisee shall complete the Statement of Ownership in Schedule 3 and name all its shareholders that own any legal and beneficial interest in the Franchisee. The Franchisee represents and warrants that no shares in the Franchisee are held pursuant to any trust or other arrangement for the benefit of any person not shown in Schedule 3.

9.24 Transfer and Issuance of Securities

If the Franchisee is a corporation, then the Franchisee will maintain stop transfer instructions against the transfer of any of its securities with voting rights, and all its securities will bear on their face the following printed legend:

"The transfer of the securities represented by this certificate is subject to the terms and conditions of a Franchise Agreement with TAHINI'S FRANCHISING

USA CORP. Reference is made to the provisions of that Franchise Agreement and to the organizational documents of this Corporation.”

9.25 Cleanliness

The Franchisee acknowledges the importance of spotless sanitary conditions to the reputation and goodwill of the System, the Franchisor, and the Franchised Business. Accordingly, the Franchisee agrees to maintain at all the times the highest standards of health, hygiene, cleanliness, repair, and safety applicable to the operation of a food service establishment, and will comply with all applicable portions of the Manual, safety and health regulations standards or any written direction of the Franchisor.

9.26 Pest Control and Maintenance Contracts

The Franchisee agrees to enter into and maintain, if required by the Franchisor or same is provided by the Lease, a pest control contract, grease trap cleaning contract, exhaust cleaning and ecology contract and such other contracts relating to operations with such suppliers thereof which the Franchisor and/or the Landlord designates; the Franchisee shall ensure at all times that there are no rodent, bug, or other pest infestations within the Location.

9.27 HVAC Maintenance

The Franchisee agrees to enter and maintain a heating, ventilation, and air conditioning maintenance contract with such supplier that the Franchisor and/or the Landlord designates. Subject to the terms of the Lease, the Franchisee must maintain, repair, and replace the heating, ventilation, and air conditioning systems within or servicing the Location as required.

9.28 Use of Name, Etc.

The Franchisee agrees to give the Franchisor and those acting under its authority the right to use their name, photograph, or biographical material reasonably and fairly in any publication, circular or advertisement related to the business of the Franchisor or Franchisee, in any place for an unlimited period, without compensation.

9.29 Working Capital

The Franchisee will maintain adequate working capital, debt/equity ratios and compliance with other financial covenants as established by the Franchisee's lenders or as necessary to enable the Franchisee to properly perform the obligations under this Agreement, in the Franchised Business.

9.30 Camera System

The Franchisee will purchase, install, and maintain the camera system specified by the Franchisor. Such system shall be always turned on and operational during the term of this Agreement and shall be always accessible to the Franchisor for monitoring on the internet or otherwise.

9.31 Data Requirements and Privacy

The Franchisor may periodically specify in the Manual or otherwise in writing the information that the Franchisee must collect and maintain on its computer systems, POS systems, software, hardware, and models of communication (the "Digital System"), and the Franchisee agrees to provide to the Franchisor such reports as the Franchisor may reasonably request from the data so collected and maintained. In addition:

- A. Without limitation to anything otherwise in this Agreement, the Franchisee agrees to abide by all applicable laws pertaining to the privacy and mandatory disclosure of consumer, employee, and transactional information in connection with its use of the Digital System and the general operation of the Franchised Business ("**Privacy Laws**");
- B. The Franchisee agrees to comply with the standards and policies that the Franchisor may issue (without any obligation to do so) pertaining to the privacy and disclosure of consumer, employee, and transactional information. If there is a conflict between the Franchisor's standards and policies and Privacy Laws, the Franchisee agrees to: comply with the requirements of Privacy Laws; immediately give the Franchisor written notice of such conflict; and promptly and fully cooperate with the Franchisor and the Franchisor's counsel in determining the most effective way, if any, to meet the Franchisor's standards and policies pertaining to privacy within the bounds of Privacy Laws;
- C. The Franchisee agrees to not publish, disseminate, implement, revise, or rescind a data privacy policy without the Franchisor's prior written consent as to such policy; and,
- D. The Franchisee agrees to implement at all times appropriate physical and electronic security as is necessary to secure the Digital System, including complex passwords that the Franchisee change periodically, and to comply with at least the minimum-level standards and policies that the Franchisor may issue (without obligation to do so) in this regard.

For the purpose of this paragraph, "personal information" means any information that allows, alone or jointly with other information, to identify a natural person, directly or indirectly.

For the purpose of this paragraph, "personal information" means any information that allows, alone or jointly with other information, to identify a natural person, directly or indirectly.

9.32 Point-of-Sale Systems

The Franchisee agrees to record all sales on computer-based point of sale systems that the Franchisor approves or on such other types of cash registers or systems as the Franchisor may designate in the Manual or otherwise in writing ("POS Systems"). The Franchisee agrees to utilize POS Systems that are fully compatible with any program, software program, and/or system which the Franchisor, in its discretion, may employ (including mobile or remote device, application and payment systems), and the Franchisee agrees to record all Gross Sales and all sales information on such equipment. The Franchisor may designate one or more third party suppliers or servicers to provide installation, maintenance, and/or support for the POS System, and the Franchisee agrees to enter into and maintain such agreements (including making such payments) as the Franchisor or the third-party suppliers and/or servicers require in connection with the installation, maintenance, and/or support for the POS System. The POS System is part of the Digital System.

The Franchisee agrees to at all times maintain a continuous high-speed Ethernet cabled (not wireless) connection to the Internet to send and receive POS data to the Franchisor.

9.33 Other Obligations

The Franchisee will comply with all other obligations set forth in this Agreement, in the Manual or otherwise.

ARTICLE 10 - TRADEMARKS AND TRADE NAMES

10.1 Conditions for Use of Marks

With respect to the Franchisee's use of the Marks pursuant to the license granted under this Agreement, the Franchisee agrees to comply with all the conditions of use set out below.

- (a) The Franchisee will use only the Marks designated by the Franchisor and will use them only in the manner required or authorized and permitted by the Franchisor.
- (b) The Franchisee will use the Marks only in connection with the license to operate the Franchised Business granted under this Agreement.
- (c) During the term of this Agreement, the Franchisee will identify itself as a licensee and not the owner of the Marks and will execute any documents considered necessary by the Franchisor for protection of the Marks to reflect such status. In addition, the Franchisee will identify itself as a licensee of the Marks on all invoices, cheques, order forms, receipts, business stationery and contracts.
- (d) The Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice:

"This business is owned and operated independently by (name of franchisee) who is an authorized licensed user of the trademark "TAHINI'S", which trademark is owned by Tahini's Ltd."

In all written materials, including without limitation, on advertising, promotional materials, invoices, order forms, receipts, letterhead, contracts, and business cards, the Franchisee shall include the information as is specified in the above referenced notice at the Premises..

- (e) The Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, or in the Manual, and any unauthorized use of the Marks will constitute an infringement of the Franchisor's rights and is grounds for termination of this Agreement.
- (f) The Franchisee will not use the Marks or this Agreement to incur or secure any obligation or indebtedness.
- (g) The Franchisee will not use the Marks or any part of them as part of its corporate or other legal name, any URL (Uniform Resource Locator) or email address unless expressly directed to do so by the Franchisor.

10.2 Notice of Litigation

The Franchisee will notify the Franchisor promptly of any claims or charges or any infringement or threatened infringement of any of the Marks, of any actual or intended common law passing off by reason of imitation or otherwise, as well as any other information that the Franchisee may have of any suspected infringement of the Marks. The Franchisee will take no action about such matters without the prior written approval of the Franchisor, and will cooperate fully with the Franchisor in any such action. The Franchisor will have no obligation to take any affirmative action when notified of such claims. All decisions regarding action involving the protection and defense of the Marks will be solely in the discretion of the Franchisor, and the Franchisee will cooperate fully with the Franchisor.

10.3 Registration of Marks

The Franchisee recognizes that the Franchisor makes no representations or warranty to the Franchisee that the Franchisor has the exclusive right to use any of the Marks, that the Marks are registered or registrable, or that the Marks do not, and the Franchisee's use of the Marks will not, infringe any intellectual property, proprietary or other right of any person.

10.4 Acknowledgments

The Franchisee expressly understands and acknowledges each of the matters set out below.

- (a) The Franchisor's affiliate is the owner of the Marks and the Franchisor and its affiliate are the owners of all goodwill associated with and symbolized by them.
- (b) The Franchisee will not directly or indirectly contest the validity or the ownership of the Marks.
- (c) The Franchisee's use of the Marks pursuant to this Agreement does not give the Franchisee any ownership interest or other interest in or to the Marks.
- (d) All goodwill arising from the Franchisee's use of the Marks at the Franchised Business in accordance with the System will accrue solely and exclusively to the Franchisor's or its affiliate's benefit, and upon expiration or termination of this Agreement, no monetary amount will be paid or attributable to any goodwill associated with the Franchisee's use of the System or the Marks.
- (e) The license to use the Marks granted under this Agreement to the Franchisee is non-exclusive, and the Franchisor may:
 - (i) itself use, and grant licenses to others to use, the Marks and the System;
 - (ii) establish, develop, and franchise other systems, different from the System licensed to the Franchisee in this Agreement, without offering or providing the Franchisee any rights in, to or under such other systems; and
 - (iii) modify or change, in whole or in part, any aspect of the Marks or the System.

- (f) The Franchisor reserves the right to substitute different names and Marks (including the primary TAHINI'S name and mark) for use in identifying the System, the Franchised Business and other franchised businesses operating under the System and the Marks (i.e., it may rebrand the System, including the Franchised Business, under a different name and mark), and the Franchisee agrees to do so at its sole cost and expense.
- (g) The Franchisor will have no liability to the Franchisee for any senior users which may claim rights to the Marks.
- (h) The Franchisor will have no obligation to indemnify the Franchisee, whether from claims of infringement, unfair competition arising out of the Franchisee's use of the trademarks, or otherwise.
- (i) The Franchisee will not register or attempt to register the Marks in the Franchisee's name or that of any other person, firm, entity, or corporation. The prohibition in this Section will not prevent or inhibit the Franchisee from complying with any legislation requiring registration of a business, trade or fictitious name of the Franchisee or the Franchised Business.

10.5 Intellectual Property Franchisee Develops

The Franchisee hereby permanently and irrevocably assigns to the Franchisor any and all rights and interests (including intellectual property rights and interests) to any and all of the following which is developed by the Franchisee or on the Franchisee's behalf, if developed in whole or in part in connection with the Franchised Business: all products or services; all variations, modifications and/or improvements on products or services; the Franchisee's means, manner and style of offering and selling products and services; management techniques or protocols the Franchisee may develop (or have developed on the Franchisee's behalf); all sales, marketing, advertising and promotional programs, campaigns or materials developed by the Franchisee or on the Franchisee's behalf; and, all other intellectual property developed by the Franchisee or on behalf of the Franchisee's Franchised Business. The Franchisor may authorize itself, the Franchisor's affiliates and/or other businesses to use and exploit any such rights which are assigned to the Franchisor hereunder. The sole consideration for the Franchisee's assignment to the Franchisor of all of the foregoing rights shall be the Franchisor's grant of the franchise conferred upon the Franchisee by this Agreement.

ARTICLE 11 - MANUAL

11.1 Compliance with Manual

To protect the reputation and goodwill of the Franchisor and to maintain uniform standards of operation under the Marks, the Franchisee will conduct its business in strict compliance with the Manual including all amendments and additions. The Franchisor reserves the right to add to, revise, substitute or rescind portions of the Manual periodically, and the Franchisee shall implement such changes when made, at the Franchisee's cost, even if additional investment or expenditures are required. The Franchisee shall keep the Franchisee's copy of the Manual current and shall destroy superseded provisions of the Manual. If there is a conflict between the Franchisee's copy of the Manual and the master copy of the Manual maintained by the Franchisor, then the master copy maintained by the Franchisor shall control.

11.2 Confidentiality of Manual

The Franchisee will always treat as confidential and require its directors, officers, shareholders, employees, and agents to treat as confidential the Manual, and will use all reasonable efforts to maintain such information as secret and confidential. The Franchisee will not at any time, without the Franchisor's prior written consent or instruction, copy, duplicate, record or otherwise reproduce the Manual, in whole or in part, nor otherwise make it available to any unauthorized person.

11.3 Franchisor's Property

The Manual and other training materials on loan from the Franchisor will always remain the property of the Franchisor. Upon the expiration or termination of this Agreement, the Franchisee will immediately return any physical copies of the Manual to the Franchisor and destroy any electronic versions of the Manual in the Franchisee's possession.

11.4 Revisions

The Franchisor may from time to time revise the contents of the Manual (which revisions may be transmitted via email) and the Franchisee agrees to comply with each new or changed standard. The Franchisee will always ensure that the Manual loaned to the Franchisee is kept current and up-to-date, and in the event of any dispute as to the contents of the Manual, the contents of the master copy of the Manual (if the Manual is in paper format) maintained by the Franchisor at the Franchisor's head office will be determinative.

11.5 Web-based Manual

The Franchisor utilizes a web-based Manual for the Franchisee's use. At such time, if ever, as a web-based Manual is established by the Franchisor, the Franchisee agrees to keep all passwords and "user IDs" strictly confidential.

ARTICLE 12 - ACCOUNTING AND REPORTING

12.1 Use of Designated Accounting System

The Franchisee agrees to utilize any computerized bookkeeping, reporting, inventory control, accounting or other similar system that may be designated from time to time by the Franchisor (including the fiscal year and reporting periods designated by the Franchisor for purposes of budgeting, reporting, and accounting as required under this Agreement), which system will be established and utilized by the Franchisee to account for, and transmit, the financial information required under this Agreement. The Franchisee further agrees to pay all reasonable fees charged for use of such systems, as well as the purchase or lease of all necessary computer hardware, software, technical support, and other expenses.

12.2 Online Access

The Franchisee agrees that the computerized bookkeeping, reporting and accounting system to be implemented and maintained by the Franchisee, as well as the email address and email server connection to be maintained by the Franchisee, under this Agreement may include online access (electronic data interchange) hardware and software that will permit the Franchisor to access all of the Franchisee's computer-based information, and to read, download and copy any and all

such information as may be required by the Franchisor from time to time in accordance with this Agreement. The Franchisee agrees to provide such access on a free and uninterrupted basis, to maintain all its computerized records on an accurate, complete, and current basis, and to comply with all directives of the Franchisor as to the confirmation of all such data, software and hardware.

12.3 Maintenance of Records

During the term of this Agreement, the Franchisee will maintain and preserve, for at least 6 years from the dates of their preparation, full, complete, and accurate books, records and accounts (including daily cash out forms, cash register tapes, credit card statements and bank statements) in accordance with generally accepted accounting principles and in the form and manner designated by the Franchisor from time to time in the Manual or otherwise in writing.

12.4 Failure to Maintain Proper Records

If the Franchisee fails to keep proper business records or is unable to produce complete or proper business records as required by this Agreement for any period and the Franchisor reasonably suspects that the Gross Sales of the Franchised Business as reported to the Franchisor have been understated for such period, the Franchisor will be entitled to estimate the Gross Sales of the Franchised Business for such period based on its experience with other franchisees and such estimate will be deemed to be accurate and will be used for purposes of calculating the fees payable to the Franchisor under this Agreement unless and until the Franchisee produces the required records in a complete and proper form.

12.5 Bookkeeping, Accounting, and Records

The Franchisee shall establish and continuously use such bookkeeping, accounting and record-keeping and security and surveillance systems, and cost control procedures, mandated by and conforming to the requirements prescribed from time to time by the Franchisor. This shall include, without limitation, the use and retention of cash register, tapes, invoices, cash receipts, inventory records, purchase orders, payroll records, cheque stubs, bank deposit receipts, sales tax records and returns, cash disbursement journals and general ledgers, and taxes on products and services, together with such further and other equipment, records and documents as may from time to time be required by the Franchisor, and including POS Systems, inventory, ordering, bookkeeping and accounting systems established from time to time. The Franchisee and all personnel employed by the Franchisee shall record, at the time of sale, in the presence of customers, all receipts from sales or other transactions, whether for cash or credit, on POS Systems, cash registers or other equipment approved by the Franchisor. If deemed necessary by the Franchisor, the Franchisee agrees to use, at the Franchisee's own expense, the bookkeeper or accountant approved by the Franchisor for the purposes of maintaining the financial records of the Franchised Business.

The Franchisor shall have the right, at any time, and without prior notice to the Franchisee, to inspect or audit, or cause to be inspected or audited the financial books, records, bookkeeping and accounting records, documents or other materials in respect of the Franchised Business, including the right, without limitation, to have a person on the Premises to check, verify and tabulate Gross Sales, and/or to examine and make copies of all accounting and business records and procedures.

12.6 Recording of Sales

The Franchisee will not under any circumstances allow, permit or operate with an open cash register drawer between registration of sales, and every transaction or sale in, upon or from the Location, including all transactions referred to in Section 9.18, will be registered on the cash register installed at the Location. The Franchisee will use only cash register hardware and software approved by the Franchisor.

12.7 Reports and Financial Information

The Franchisee will provide to the Franchisor such reports (and in such format) as the Franchisor may reasonably require from time to time. Without limiting the generality of the foregoing, the Franchisee will furnish to the Franchisor the following reports:

- (a) On the Wednesday of each week, a statement of Gross Sales for the immediately preceding calendar week (Monday to Sunday);
- (b) By the 3rd day of each month, a report of Gross Sales for the immediately preceding calendar month, signed and verified by the Franchisee together with copies of such other information and supporting records as the Franchisor may require from time to time, including a cash flow report, an aged list of accounts receivable and accounts payable, and a balance sheet and income statement for such period;
- (c) Copies of all federal and state income and sales tax returns and payroll tax returns submitted by the Franchisee for any period; and
- (d) By the 60th day after the expiration of each fiscal year of the Franchised Business, a profit and loss statement and a balance sheet as of the end of such year prepared by an independent chartered professional accounting firm provided that the Franchisor shall have the right, if it deems it necessary, to require the Franchisee to submit review engagement or audited statements at the Franchisee's sole expense.

Financial data of the Franchisee may be compiled and provided by the Franchisor to third parties, provided that the identity of the Franchisee will not be disclosed.

12.8 Additional Information

The Franchisee will also submit to the Franchisor, for review or auditing, such other forms, reports, records, information, and data as the Franchisor may designate, in the form and at the time required by the Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

12.9 Enquiry by the Franchisor

The Franchisee authorizes the Franchisor or its nominee to make enquiries of the Franchisee's bankers, credit card companies, suppliers, trade creditors, employees, and customers as to their dealings with the Franchisee. The Franchisee authorizes any such banker, credit card company, supplier, creditor, or customer to provide such information and/or documentation (including prior statements) to the Franchisor as the Franchisor may request.

12.10 Inspection

The Franchisor or its designated agents will have the right at any time during business hours to examine the books, records, receipts, tax returns and any other financial records and reports of the Franchisee. The Franchisor's right of examination will include the right to remove all such books, records, etc. for the purpose of photocopying, provided that any such books, records, etc. so removed will be returned promptly to the Franchisee. The Franchisor will also have the right, at any time, to audit or have audited the books of the Franchisee. The cost of such examinations, inspections or audits will be paid by the Franchisor, unless the examination, inspection or audit resulted from the Franchisee's failure to prepare or deliver the reports or financial information or to maintain books and records required under this Agreement, or unless any such examination, inspection or audit discloses an understatement of Gross Sales in any report, book or record of 3% or more, the Franchisee will reimburse the Franchisor for any and all costs and expenses connected with the examination, inspection or audit (including, without limitation, accounting and legal fees). If an examination, inspection, or audit should reveal that payments have been understated in any report to the Franchisor then the Franchisee will, in addition, immediately pay to the Franchisor the amount understated upon demand and interest from the date such amount was due until paid, at the Interest Rate. Remedies under this section will be in addition to any other remedies that the Franchisor may have, including the right to termination without opportunity to cure set out in Section 17.2.

ARTICLE 13 - ADVERTISING

13.1 Grand Opening Advertising

30 days prior to opening, the Franchisee will pay to the Franchisor \$5,000 plus applicable taxes (the "**Grand Opening Advertising Fee**"), which amount will be used for the purposes of preparing a grand opening promotional package to assist the Franchisee with the initial opening of the Franchised Business. The Franchisee understands and acknowledges that it may not receive the same grand opening promotional package as received by other franchisees of the Franchisor. The selection of media and locale for media placement, the nature of promotional programs and the content of promotional and advertising materials shall be at the Franchisor's sole discretion. The Franchisor shall not assume any direct or indirect liability or obligation whatsoever towards the Franchisee with respect to the maintenance, direction, and administration of such Grand Opening Advertising Fee. Within 60 days of the initial opening of the Franchised Business, the Franchisor shall provide the Franchisee with an accounting of how the Grand Opening Advertising Fee was expended and shall refund to the Franchisee any portion of the Grand Opening Advertising Fee not used by the Franchisor as contemplated in this Section.

13.2 Submission and Approval of Advertising

All advertising by the Franchisee in any medium will be conducted in a dignified manner and will conform to the standards and requirements established from time to time by the Franchisor. The Franchisee will submit to the Franchisor for its prior approval, samples of all advertising and promotional plans and materials that the Franchisee desires to use and that have not been prepared or previously approved by the Franchisor. If written disapproval of the proposed advertisement is not received by the Franchisee within 15 days from the date of receipt by the Franchisor of the materials, the Franchisor will be considered to have given the required approval. The Franchisee shall not send any commercial electronic messages, whether such messages are delivered by SMS, email, or by any other electronic means, without the Franchisor's prior express written approval.

13.3 Advertising and Promotion Fund

The Franchisee is required to pay into the Fund such amounts as are required by Section 6.3. The Franchisee understands, acknowledges and agrees that the Fund may be maintained on a worldwide basis, and consolidated with the advertising fees paid by franchisees of the Franchisor's affiliates in other countries. The Franchisee further understands and acknowledges that United States franchisees of Franchisor in general may not benefit directly or in proportionate to their contribution to the Fund, and further that the Franchisee in particular may not benefit directly or in proportion to its contribution to the Fund from the development of advertising, marketing and public relations programs and materials. It is understood that franchisees will require different amounts of assistance from time to time and such assistance is not intended to be allotted equally among franchisees. The Franchisor reserves the right to make any determination as to the manner and extent of necessary support for each specific franchisee.

13.4 Use of Funds by the Franchisor

All payments by the Franchisee to the Fund will be accounted for separately from any other monies of the Franchisor. The proceeds of the Fund will be used primarily for purposes of preparing, developing, and conducting international, national, regional or local advertising and promotional programs, promotional events, commercial prints, and promotional materials, to cover creative and production costs and various market research costs, as well as to reimburse the Franchisor for reasonable legal, accounting and administrative expenses associated with same. The Fund may be used for any activities that the Franchisor in its business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof, including without limitation for brand awareness programs, brand management costs, marketing department fees, media costs, commissions, market research costs, creative and production costs, initiatives intended to maintain the goodwill of the Marks, including, without limitation, promotions offered through a Delivery Programs, new Product launches and the equipment or other costs associated therewith, the cost of refunds, coupons or Products provided to unsatisfied Delivery Programs or in-store customers, the costs of creating promotions and artwork, printing, collateral and point of sale materials, and electronic media costs, and other costs relating to advertising and promotional programs undertaken by the Franchisor.

The Franchisor reserves the right to place and develop such promotion and advertisements and to market same, either directly or through an advertising agency retained or formed for such purpose. Should the Franchisor place and develop such promotion and advertisements, the Franchisor shall be entitled to be reimbursed from the Fund for all expenses reasonably incurred thereby. The selection of media and locale for media placement, the nature of promotional programs and the content of promotional and advertising materials shall be at the Franchisor's sole discretion. The Fund will not be used for any activity whose sole purpose is the sale of franchises; however the design and maintenance of TAHINI'S website (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the TAHINI'S brand and the franchise opportunity. The Franchisor shall not assume any direct or indirect liability or obligation whatsoever towards the Franchisee with respect to the maintenance, direction, and administration of such Fund. The Franchisor shall have the right to discontinue the operation of the Fund upon notice to the Franchisee and thereupon the Franchisee's obligation to contribute further to the Fund shall terminate. The Franchisee further agrees to fully and expeditiously participate in all advertising, sales and promotional events and programs organized and/or conducted by Franchisor, including without limitation, the distribution and redemption of coupons prescribed by Franchisor for use in

connection with the System. The Franchisee acknowledges that the advertising campaign and sales promotions may vary from region to region and that all other TAHINI'S franchisees might not necessarily be required to participate in the same campaigns and promotions in which the Franchisee participates.

The Franchisee acknowledges and agrees that the Fund is intended to maximize general public recognition and patronage of the food service businesses using the Systems, or any other system operated or franchised by the Franchisor for the benefit of all restaurants and franchisees, and that the Franchisor undertakes no obligation in administering the Fund to ensure that any particular franchisee, including the Franchisee, benefits directly or pro-rata from the placement or conduct of such advertising and promotion. Without limiting the generality of the foregoing, the Franchisor is under no obligation to administer or distribute the Fund according to any particular geographic area or territory or exclusively within the United States of America. The Franchisee further acknowledges and agrees that, if the Franchisor deems appropriate, the Franchisor shall have the right to co-mingle, merge and/or separate funds and the monies therein to create one or more Funds for the System or the Systems, and/or to allocate a portion of the Fund to regional advertising co-operatives administered by one or more groups of franchisees, without prior notice to the Franchisee. The Franchisee acknowledges and agrees that the Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund in that year and that the Franchisor may make loans to the Fund bearing reasonable interest to cover any deficits of the Fund and cause the Fund to invest any surplus for future use by the Fund.

13.5 Termination of Fund

Although the Fund is intended to be of perpetual duration, the Franchisor reserves the right to terminate the Fund, in its discretion. The Fund will not be terminated, however, until all monies in the Fund have been spent as described in this Article 13. The Franchisor also reserves the right to establish a Fund specific to its franchisees in the United States at any time upon notice.

13.6 Administration of Fund

The Franchisor may establish such policies and procedures for the administration of the Fund as the Franchisor, in its discretion, may consider necessary and appropriate. The Franchisor will account for each year as to advertising funds spent, including a reasonable allocation for the Franchisor's direct and indirect overhead expenses incurred in connection with the administration and management of the Fund. It is understood and agreed that the Franchisor will allocate advertising funds as it considers appropriate in its sole discretion. Upon written request by the Franchisee, the Franchisor shall provide an unaudited annual report on advertising activities financed by the Fund that will be available for the Franchisee to review; provided, however, that the Franchisor shall have no obligation to prepare or provide such report more than once per calendar year. The Fund is not a trust and the Franchisor is not a fiduciary with respect to the Fund.

13.7 Advertising Directed by the Franchisee

In addition to the Franchisee's contributions to the Fund required under Section 6.3, the Franchisee agrees that it will dedicate and spend at least 1% of the Franchisee's Gross Sales for each year for local or regional advertising as designated or approved by the Franchisor and will, upon request, provide documentation demonstrating these expenditures to the Franchisor. The Franchisee will advertise and promote only in a manner that will reflect favorably on the Franchisor, the Franchisee, the Franchised Business, the System, the Marks, and the good name,

goodwill, and reputation of each. All advertising by the Franchisee must be completely factual, conform to the highest standards of ethical advertising, and must not be inconsistent with any advertising or promotional campaigns being conducted by the Franchisor or another System franchisee that is located within the regional market (as designated by the Franchisor) where the Location is located. If the Franchisee is required under the Lease to spend any amount on advertising, which amount is spent by the Franchisee, then the Franchisee will be entitled to credit that amount against the amount the Franchisee is required to spend on local advertising.

13.8 Advertising Cooperative

The Franchisor may from time to time, in its discretion, establish, change, merge or dissolve one or more regional advertising cooperatives (each, a "Cooperative") in any area, or the Franchisor may approve the creation of such a Cooperative by franchisees in the System, and establish the rules and regulations therefor. If and when the Franchisor does so, the Franchisor will notify the Franchisee in writing of: (i) the starting date as to when the Franchisee must become a member of the Cooperative for the area in which the Franchised Business is located; (ii) the amount of the Franchisee's Cooperative contributions and (iii) the rules, regulations and bylaws that will govern such Cooperatives. In no event will the Franchised Business be required to be a member of more than one Cooperative. The Cooperative must be governed in the manner the Franchisor prescribes. The Cooperative may require each of its members to make contributions thereto in an amount up to one-half of one percent (0.5%) of the Franchised Business's Gross Sales. The Franchisee shall contribute such amounts at the times and in the manner as determined by the Cooperative members. Any funds contributed to a Cooperative will be credited against the Franchisee's obligation to pay for Local Advertising as set forth in Section 13.7 above; provided, however, that if the Franchisee's contributions to a Cooperative are less than the Franchisee's local advertising requirement, the Franchisee shall nevertheless spend the difference locally.

13.9 Telephone and Directory Listings

The Franchisee shall obtain telephone service for the Location and arrange for the placement of all telephone and/or online directory listings specified by the Franchisor in accordance with such parameters and containing such content as is required by the Franchisor. If other franchisees are serviced by the same directory, the Franchisor may arrange for a group listing of all such franchisees, may arrange such listing on the Franchisee's behalf, and may allocate the cost of the listing among such of the franchisees as the Franchisor in its discretion deems appropriate. The Franchisee will promptly reimburse the Franchisor for its costs of arranging that portion of any group telephone and/or online directory listing allocated to the Franchisee by the Franchisor.

13.10 Email Address

The Franchisee will, at its expense, obtain and maintain throughout the term of this Agreement an email address from the service provider specified by the Franchisor and in the format required by the Franchisor.

13.11 Social Media

The Franchisee may state on any personal social media page such as Facebook and LinkedIn its affiliation with the System during and only during such time as the Franchisee is affiliated with the System without providing any additional information beyond that fact and the location of the Franchised Business. The Franchisee will have no right, license, or authority to use any of the Marks on or in connection with the internet including, without limitation, by participating in any

social media sites such as Facebook, Twitter, Instagram, Yelp, etc. except as stated in and permitted by this Section or the Manual, or with the Franchisor's prior written approval.

ARTICLE 14 - INSURANCE

14.1 Policies to be Obtained

The Franchisee will purchase and maintain insurance coverage with an insurer acceptable to the Franchisor prior to providing the services licensed under this Agreement, and will maintain same during the term of this Agreement. Such insurance coverage shall name the Franchisor and its affiliates as an additional insured and shall contain an agreement by the insurer that it will not cancel or modify such policy of insurance except after 30 days' prior written notice to the Franchisor. The Franchisee will provide the Franchisor with proof of coverage upon request from time to time.

14.2 Scope of Coverage

Insurance policies will be written by an insurance company satisfactory to the Franchisor in accordance with the standards and specifications set out in the Manual or otherwise in writing, and will include, at a minimum:

- (a) Comprehensive general liability insurance covering the operation of the Franchised Business, with limits as specified by the Franchisor and in any event for not less than \$5,000,000 combined limit with respect to property damage, premises liability, employer's liability, bodily injury and/or personal injury combined per occurrence. The Franchisee's general liability insurance will name the Franchisor and its affiliates as additional insureds (with severability of interests and cross liability clause) respecting the Franchised Business. Defense costs under such policy will apply in addition to the limits of liability;
- (b) Motor vehicle liability insurance, with limits as specified by the Franchisor and in any event for not less than a \$2,000,000 limit;
- (c) All risks property insurance to the full replacement value of property of every kind in, on or about the Franchised Business in the name of the Franchisee and naming the Franchisor and its affiliates as additional insureds as their respective interests may appear, with a waiver of subrogation clause. Said policy shall include insurance on the Franchisee's inventory, fixtures, furniture, signage, equipment, and wares in an amount equal to not less than the full replacement cost thereof with coverage against the perils of fire, flood, earthquake, windstorm, sewage back-up and standard extended coverage, including malicious mischief, employee dishonesty, robbery, and burglary;
- (d) Workers' compensation insurance as designated by law;
- (e) Comprehensive equipment breakdown insurance on a replacement cost basis covering all insurable objects (including boilers, pressure vessels, heating, ventilating and air conditioning equipment, electrical panels, transformers, compressors, generators, chillers, and refrigeration equipment) that are the responsibility of the Franchisee to insure;

- (f) Wrap up liability insurance, builders' risk/course of construction insurance, and such other insurance coverages, in each case on such terms and in such amounts as the Franchisor may require from time to time during the initial construction and development of the Location as well as during periods of renovation of the Location;
- (g) Cyber security insurance, with limits as specified by the Franchisor, with respect to protection for any insurance security risks associated with data breaches and breaches of Payment Card Industry Data Security Standards, and naming the Franchisor and its affiliates as additional insureds. In addition, the Franchisee will prudently identify current cyber risk management policies and software and must obtain and maintain said policies and software as are commercially reasonable, at the expense of the Franchisee, including any specified by the Franchisor; and
- (h) Business interruption insurance in such amount as will reimburse the Franchisee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent restaurant owners or attributable to prevention of access to the Location, with coverage for a period of interruption of 180 days or such longer period as may be specified by the Franchisor from time to time; said business interruption insurance policy shall include royalty and other payments due to the Franchisor and its affiliates under the terms of this Agreement, any lease or sublease, and any other agreement affecting the Franchised Business or the Location.

14.3 Insurance Requirements

The insurance coverage that the Franchisee acquires and maintains under this Article 14 must:

- (a) Name the Franchisor and the other Indemnitees identified in Section 19.3 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).
- (b) Contain no provision which in any way limits or reduces coverage for the Franchisee if there is a claim by one or more of the Indemnitees.
- (c) Extend to and provide indemnity for all obligations assumed by the Franchisee under this Agreement and all other items for which the Franchisee is required to indemnify the Franchisor under this Agreement.
- (d) Be primary to and without right of contribution from any other insurance purchased by the Indemnitees.
- (e) Provide, by endorsement, that the Franchisor is entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.

- (f) Contain a waiver of subrogation rights against the Franchisor, the other Indemnitees identified in Section 19.3, and any of the Franchisor's successors and/or assigns.
- (g) Be obtained from responsible insurance carriers acceptable to the Franchisor which possess a Best's Insurance Guide rating of no less than "A+".

14.4 Franchisor's Option to Obtain Insurance

Should the Franchisee, for any reason, fail to obtain or maintain the insurance required by this Agreement, as revised from time to time by the Manual or otherwise in writing, the Franchisor will have the right, at its option, to obtain such insurance and to charge that expense plus all costs and expenses incurred by the Franchisor in doing so to the Franchisee, which charges will be payable by the Franchisee immediately upon notice.

14.5 Franchisee to Report Claims

The Franchisee will promptly report, no later than within 3 business days, all claims or potential claims against the Franchisee, the Franchisor or the Franchised Business to its insurer and the Franchisor.

14.6 Franchisor's Option to Alter Insurance Protection

The Franchisor may from time to time reasonably determine and increase the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant considerations.

14.7 Group Insurance Plan

If required by the Franchisor, the Franchisee shall obtain some or all the types of insurance and coverage amounts described herein or as required by the Franchisor through blanket insurance coverage arranged by the Franchisor, provided that the cost thereof to the Franchisee is commercially reasonable and competitive. If the underwriters of such plan increase the premiums under the plan because of any act or omission of the Franchisee, then the Franchisee shall pay the amount of such increase in premiums for the Location only. The Franchisee shall comply with all recommendations made by the underwriters of the plan.

14.8 Franchisee's Obligation to Inform Franchisor of Material Change in Operation

The Franchisee will as soon as practicable provide notice to the Franchisor and the Franchisor's insurance broker of any change in operations, whether related to occupancy or operation of the Franchised Business, which may prejudice the rights of the insurer and preclude the Franchisee or Franchisor from being able to make an otherwise valid claim under the terms of the insurance policy or policies obtained pursuant to this Article.

14.9 No Undertaking or Representation

Nothing in this Agreement may be considered the Franchisor's undertaking or representation that the insurance that the Franchisee is required to obtain or that the Franchisor may obtain for the Franchisee will insure it against any or all insurable risks of loss which may arise out of or in connection with the operation of the Franchised Business. The Franchisor advises the Franchisee

to consult with the Franchisee's insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

ARTICLE 15 - TRANSFER OF INTEREST

15.1 Transfer by the Franchisor

A sale, transfer or assignment by the Franchisor of its interest in the System or the Marks or any parts thereof, and/or in the sale, transfer or assignment by the Franchisor of this Agreement or any interest therein, may be completed without the consent of the Franchisee. To the extent that the purchaser or assignee shall assume the covenants and obligations of the Franchisor under this Agreement, the Franchisor shall thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations. The Franchisee acknowledges that nothing in this Agreement shall prevent the Franchisor from granting security over any of its assets, including the Marks and any other intellectual property, on terms required by any secured party from time to time, and the Franchisee further acknowledges that any such secured party or any agents acting on behalf of such secured party shall not have any obligations to the Franchisee by reasons only of such security interest.

15.2 Transfer by the Franchisee

The Franchisee understands and acknowledges that the rights and duties set out in this Agreement are personal to the Franchisee, and that the Franchisor has entered into this Agreement in reliance on the business skill and financial capacity of the Franchisee and of its shareholders or partners and any Guarantor, if applicable. Accordingly, neither the Franchisee nor any individual, partnership, corporation or other legal entity which directly or indirectly controls the Franchisee will sell, assign, transfer, convey, give away, pledge, mortgage, hypothecate or otherwise encumber any direct or indirect legal or beneficial interest in the Franchisee, in this Agreement, in the Franchised Business or in any of the assets employed by or in connection with the Franchised Business without the prior written consent of the Franchisor. Any purported assignment or transfer, by operation of law or otherwise (including but not limited to a change in ownership of the Franchisee or of any direct or indirect shareholder of the Franchisee through amalgamation or otherwise), which does not have the prior written consent of the Franchisor, will be null and void and will constitute a material breach of this Agreement for which the Franchisor may terminate this Agreement without opportunity to cure.

15.3 Franchisor's Right of First Refusal

If the Franchisee, any Guarantor, or any party holding any interest in the Franchisee or in the Franchised Business (referred to in this Section as the "Seller") desires to accept any valid arm's length offer from a third party to purchase all or any part of its interest in the Franchisee, the Franchised Business or any assets of the Franchisee or the Franchised Business (referred to in this Section as the "Assets to be Sold"), the Franchisee will give notice of the offer (referred to in this Section as the "Offer") to the Franchisor, along with a complete copy of the Offer, a copy of the Franchisee's most current financial statements, the Franchisor's standard franchise application form completed by the proposed transferee, and a \$6,500 non-refundable processing fee, plus all applicable taxes, for considering the request for the transfer (this payment will be applied toward the amount payable under Section 15.4(i) or 15.4(j), as applicable, if the Franchisor does not exercise its right of first refusal provided by this section). The Franchisor will then have the option, exercisable within 21 days after receipt of all such material, to send written

notice to the Seller that the Franchisor or its nominee intends to purchase the Seller's interest in the Assets to be Sold on the same terms and conditions set out in the Offer. If any Offer provides for payment of consideration in a form other than cash, the Franchisor may elect to purchase the Assets to be Sold for the cash equivalent of such non-cash consideration. If the parties cannot agree within a reasonable time on the cash equivalent of the non-cash part of the Offer, then the cash equivalent will be determined by 2 appraisers, with each party selecting one appraiser, and the average of their determinations constitute the binding valuation. In the event of an appraisal under this provision, each party will bear its own legal and other costs and one-half of the appraisal fees. Any change in the terms of the Offer prior to closing will constitute a new offer subject to the same rights of first refusal by the Franchisor or its nominee as in the case of an initial offer. Failure of the Franchisor to exercise the option afforded by this Section will not constitute a waiver of any other provision of this Agreement. If the Franchisor does not exercise its right of first refusal under this Section, then the Seller may sell its interest in the Assets to be Sold on the precise terms of the Offer, provided that the sale is completed within 90 days from the last day on which the Franchisor could have exercised its right of first refusal. If the proposed sale is not completed within the said 90-day period, then the Franchisor's right of first refusal under this Section will revive automatically and continue in full force. If the Franchisor exercises its right of first refusal in accordance with this Section, the amount of the purchase price payable will be reduced by the amount of any commission or fee that would otherwise have been payable to any broker, agent, or other intermediary in connection with the sale of the Assets to be Sold to the proposed transferee. Notwithstanding anything to the contrary in the Offer, where the terms of purchase of the Assets to be Sold include any financing terms, the Franchisor will have the option to pay the entire consideration in cash on closing and, further, the Franchisor may advance the closing date to any date prior to the closing date stipulated in the Offer.

15.4 Pre-Conditions to Transfer

The Franchisor will not unreasonably withhold its consent to a transfer of any interest of the Franchisee in the Franchised Business or any transfer by the Franchisee's owners in the Franchisee. Prior to the proposed transfer, the Franchisee must fulfil the terms of the Franchisor's transfer policy in effect at the time of transfer. Without limiting any other conditions that the Franchisor may impose as a prerequisite to the Franchisor granting its approval of a proposed transfer, the Franchisee shall comply with the conditions set out below prior to completion of the transfer.

- (a) If the transferee entity is to be a corporation, then it will be a newly organized corporation and copies of all organizational documents, including any shareholder agreement, will be delivered to the Franchisor. The organizational documents will restrict the business that the corporation may carry on to the operation of a the Franchised Business.
- (b) All obligations, monetary or otherwise, of the Franchisee or of the principals of the Franchisee to the Franchisor and affiliates and suppliers of the Franchisor will have been satisfied in full.
- (c) The Franchisee or transferor, as the case may be (and, if the Franchisee is a corporation, its shareholders, directors and officers and, if the Franchisee is a partnership, all of its partners) will have delivered to the Franchisor a complete release of the Franchisor, its directors, officers, and shareholders, its affiliates and subsidiaries and the directors, officers, and shareholders thereof, from all obligations under this Agreement of any such persons, in form satisfactory to

counsel for the Franchisor (such release not to include a release of any claims under any applicable franchise legislation, or any common law claims incorporated thereunder).

- (d) The transferee will enter into a written agreement, in a form satisfactory to the Franchisor, assuming and agreeing to discharge all of the Franchisee's obligations under this Agreement or, at the Franchisor's option, the transferee will execute (and/or, upon the Franchisor's request, cause all interested parties to execute) such then-current standard form franchise agreement and other supporting documents as the Franchisor may require for the Franchised Business, which will supersede in all respects this Agreement, and which may differ materially from the terms of this Agreement and which may, in particular, provide for higher amounts of Royalty Fees and Advertising Fees; provided, however, that the rates of Royalty Fees and Advertising Fees shall not be greater than the rates then being charged to the Franchisor's new franchisees;
- (e) The Franchisee will not be in default of any provision of this Agreement or any other agreement between the Franchisee and the Franchisor, or any of the Franchisee's trade creditors.
- (f) The transferee and its principals will demonstrate to the Franchisor's satisfaction that they: meet the Franchisor's managerial and business standards; possess a good moral character, business reputation, and credit rating; have the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise); and have adequate financial resources and capital to purchase and operate the Franchised Business.
- (g) At the transferee's expense and upon such other terms and conditions as the Franchisor may reasonably require, the Franchisor may require the transferee or the transferee's manager to complete the training course then in effect for the franchisees in the same manner and upon the same terms as the initial training. The transferee will bear all travel, accommodation, meals and other living and out-of-pocket costs and expenses for such training.
- (h) If the transferee is a corporation, then the shareholders, directors and officers of the transferee will provide their personal guarantee of all the Franchisee's obligations under this Agreement and any other agreement between the Franchisor and the Franchisee.
- (i) The Franchisee shall pay the Franchisor a transfer fee equal to 50% of the then current initial franchise fee being charged by the Franchisor to new franchisees.
- (j) In addition to paying the transfer fee described in Section 15.4(i) immediately above, the Franchisee shall reimburse the Franchisor for all costs and expenses (including, without limitation, all legal and administrative costs and expenses) incurred by the Franchisor pertaining to its review or consideration of the proposed transfer or the proposed transferee, or otherwise incurred in connection with the proposed transfer, which amounts must be immediately paid by the Franchisee to the Franchisor regardless of whether the Franchisor consents to the proposed transfer or whether the proposed transfer is completed.

- (k) The Franchisee will deposit with the Franchisor an amount equal to \$20,000, to be held by the Franchisor and applied against any post-transfer adjustments such as utilities, realty tax or operating cost adjustments from the Head Landlord as well as any other obligations of the Franchisee in respect of the Franchised Business which may become known after the transfer. The balance of the holdback, if any, will be paid out on the earlier of (i) 90 days after the completion of the transfer, or (ii) once the Franchisor has received written confirmation that no further amounts are due in respect of the period of the Franchisee's occupancy.
- (l) The transfer will comply with all applicable conditions in the Lease, including if required, obtaining the Landlord's consent to the transfer. The Franchisee shall pay all costs required by the Landlord with respect to obtaining such consent.
- (m) If requested to do so by the Franchisor, the Franchisee and the Guarantor shall have delivered to the Franchisor a release of the Franchisor, its directors and officers, their affiliates and the directors and officers thereof from all obligations under this Agreement of any such persons, in a form satisfactory to the Franchisor, excepting any claims under an applicable franchise law statute (if any) that are not permitted to be waived or released under that statute;
- (n) Regardless of any transfer by the Franchisee in accordance with this article, the Franchisee and the Guarantor will remain bound by all the terms and conditions of this Agreement and any guarantee given by the Guarantor.
- (o) At the discretion of the Franchisor, the transferee shall, at its expense, reconstruct or renovate the Location and install such fixtures, accessories, furnishings and equipment as the Franchisor in its discretion may require having regard to the criteria required with respect to the design, construction and equipment in effect under the System at the time of the transfer; provided that, notwithstanding the foregoing, the Franchisor may require, at its option, that all such reconstructions or renovations and installations shall be performed by the Franchisor at the transferee's expense.
- (p) Unless otherwise expressly approved by the Franchisor in writing, the transfer shall be effected in compliance with the requirements of all applicable legislation, including without limitation, sales and other tax laws.

15.5 Transfer to Closely Held Corporation

If the Franchisee is an individual, the Franchisee may with the prior written consent of the Franchisor, which consent will not be unreasonably withheld, transfer the franchise to a corporation without payment of a transfer fee, provided that all of the preconditions to transfer set out in Section 15.4, save and except for Subsection 15.4(l), and 15.4(o), are fully complied with and provided that the additional conditions set out below are satisfied.

- (a) The person signing this Agreement as Franchisee will continue to be the legal and beneficial owner of all the outstanding voting shares of the transferee corporation, which corporation's articles will restrict its activities to operation of a TAHINI'S franchise.

- (b) The person signing this Agreement as Franchisee will remain as a director and officer of the transferee corporation.
- (c) All the shareholders, directors, and officers of the transferee corporation will execute such guarantees of obligations of the corporation as the Franchisor may direct.
- (d) The Franchisee is not in default hereunder.
- (e) The Franchisee assigns the Lease, together with the collateral lease assignment and lease rider, to the transferee corporation.
- (f) The transferee corporation agrees, in writing satisfactory to the Franchisor, to assume all the Franchisee's obligations hereunder.
- (g) The Franchisor will be reimbursed for its costs (including legal costs) incurred in administering and preparing the necessary transfer documentation.
- (h) The Franchisee shall make available to the Franchisor all corporate records of the transferee corporation immediately upon request.
- (i) If requested to do so by the Franchisor, the Franchisee and the Guarantor shall have delivered to the Franchisor a release of the Franchisor, its directors and officers, their affiliates and the directors and officers thereof from all obligations under this agreement of any such persons, in a form satisfactory to the Franchisor, excepting any claims under an applicable franchise law statute (if any) that are not permitted to be waived or released under that statute.

15.6 Transfer Upon Death or Incapacity

Subject to Sections 15.3 and 19.8, upon the death or deemed Incapacity of any person with any interest in the Franchised Business or in the Franchisee or upon the dissolution or winding-up of a Franchisee that is a partnership or corporation, the executor, administrator, personal representative or trustee of such person or entity will transfer his, her, or its interest to a third party approved by the Franchisor within 3 months of the death or deemed Incapacity. Such transfers, including without limitation, transfers by devise or inheritance, will be subject to the same conditions as any transfer between living persons.

15.7 Non-Waiver of Claims

The Franchisor's consent to a transfer of any interest in the Franchised Business will not constitute a waiver of any claims it may have against the transferring party, nor will it be considered a waiver of the Franchisor's right to demand strict compliance with any term of this Agreement by the transferee.

15.8 Reasonableness

The Franchisee acknowledges and agrees that each of the conditions of transfer set out in this Section which must be met by the Franchisee and the transferee are necessary and reasonable to assure full performance of the Franchisee's and transferee's obligations under this Agreement.

15.9 No Liability for Transfer

The Franchisee and the Guarantor each expressly acknowledge and agree that the granting of approval by the Franchisor pursuant to this Section shall not give rise to any liability on the part of the Franchisor either to the Franchisee, the transferee or to any other party, and the Franchisee shall indemnify and save the Franchisor, its affiliates and their respective shareholders, directors, officers, employees and agents harmless from all fines, suits, proceedings, claims, demands and actions of any nature or kind whatsoever, directly or indirectly arising out of, or in any manner whatsoever associated or connected with, the Franchisor's granting of such approval or the transferee's operation of the Franchised Business, and against any and all damages, costs, expenses, fines, penalties and fees (including without limitation, reasonable legal expenses) incurred by or on behalf of the Franchisor or any of its affiliates or their respective shareholders, directors, officers, employees or agents in respect thereof.

ARTICLE 16 - CHANGES AND MODIFICATIONS

16.1 Franchisor's Right to Modify System, Etc.

The Franchisor reserves and will have the right to make changes in the Manual, the System, and the Marks at any time and without prior notice to the Franchisee. The Franchisee will promptly alter any signs, products, business materials, services provided, methods of operation and related items, at its cost and expense, upon receipt of written notice of such change or modification to conform with the Franchisor's revised specifications. If any improvement or addition to the Manual, the System, or the Marks is developed by the Franchisee, then the Franchisee grants to the Franchisor a perpetual, irrevocable, world-wide, exclusive, royalty-free license, with the right to sub-license such improvement or addition, and waives all moral rights thereto.

16.2 Scope of Change or Modification

The Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the Franchisor's System must not remain static, in order that it best serve the interests of the Franchisor, all franchisees and the System. Accordingly, the Franchisee expressly understands and agrees that the Franchisor may from time to time change the components of the System, including but not limited to: altering the products, programs, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying the programs, products and services that the Franchised Business is authorized to offer; and changing, improving, modifying, or replacing the Marks, including the primary TAHINI'S name and mark. The Franchisee agrees to adopt and abide by all such modifications, changes, additions, deletions, and alterations at its sole expense.

ARTICLE 17 - DEFAULT AND TERMINATION

17.1 Termination Prior to Opening

The Franchisor will have the right to terminate this Agreement effective upon delivery to the Franchisee of written notice of termination, upon the occurrence of any of the events listed below:

- (a) Any of the applicable terms and conditions set out in Section 5.2 are not met.

- (b) The Franchisee fails to obtain or make application for all required federal, state, territorial, and local licenses, permits and certifications before commencing operation of the Franchised Business.
- (c) The Franchisee fails to commence to operate the Location as required in Section 5.8.
- (d) The Franchisor determines that, at the time of the commencement deadline required in Section 5.8, the Designated Operator has not satisfactorily completed the pre-opening training programs the Franchisor's satisfaction pursuant to Subsection 9.1(c) or, at any time prior to or on the commencement deadline required in Section 5.7, the Franchisor determines that the Designated Operator has not demonstrated the qualities and abilities necessary for the successful operation of the Franchised Business, notwithstanding that the Franchisee may be otherwise prepared to commence operations.

17.2 Default with No Opportunity to Cure

The Franchisee will be in default and the Franchisor may, at its option, terminate this Agreement immediately effective upon delivery to the Franchisee of written notice of termination, without affording the Franchisee any opportunity to cure the default, upon the occurrence of any of the events listed below:

- (a) The Franchisee or any principal of the Franchisee fails, refuses or neglects to pay any monies owing to the Franchisor or its affiliates or suppliers, within 5 days of demand for payment, or if the Franchisee's bank refuses to honor 3 or more pre-authorized payments during the term of this Agreement.
- (b) The Franchisee or any officer, shareholder, director, partner or key employee, agent or independent contractor is alleged to have committed an indictable offence or any other crime or offence that is reasonably likely, in the opinion of the Franchisor, to adversely affect the System, the Marks, the goodwill associated with them, or the Franchisor's interest in them. Any crime or offence that is violent, sexual, or fraudulent in nature shall be deemed to have such effect.
- (c) The Franchisee or any officer, shareholder, director, partner, employee, agent, or independent contractor discloses or divulges the contents of the Manual or other trade secrets or confidential information provided to the Franchisee by the Franchisor to any person or for any purpose other than strictly as provided for in this Agreement.
- (d) An approved transfer is not completed within the designated time following the death or Incapacity of any person with any interest in the Franchised Business or in the Franchisee or upon the dissolution of a Franchisee that is a partnership or corporation, with a person approved by the Franchisor.
- (e) An order is made, or resolution passed for the winding-up, dissolution or liquidation of the Franchisee.
- (f) Any execution, seizure, attachment or similar process is issued against the Franchisee or any creditor of the Franchisee takes any action or proceeding

whereby the business premises of the Franchised Business or any of the fixtures, furnishings or property on those premises are taken or seized, unless such execution, attachment or seizure is set aside, discharged or abandoned within 10 days after its commencement; or if a judgement against the Franchisee remains for more than 15 days from such judgement.

- (g) The Franchisee makes or attempts to make any bulk sale, or sale of an enterprise or removes or attempts to remove any part of the fixtures, furnishings, or inventory from the business premises of the Franchised Business other than in the normal course of business.
- (h) The Lease of the Location of the Franchised Business expires or is terminated for any reason whatsoever.
- (i) The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or if an assignment in bankruptcy is filed by the Franchisee or a petition is filed against and consented to by the Franchisee, or the Franchisee becomes a bankrupt, or proceedings for the appointment of a receiver or receiver/manager or other custodian (permanent or temporary) of the Franchisee or of the Franchised Business or any portion of the Franchised Business is appointed by any court or creditor of the Franchisee or the Franchised Business, or proceedings for a proposal to the creditors of the Franchisee or the Franchised Business under any federal, territorial, state or foreign law should be instituted by or against the Franchisee, or if Franchisee files a voluntary petition under any bankruptcy or insolvency statute.
- (j) The Franchisee abandons, threatens to abandon, surrenders, or fails to carry on normal business operations at the Location except where appropriate arrangements have been made for the ongoing management of the Franchised Business, which arrangements have been pre-approved in writing by the Franchisor.
- (k) Any legal or beneficial interest in this Agreement, the Franchisee, or any assets of the Franchised Business is assigned, transferred, or encumbered without full compliance with the requirements of this Agreement.
- (l) The Franchisee purports to transfer any rights or obligations under this Agreement or the Lease to any third party without the Franchisor's prior written consent, or otherwise contrary to the terms of this Agreement.
- (m) The Franchisee knowingly maintains false books or records or submits any false statements, applications, or reports to the Franchisor.
- (n) The Franchisee engages in conduct that constitutes a misrepresentation or a deceptive or unlawful act or practice in connection with its sale of the services and products offered by the Franchised Business.
- (o) The Franchisee submits at any time during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates Gross Sales for any period by more than 3% for any, on more than two occasions in any 24-month period.

- (p) The Franchisee submits any report, financial statement, tax return, schedule or other information or supporting records required under this Agreement, more than 5 days after the date for delivery as required (or fails to submit same altogether) on two or more occasions during the term of this Agreement.
- (q) The Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees or the public and such manner of operation continues uncorrected for 48 hours following delivery to the Franchisee of notice to correct same from the Franchisor, the Landlord of the Location, or the applicable governmental authority.
- (r) The Franchisee receives 3 or more notices of default under this Agreement within a 12-month period during the term of this Agreement, regardless of whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by the Franchisee.
- (s) The continuance, in whole or in part, of the business contemplated by this Agreement in a normal, profitable manner is impaired by present or future legislative enactments or regulations, or by interpretations of any such legislation or regulations, or the actions of any civil or military authority, or acts of God, war, or civil disorders.
- (t) The Franchisee fails to comply with any other provision of this Agreement, the Manual, or any other specification, standard or operating procedure prescribed by the Franchisor and does not commence all steps necessary to correct such failure within 2 days after written notice of such failure to comply (which notice will describe the action that the Franchisee must take) or fails to diligently continue all necessary corrective action to completion and to the Franchisor's satisfaction.
- (u) The Franchisee sells or offers to sell any unauthorized food, beverage, product, or service after notice to cease is delivered by the Franchisor.

17.3 Default With Opportunity to Cure

Unless otherwise specified, the Franchisee will have 15 days after its receipt from the Franchisor of a written notice of default to remedy any default described in this Section and provide evidence of compliance to the Franchisor. If any such default is not cured within that time, this Agreement, at the Franchisor's option, will terminate without further notice to the Franchisee effective immediately upon the expiration of the 15-day period or other specified period, as applicable. The Franchisee will be in default for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time be supplemented by updates to the Manual, or for any failure to carry out the terms of this Agreement in good faith. Such defaults will include, without limitation, the occurrence of any of the events listed below:

- (a) The Franchisee, by act or omission, permits a continued violation in connection with the operation of the Franchised Business of any law, ordinance, rule, or regulation of a governmental agency, and said violation continues for a period of 5 days after notification of non-compliance in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief from compliance.

- (b) The Franchisee breaches the non-competition covenant set out in Section 9.20.
- (c) The Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated with them or the Franchisor's rights in them.
- (d) The Franchisee engages in any business or markets any service or product under a name or mark which, in the Franchisor's opinion, is confusingly similar to the Marks.
- (e) The Franchisee is unable to obtain, maintain or renew any license or permit required for the operation of the Location or the Franchised Business by any governmental authority, or if such license or permit is revoked or suspended, regardless of the cause or reason for such revocation or suspension.
- (f) The Franchisee fails to maintain minimum working capital, as reasonably established from time to time by the Franchisor, in the Franchised Business.
- (g) The Franchisee fails to comply with its duties set out in this Agreement, or fails to perform any obligation owing to the Franchisor or to observe any covenant or agreement made by the Franchisee, whether such obligation, covenant or agreement is set forth in this Agreement or in any other agreement with the Franchisor including, but not limited to, any other franchise agreement by and between the Franchisor or any entity related to the Franchisor and the Franchisee.
- (h) The Franchisee fails to maintain and submit on time to the Franchisor all reports required pursuant to this Agreement, including but not limited to, financial statements and periodic and other reports of Gross Sales.
- (i) The Franchisee or its employees fail to attend and successfully complete any mandatory training program subject to Section 17.1(d).
- (j) The Franchisee fails to maintain any of the standards or procedures or to fully and properly employ the System and Marks designated by the Franchisor in this Agreement, the Manual, any other franchise agreement between the Franchisor and the Franchisee or any other agreement between the parties, or otherwise in writing.
- (k) The Franchisee fails to maintain and keep the Location and all equipment in good working order and repair.
- (l) The Franchisor receives a number of complaints from customers respecting the Franchised Business which is more than 10% above the average of complaints received with respect to the all other TAHINI'S restaurants operated or franchised by the Franchisor for any 12 calendar month period, or if the Franchisor receives more than 5 of the same complaints or complaints of a similar nature from customers respecting the Franchised Business in any 12 calendar month period and the Franchisee does not remedy the circumstances giving rise to such complaints to the reasonable satisfaction of the Franchisor within 5 days of notification.

17.4 Cross Default

Any default by the Franchisee or Guarantor of any other agreement between the Franchisor and the Franchisee will be deemed a default under this Agreement, and any default by the Franchisee of this Agreement will be deemed a default under all other agreements between Franchisor and the Franchisee. If the nature of such default under any other agreement would have permitted the Franchisor to terminate this Agreement had said default occurred under this Agreement, the Franchisor will have the right to terminate this Agreement as if such default occurred under this Agreement. For purposes of this Section, an agreement between the Franchisor or an affiliate of the Franchisor and the Franchisee or the Franchisee's partner, shareholder, member, manager, executive officer, or affiliate will be deemed an agreement between the Franchisor and the Franchisee. Also for the purposes of this Section, an affiliate of the Franchisee includes (i) any individual who is related by blood or marriage to a shareholder of the Franchisee, (ii) any corporation or other entity whose shares or interests are owned by a shareholder or shareholders of the Franchisee or by an individual who is related by blood or marriage to such shareholder or shareholders, (iii) any corporation or other entity in which the Franchisee owns any shares or has an ownership interest, either directly or indirectly, and (iv) any individual, corporation or other entity which owns shares or any other ownership interest in the Franchisee, either directly or indirectly.

17.5 Termination without Prejudice to Other Rights

Any termination under any of the immediately preceding subsections of this Article 17 shall be without prejudice to any right (including any right of indemnity), remedy or relief vested in or to which the Franchisor may be entitled by reason of the default, breach or non-observance of any term, covenant, or obligation on the part of the Franchisee to be observed or performed, and which default, breach or non-observance occurred prior to such termination, all of which shall survive the termination. All moneys paid by the Franchisee to the Franchisor under this Agreement or otherwise shall be retained by the Franchisor as consideration for the rights and benefits previously conferred on the Franchisee hereunder. The foregoing remedy shall not exclude or limit any other remedy which the Franchisor may have at law or in equity by reason of the default, breach or non-observance by the Franchisee as provided above.

17.6 Remedies Cumulative

The Franchisor may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Franchisee, either by any provisions of this Agreement or by statute or the general common law or in equity, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Franchisor by statute or the general common law or in equity.

17.7 Description of Default

The description of any default in any notice that the Franchisor transmits to the Franchisee will in no way preclude the Franchisor from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

17.8 Franchisee's Failure to Pay Constitutes Its Termination of This Agreement

The Franchisee's failure to timely cure any breach of its obligation to make payments of Royalty Fees, Advertising Fees or any other monies due and owing to the Franchisor or the Franchisor's affiliates under this Agreement, or to timely cure any other material breach of this Agreement committed by the Franchisee, in either instance following the Franchisor's notice to the Franchisee that it has committed a breach of this Agreement and granting the Franchisee an opportunity to cure said breach, will be irrevocably deemed to constitute the Franchisee's unilateral rejection and termination of this Agreement and all related agreements between the Franchisee and the Franchisor or the Franchisor's affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from the Franchisor, and the Franchisee shall never contend or complain otherwise.

17.9 Continuance of Business Relations

Any continuance of business relations between the Franchisee and the Franchisor after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless the Franchisee and an authorized officer of the Franchisor agree in writing to any such renewal, extension or continuation.

17.10 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits the Franchisor's rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. The Franchisor will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

17.11 Franchisor's Right to Discontinue Services to Franchisee.

If the Franchisee is in breach of any obligation under this Agreement, and the Franchisor delivers to the Franchisee a notice of termination pursuant to this Article 17, the Franchisor has the right to suspend the Franchisor's performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any services or products for which the Franchisor is an approved supplier to the Franchisee and/or suspension of the Franchisee's "click through" subpage on the Franchisor's website, until such time as the Franchisee corrects the breach.

17.12 Franchisor's Right to Send Notifications of Termination.

Before or on the expiration or termination of this Agreement, the Franchisor may give notice to third parties that the Franchised Business is leaving the System, and take any other action related to customers, suppliers and all other individuals or entities affected by such expiration or termination or which require or desire an identification of TAHINI'S restaurants.

17.13 Notice of Franchisor's Alleged Breach

The Franchisee agrees to give the Franchisor immediate written notice of any alleged breach or violation of this Agreement after the Franchisee has constructive or actual knowledge of, believe, determine or are of the opinion that there has been an alleged breach of this Agreement by the Franchisor, including any acts of misfeasance or nonfeasance. If the Franchisee does not give written notice to the Franchisor of any alleged breach of this Agreement within one year from the date that the Franchisee has knowledge of, believes, determines or is of the opinion that there has been an alleged breach by the Franchisor, then the Franchisor's alleged breach will be considered to be condoned, approved and waived by the Franchisee and will not be considered to be a breach of this Agreement by the Franchisor, and the Franchisee will be permanently barred from commencing any action against the Franchisor for the alleged breach or violation.

ARTICLE 18 - FRANCHISEE'S OBLIGATIONS UPON TERMINATION

18.1 Franchisee's Obligations Upon Termination or Expiration

Upon termination or expiration, this Agreement will terminate immediately, and the Franchisee will observe and perform each one of the provisions set out below:

- (a) The Franchisee will immediately cease to operate the Franchised Business and will not, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of the Franchised Business.
- (b) The Franchisee will immediately and permanently cease all use of the Marks, including any colorable imitation thereof, in connection with any goods, services or business and, without restricting the generality of the foregoing, the Franchisee agrees not to use the word TAHINI'S, in any manner or form as a trademark, trade name, or otherwise in connection with any goods, services, or business.
- (c) The Franchisee will immediately and permanently cease to use, in any manner whatsoever, any equipment, format, confidential method, program, literature, procedure and technique associated with the System, the name TAHINI'S, the Marks, and any forms, slogans, signs, symbols or devices associated with the System.
- (d) At the option of the Franchisor, the Franchisee shall immediately remove all signs, displays, logos and other things which contain or display any of the Marks and deliver same to the Franchisor within 3 days after receipt of the notice of termination, and the Franchisee shall make such modifications and alterations to the Location, both interior and exterior, as the Franchisor may reasonably require to remove any evidence of identification with the System.
- (e) The Franchisee will take such action as may be necessary to cancel any business name or equivalent registration which contains the Marks or any other trademark or trade name of the Franchisor, and the Franchisee will furnish the Franchisor with evidence satisfactory to the Franchisor of compliance with this obligation within 15 days after termination or expiration of this Agreement. If the Franchisee fails or refuses to do so, the Franchisor may, in the Franchisee's name, on the Franchisee's behalf and at the Franchisee's expense, execute all documents necessary to cause discontinuance of the name TAHINI'S or any related name

used under this Agreement and the Franchisor is hereby irrevocably appointed by the Franchisee as its attorney to do so.

- (f) The Franchisee will within 3 days pay all sums owing to the Franchisor and its subsidiaries, affiliates, and suppliers. In the event of termination for any default of the Franchisee, such amounts will include all damages, costs and expenses, including reasonable legal fees, incurred by the Franchisor as a result of the default, together with interest at the Interest Rate, which obligation will give rise to and remain, until paid in full, a lien in favor of the Franchisor against any and all of the personal property, machinery, fixtures, equipment and inventory owned by the Franchisee on the premises of the Franchised Business at the time of the default. If the Franchisee is then indebted to the Franchisor by way of loan, mortgage, arrears or otherwise, all such indebtedness and obligations will be accelerated and become immediately fully due and payable.
- (g) The Franchisee will pay to the Franchisor all the Franchisor's damages, costs, and expenses, including legal fees and costs, whether legal proceedings are commenced or not, incurred by the Franchisor in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement, whether incurred prior to or after the termination or expiration of this Agreement.
- (h) The Franchisee will immediately turn over to the Franchisor all copies of all materials in the Franchisee's possession including all POS software, the Manual, all records, files, instructions, correspondence, agreements, disclosure statements and any and all other materials relating to the operation of the Franchised Business (all of which are acknowledged to be the Franchisor's property), and will not retain any copy or record of any of those materials, excepting only the Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which the Franchisee reasonably needs for compliance with any provision of law. In addition, the Franchisee will deliver to the Franchisor a complete list of all persons employed by the Franchisee during the 3 years immediately preceding termination, together with all employment files of each employee on such list. All costs of delivering all materials required by this section will be borne by the Franchisee.
- (i) The Franchisee agrees to peaceably and promptly vacate the Location and to remove its personal property from the Location upon the termination or expiration of the Franchise Agreement and/or the Lease for the Location. Any property not so removed will be considered abandoned. If the Franchisor exercises its right to take possession of the Location, then all leasehold improvements and personal property needed to operate the Franchised Business in the Location will remain with the Franchisor.
- (j) The Franchisee will fully cooperate with any exercise by the Franchisor of its option to purchase the tangible assets of the Franchisee upon termination, such as any portion or all the smallwares, furniture, equipment, uniforms, menu boards, and any other items, including execution and delivery of all transfer documentation, and delivery of all tangible assets to be purchased.
- (k) The Franchisee will promptly notify the appropriate telephone companies, internet service providers, domain name registrars, all telephone directory listing agencies,

social media platform companies, and any other appropriate service providers or companies of the termination or expiration of its right to use any telephone number, domain name, any telephone directory or other listings, or email addresses, or social media pages or accounts associated with any Marks and will authorize the transfer of those numbers, listings, pages and accounts to, or to the direction of, the Franchisor. The Franchisee agrees to execute updated letters of direction to any telephone company, domain name registrar, service providers, social media platform companies and telephone directory listing agencies directing termination and/or transfer of the Franchisee's right to use any telephone number, domain name, email address, and social media pages and accounts associated with the Marks, which the Franchisor may hold until termination or expiration of this Agreement. The Franchisee acknowledges that as between the Franchisor and the Franchisee, the Franchisor has all rights to and interests in all telephone numbers, domain names, directory listings, email addresses, and social media pages and accounts associated with any Marks. The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any officer of the Franchisor as its attorney, to direct the appropriate telephone company, domain name registrar, service provider, social media platform companies and all listing agencies to transfer all such listings to the Franchisor or its nominee upon termination of this Agreement.

- (l) The Franchisee will do or cause to be done all matters or things as may be reasonably necessary to secure to the Franchisor the full right, use and enjoyment of all licenses and/or accreditation, or applications for licenses and accreditation, in effect at the time of termination or expiration of this Agreement and any contracts in effect or under negotiation at that time. Upon termination or expiration of this Agreement, the Franchisee will be deemed, at the Franchisor's option, to have assigned and/or transferred to the Franchisor all such licenses, accreditation, applications, and contracts. For this purpose, the Franchisee irrevocably appoints the Franchisor and any officer of the Franchisor as its attorney to execute and deliver on its behalf any assignment or transfer or other documents required to complete the assignment and transfer of any such license, accreditation, or contracts.
- (m) The Franchisee will execute any legal documents that may be necessary to carry out any termination or transfer to the Franchisor or its nominee provided for in this Agreement and will furnish to the Franchisor, within 10 days after the effective date of termination, written evidence satisfactory to the Franchisor of the Franchisee's compliance with the obligations set out in this article.
- (n) Other than as specifically set out in this article, the Franchisee will have no interest in the Franchised Business upon termination or expiration of this Agreement, provided that the Franchisee will continue to be bound by any obligation set out in this Agreement which is expressed or intended to survive the termination or expiration of this Agreement.

18.2 Goodwill

Upon termination or expiration of this Agreement, the Franchisee will receive no payment or adjustment whatsoever for any goodwill the Franchisee may have established either prior to or during its operation of the Franchised Business.

ARTICLE 19 - ADDITIONAL REMEDIES

19.1 Remedies

No right or remedy conferred upon or reserved to the Franchisor by this Agreement is intended to be, nor will it be considered, exclusive of any other right or remedy under this Agreement or by law or equity provided or permitted, but each will be in addition to every other right or remedy.

19.2 No Liability

The Franchisor will not be responsible or otherwise liable for any injury, loss, or damage resulting from, occasioned to or suffered by any person or persons or to any property because of services or products sold or otherwise provided by it or its affiliates to the Franchisee.

19.3 Indemnification of the Franchisor

- (a) The Franchisee agrees that it will, at its sole cost, at all times defend the Franchisor, any affiliate of the Franchisor, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (the Franchisor and all others referenced above being the "Indemnitees"), and indemnify and hold harmless the Franchisor and the Indemnitees to the fullest extent permitted by law, from all claims, losses, liabilities and costs incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of the Franchisee's establishment, construction, opening and operation of the Franchised Business and/or Location, including (without limitation) any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the Franchised Business and/or Location; any failure to comply with FDA and/or menu labeling laws, rules and regulations; any violation of data protection laws, rules and regulations; any claims that the Franchisor is the employer, joint-employer or co-employer of Franchisee or Franchisee's employees; any crimes committed on or near any of the premises, facilities of Franchised Business or vehicles used by the Franchised Business; all acts, errors, neglects or omissions engaged in by the Franchisee, or its contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of the Franchised Business and/or Location, whether or not any of the foregoing was approved by the Franchisor; defects in the Location the Franchisee constructs and/or operates, whether or not discoverable by the Franchisee or the Franchisor; all acts, errors, neglects or omissions of Franchisee or the Franchised Business and/or the owners, officers, directors, management, employees, agent, servants, contractors, partners, proprietors, affiliates or representatives of Franchisee or the Franchised Business (or any third party acting on Franchisee's behalf or at Franchisee's direction), whether in connection with the Franchised Business or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any delivery person or vehicle serving the Franchised Business; all liabilities arising from or related to the Franchised Business's offer, sale and/or delivery of products and/or

services as contemplated by this Agreement; and, any action by any customer of the Franchisee or visitor to the Location or any other facility of the Franchised Business.

- (b) As used above, the phrase “claims, losses, liabilities and costs” includes all claims; causes of action; fines; penalties; liabilities; losses; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys’ and experts’ fees and disbursements; settlement amounts; judgments; compensation for damage to the Franchisor’s reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Indemnitees’ attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by the Franchisee pursuant hereto, regardless of any actions, activity or defense undertaken by the Franchisor or the subsequent success or failure of the actions, activity or defense.
- (c) Specifically excluded from the indemnity the Franchisee gives hereby is any liability associated with the Franchisor’s or the other Indemnitees’ gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to the Franchisee).
- (d) The Franchisee agrees to give the Franchisor written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any Indemnitee within three days of the Franchisee’s actual or constructive knowledge of it. At the Franchisee’s expense and risk, the Franchisor may elect to assume (but under no circumstance will the Franchisor be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, the Franchisor will seek the Franchisee’s advice and counsel and keep the Franchisee informed with regard to the defense or contemplated settlements. The Franchisor’s undertaking of defense and/or settlement will in no way diminish the Franchisee’s obligation to indemnify the Franchisor and the other Indemnitees and to hold the Franchisor and them harmless.
- (e) The Franchisor will have the right, at any time the Franchisor considers appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions the Franchisor considers expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in the Franchisor’s sole judgment, there are reasonable grounds to do so. Under no circumstance will the Franchisor or the other Indemnitees be required to seek recovery from third parties or otherwise mitigate the Franchisor’s or their losses to maintain a claim against the Franchisee. The Franchisee agrees that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by the Franchisor or the other Indemnitees from the

Franchisee. The indemnification obligations of this Section will survive the expiration or sooner termination of this Agreement.

19.4 Joint and Several Liability

If two or more individuals, corporations, partnerships or other entities (or any combination of two or more of them) signs or is subject to the terms and conditions of this Agreement as Franchisee or as Guarantor, the liability of each of them under this Agreement will be joint and several.

19.5 Franchisor May Cure Default

In addition to all other remedies granted in this Agreement, if the Franchisee defaults in the performance of any of its obligations or breaches any term or condition of this Agreement or any related agreement, including any failure to pay amounts invoiced by the Franchisor, affiliates of the Franchisor or suppliers of the Franchisee (or suppliers to the Franchisor of products or services for the direct or indirect benefit of the Franchisee) or any taxing authority in accordance with the requirements of Section 9.8, or payment of any indemnity pursuant to the terms of Section 19.3, the Franchisor may, at its sole option immediately or at any time thereafter, without waiving any claim for breach and without notice to the Franchisee, cure such default for the account of and on behalf of the Franchisee. The costs and expenses incurred by the Franchisor in curing any such default will be due and payable on demand.

19.6 Franchisor May Continue Business

If this Agreement is terminated or expires, the Franchisor may, at its option, grant other franchises and/or continue to provide services to customers at the Location.

19.7 Operation of the Franchised Business by the Franchisor

To prevent any interruption of the business of the Franchised Business or any injury to its goodwill and reputation that would cause harm to the Franchised Business and thereby lower its value, the Franchisee authorizes the Franchisor, at the option of the Franchisor, to enter upon the Franchisee's business premises and operate and manage the Franchised Business:

- (a) If the Franchisee or any of the Franchisee's principals, shareholders or partners is absent or incapacitated by reason of illness or death or any non-compliance with this Agreement and if the Franchisee is not, therefore, in the opinion of the Franchisor, able to carry on the normal operation of the Franchised Business; or++
- (b) Upon the happening of some event which affects the Franchisee or any of the principals, shareholders, partners or employees of the Franchisee, which interferes with the normal operation of the Franchised Business;

For so long as the Franchisor considers necessary and practical, and without waiver of any other rights or remedies the Franchisor may have under this Agreement. If the Franchisor should operate the Franchised Business, the Franchisor will not be obligated to continue to do so and may in fact discontinue such operation at any time and without notice. All revenues from the operation of the Franchised Business during such period of operation by the Franchisor will be kept separate for the account of the Franchisee and all expenses, including reasonable compensation and expenses for the Franchisor's representatives, will be charged to the Franchisee. If the Franchisor elects to temporarily operate the Franchised Business on behalf of

the Franchisee, the Franchisee will indemnify and hold harmless the Franchisor from any loss or deficit suffered by the Franchisor because of its temporary operation of the Franchised Business, regardless of the cause, and from all claims, losses or damages of any nature whatsoever incurred by the Franchisor and its representatives during such operation.

19.8 Franchisor's Option to Purchase on Expiry or Termination

- (a) The Franchisor may, but is not obligated to, purchase the Franchisee's interest in the tangible assets of the Franchised Business (including, but not limited to, all of the Franchisee's right, title and interest in the Location, all improvements, fixtures, furniture, equipment, products, supplies, client accounts, contract rights, and other business assets), free and clear of all liens, restrictions or encumbrances, exercisable by giving written notice thereof to Franchisee within 30 days after this Agreement expires or is terminated.
- (b) The purchase price payable by the Franchisor to the Franchisee for any assets purchased by the Franchisor pursuant to this Section 19.8 shall be determined as follows:
 - (i) The purchase price for useable inventory will be equal to its invoiced cost to the Franchisee (less shipping charges and taxes); and
 - (ii) The purchase price for all other assets shall be equal to the net depreciated book value of each asset. In calculating the "net depreciated book value", all fixtures, equipment, furniture or other assets shall be deemed to have been depreciated by the maximum amount of depreciation allowed in accordance with the provisions of the Internal Revenue Code. In no event shall any amount be payable for goodwill or a going concern value created by the Marks and the System, or for any goodwill the Franchisee may have established whether prior to or during its operation of the Franchised Business.
- (c) Following delivery of written notice by the Franchisor to the Franchisee of the Franchisor's intention to exercise its option under this section, the Franchisor or its designee will have the right to take possession of the Location and to carry on and develop the Franchised Business for the exclusive benefit of the Franchisor or its designee. The Franchisor shall immediately take an inventory of all goods and calculate the purchase price therefor pursuant to this Section 19.8. The Franchisee shall not be relieved of any of its obligations under this Agreement as a result of the Franchisor's exercise of its rights hereunder and the Franchisor shall not be liable for any debts, liabilities, obligations, losses, costs, or expenses of the Franchisee existing at the time the Franchisor commences use of any assets it intends to purchase, including without limitation, any debts, liabilities, or obligations to any employee or tax authority or to any creditor of the Franchisee for any goods or services purchased or supplied prior to the date the Franchisor commences use. The Franchisee and its shareholders, officers, and directors acknowledge and agree that (i) in exercising its rights pursuant to this Section 19.8, the Franchisor is not and shall not be deemed to be enforcing any rights as creditor or secured creditor of the Franchisee or of any of its shareholders, officers, or directors and (ii) all employees of the Franchisee shall be and remain employees of the Franchisee at all times provided that the Franchisor shall not be precluded from

offering employment to any such individual(s). The Franchisor shall not, by virtue of exercising its rights hereunder, assume or be subject to any liabilities of the Franchisee to its employees, or as a related party or successor of the Franchisee including, without limitation, as employer, successor employer or joint or related employer.

- (d) If the Franchisor elects to purchase the Franchisee's interest, the Franchisee will also execute an assignment of the Lease, if applicable and if requested by the Franchisor. If the Franchisor elects to exercise its option to purchase provided in this section, it will have the right to set off against any amount payable to the Franchisee: all amounts due from the Franchisee under this Agreement or any agreement between the Franchisee and the Franchisor relating to the Franchised Business; any and all amounts due by the Franchisee to or in respect of suppliers, taxes (real estate, state sales tax, value added tax and other), utilities, landlords or the Franchisor or any affiliate of the Franchisor. If the Franchisor exercises this option, the Franchisee will, upon presentation of payment for the assets being purchased, deliver a bill of sale with the usual covenants as to title, and comply with all applicable laws. The purchase and sale contemplated by this section will be completed within 30 days of determination of the purchase price for the assets.
- (e) The Franchisor may exclude from the assets purchased hereunder cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not necessary (in function or quality) to the operation of the Franchised Business or that the Franchisor has not approved as meeting System standards, and the purchase price will reflect such exclusions. If the Franchisee fails or refuses to comply with its obligations under this Section during the option period, the Franchisor's option will be extended until 15 days after the Franchisee complies.

19.9 Right of Entry

Immediately upon termination or expiration of this Agreement, the Franchisor may enter upon, occupy and use, to the absolute exclusion of the Franchisee, all or any part of the Location and any equipment, improvements, fixtures, furnishings and property located in, on or about the Location and used in connection with the Franchised Business free of charge. The Franchisor will have the right to take all such action as it, in its absolute discretion, deems necessary or desirable to carry out the rights granted to it by this Agreement. All revenues, monies, profits, benefits and advantages derived from the management and operation of the business throughout the period of occupation will be for the exclusive account of the Franchisor provided the Franchisor will pay and discharge all debts and liabilities incurred by it during the period of its conduct of the Franchised Business. In addition, the Franchisor may, but will not be obliged to, pay all claims owing by the Franchisee to any creditor of the Franchised Business and any amounts so paid will be charged to and repaid by the Franchisee to the Franchisor immediately upon demand and until repaid will bear interest at the Interest Rate. The Franchisor will have no obligation to retain any employees of the Franchised Business nor to honor any contractual commitments previously made by the Franchisee in connection with the Franchised Business and any liability with respect to such contractual commitments will be exclusively borne and paid by the Franchisee. If the Franchisor elects to retain any such employees, such employment will be pursuant to a new employment agreement between the Franchisor and such employee(s) and will commence on the first business day on which the Franchisor carries on business from the Location. Any claim of such employee(s) for unpaid salary, vacation pay or other benefits arising from employment with the Franchisee will be the responsibility of and be paid by the Franchisee to the exclusion of the Franchisor. The right of the Franchisor to

remain in occupation of the Location and to conduct the said business will continue until the expiry of the option period set out in Section 19.8 provided that if the Franchisor elects to exercise the option set out in Section 19.8 the Franchisor's right of occupation will not expire, and will continue throughout the period preceding the closing of such transaction. If the Franchisee has entered into the Lease directly with the Landlord, as tenant under the Lease, then the occupation by the Franchisor of the Location as set out in this section will not be construed as an assignment of the lease for the Location by the Franchisee and the Franchisor will have no responsibility for payment of any rent or other charges owing under the lease except insofar as they relate to the period of its occupation of the Location.

19.10 Injunctive Relief

The Franchisor may bring an action for injunctive relief to compel the Franchisee to comply with its obligations under this Agreement to preserve and protect the System and the Marks and other proprietary rights under this Agreement and to maintain the uniformity and integrity of the System as called for under this Agreement. Where any such elements are involved, the Franchisee agrees that the balance of convenience between the parties in any such action rests with the Franchisor. During or after the period of this Agreement, the Franchisor will be entitled to both temporary and permanent injunctive relief against Franchisee from any court of competent jurisdiction, in addition to all other remedies which the Franchisor may have at law. The Franchisee consents to the entry of these temporary and permanent injunctions. Franchisee hereby waives, to the extent permitted by law, the right to assert the defense that the Franchisor has an adequate remedy at law. The Franchisee will be responsible for payment of all costs and expenses, including, reasonable attorneys' fees, which the Franchisor and/or the Franchisor's affiliates may incur in connection with the Franchisee's non-compliance with this covenant. defense

19.11 Set-Off by the Franchisor

Notwithstanding anything contained in this Agreement, upon the failure of the Franchisee to pay the Franchisor as and when due any amount of money provided for in this Agreement, the Franchisor will have the right at its option, to deduct all such amounts remaining unpaid from any moneys or credit held by the Franchisor for the account of the Franchisee. Franchisor may apply any payment from the Franchisee to any obligation due in whatever order and for whatever purposes as the Franchisor determines, whether or not there is any contrary designation by the Franchisee.

19.12 No Set-Off by Franchisee

The payment and performance by the Franchisee of the fees and other obligations under this Agreement are absolute and unconditional, irrespective of any defense or any rights of set-off or counterclaim that the Franchisee might otherwise have against the Franchisor. The Franchisee will pay all the fees due under this Agreement, free of any deductions and without abatement, diminution or set-off. Any defense or right of set-off or counterclaim must be brought by separate action. The Franchisor will not be bound by any restrictive endorsement on any payment made by the Franchisee. Upon receipt of any payment by the Franchisee, the Franchisor reserves the right to allocate such payment at its discretion, even if the Franchisee has designated the payment for a different purpose or account.

19.13 Power of Attorney

If the Franchisee does not sign and deliver to the Franchisor any document which it is required to sign and deliver pursuant to this Agreement within the time period allowed for signature and delivery, the Franchisee irrevocably appoints the Franchisor as the Franchisee's attorney with full power and authority to sign and deliver in the name of the Franchisee any such document and to do all things necessary to comply in a timely manner with the provisions of this Agreement pursuant to which the power of attorney is being utilized, and the Franchisee agrees to ratify and confirm all such acts of the Franchisor as its lawful attorney and to indemnify and save the Franchisor harmless from all claims, losses, or damages in so acting.

19.14 Charges for Late and N.S.F. Payments

All fees and payments and all amounts due for goods purchased by the Franchisee from time to time from the Franchisor or its affiliates and any other amounts owed to the Franchisor or its affiliates by the Franchisee pursuant to this Agreement or otherwise will bear interest after the due date and until paid in full at the Interest Rate, both before and after default, with interest on overdue interest at the Interest Rate. The acceptance of any payment will not be interpreted as a waiver by the Franchisor of its rights in respect of the default giving rise to such payment and will be without prejudice to the Franchisor's right to terminate this Agreement because of such default. In addition, the Franchisee agrees to pay an administrative fee of \$250 plus all applicable taxes for each payment that the Franchisee's bank refuses to honor for any reason.

19.15 Security to the Franchisor

To secure payment and performance of any and all obligations owing by the Franchisee to the Franchisor, including payment of any amount owing by the Franchisee to the Franchisor for goods purchased by the Franchisee, the Franchisee agrees to provide a general security agreement, in a form satisfactory to the Franchisor, in such of the inventory, equipment, leasehold improvements, accounts and other assets of the Franchised Business and in such amount or amounts and upon such terms as the Franchisor in its absolute discretion, determines advisable.

Legal Fees

If the Franchisor is made a party to any litigation or is threatened to be made a party to any litigation commenced by or against the Franchisee, and if the Franchisee has breached any of the terms and conditions of this Agreement or is otherwise found at fault to any extent in such litigation, then the Franchisee will indemnify and save the Franchisor harmless against any losses, damages or claims whatsoever arising from that litigation or the breach or default that gave rise to that litigation and will pay all costs and expenses including the full amount of any legal fees, accountants and expert witness fees, costs of investigation and travel and living expenses incurred or paid by the Franchisor in connection with such litigation. Where any provision of this Agreement requires payment of legal fees, the fees payable will be on a substantial indemnity basis, and will include all disbursements and taxes.

19.16 Franchisor's Withholding of Consent – Franchisee's Exclusive Remedy

In no event may the Franchisee make any claim for money damages based on any claim or assertion that the Franchisor has unreasonably withheld or delayed any consent or approval under the this Franchise Agreement. The Franchisee waives any such claim for damages. The Franchisee may not claim any such damages by way of setoff, counterclaim or defense. The

Franchisee's sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions, for specific performance or for declaratory judgment.

19.17 Franchisor's Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to the Franchisor the right to take action, refrain from taking action, grant or withhold the Franchisor's consent or grant or withhold the Franchisor's approval, unless the provision specifically states otherwise, the Franchisor will have the right to engage in such activity at the Franchisor's option taking into consideration the Franchisor's assessment of the long term interests of the System overall. The Franchisee and the Franchisor recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by the Franchisor's business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for the Franchisor's judgment. When the terms of this Agreement specifically require that the Franchisor not unreasonably withhold its approval or consent, if the Franchisee is in default or breach under this Agreement, any withholding of the Franchisor's approval or consent will be considered reasonable.

ARTICLE 20 - STATUS OF PARTIES

20.1 Independent Contractor

This Agreement does not create a fiduciary relationship. The Franchisee will be an independent contractor. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. The Franchisee will have the right to profit from its efforts, commensurate with its status as owner of the Franchised Business, and correspondingly will bear the risk of loss or failure that is characteristic of this status notwithstanding the affiliation with the System created by this Agreement.

20.2 No Liability

It is understood and agreed that nothing in this Agreement authorizes the Franchisee to make any contract, agreement, warranty or representation on the Franchisor's behalf, or to incur any debt or other obligation in the Franchisor's name, and that the Franchisor will in no event assume liability for, or be considered liable as a result of, any such action, or by reason of any act or omission of the Franchisee in its conduct of the Franchised Business or any claim or judgment against the Franchisee.

20.3 Identification

The Franchisee will conspicuously identify itself and the Franchised Business in all dealings with its customers, contractors, suppliers, public officials and others as an independent franchisee of the Franchisor, and will place such notice of independent ownership on all forms, business cards, stationery, advertising, signs, cheques and other materials and in such fashion as the Franchisor may, in its discretion, require from time to time in the Manual or otherwise.

20.4 Franchisee is the Sole and Exclusive Employer of its Employees

Franchisee hereby irrevocably affirms, attests and covenants its understanding that Franchisee's employees are employed exclusively by Franchisee and in no fashion is any such employee either

employed, jointly employed or co-employed by Franchisor. Franchisee further affirms and attests that each of its employees is under the exclusive dominion and control of Franchisee and never under the direct or indirect control of Franchisor in any fashion whatsoever. Franchisee alone hires each of its employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums, payroll taxes, Social Security contributions, Affordable Care Act contributions, unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate its employees to the exclusion of Franchisor, which has no such authority or ability. Franchisee further attests and affirms that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that the Franchised Business is at all times staffed at those levels necessary to operate the Franchised Business in conformity with the System and the products, services, standards of quality and efficiency, and other TAHINI'S brand attributes known to and desired by the consuming public and associated with the Marks. Franchisee affirms, warrants and understands that it may staff the Franchised Business with as many employees as it desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also affirms and attests that any recommendations it may receive from Franchisor regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate the Franchised Business, and that Franchisee is entirely free to disregard Franchisor's recommendations regarding such employee compensation. Moreover, Franchisee affirms and attests that any training provided by Franchisor for Franchisee's employees is geared to impart to those employees, with ultimate authority, the various procedures, protocols, systems and operations of TAHINI'S restaurant and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, then should any such appearance by Franchisee be required or requested by Franchisor will recompense Franchisee the reasonable costs associated with Franchisee appearing at any such venue (including travel, lodging, meals and *per diem* salary)

None of the Franchisee's employees will be considered to be the Franchisor's employees. Neither the Franchisee nor any of the Franchisee's employees whose compensation the Franchisee pays may in any way, directly or indirectly, expressly or by implication, be construed to be the Franchisor's employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. The Franchisor will not have the power to hire or fire the Franchisee's employees. The Franchisee expressly agrees, and will never contend otherwise, that the Franchisor's authority under this Agreement to certify certain of the Franchisee's employees for qualification to perform certain functions for the Franchisee's Business does not directly or indirectly vest in the Franchisor the power to hire, fire or control any such employee.

The Franchisee acknowledges and agrees, and will never contend otherwise, that the Franchisee alone will exercise day-to-day control over all operations, activities and elements of the Franchised Business and that under no circumstance shall the Franchisor do so or be deemed to

do so. The Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which the Franchisee is required to comply with under this Agreement, whether set forth in the Franchisor's Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that the Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which the Franchisee alone controls, but only constitute standards the Franchisee must adhere to when exercising the Franchisee's control of the day-to-day operations of the Franchised Business.

ARTICLE 21 - GENERAL PROVISIONS

21.1 Delegation by Franchisor

From time to time, the Franchisor will have the right to delegate the performance of any portion or all its obligations and duties under this Agreement to third parties, whether the same are agents of the Franchisor or independent contractors with which the Franchisor has contracted to provide such services. In addition, the Franchisor may direct the Franchisee to make any payments due under this Agreement to any such third party. The Franchisee agrees in advance to such delegation by the Franchisor of any portion or all its obligations under this Agreement. The Franchisee acknowledges and agrees that the Franchisor may not be bound, and this Agreement cannot be modified, by any person without the Franchisor's prior written consent. The Franchisee acknowledges and agrees that any such delegation of the Franchisor's duties and obligations to any third party does not assign or confer any rights under this Agreement upon such person.

21.2 Amendments

No previous course of dealing or any terms, discussions, or negotiations not specifically set forth in this Agreement will be admissible to explain, modify or contradict this Agreement. Any amendment or modification of this Agreement is invalid unless made in writing and signed by the Franchisor, the Franchisee and each Guarantor.

21.3 Further Assurances

Each of the parties agrees to sign and deliver such other documents, to cause such meetings to be held, resolutions passed, and by-laws enacted, to exercise their vote and influence and to do and cause to be done and any other acts and things necessary or desirable to give full effect to this Agreement.

21.4 Notice

Any notice required or permitted to be given under this Agreement will be in writing and may be given by email, personal service, courier or by registered or certified mail, addressed to the Franchisee or any Guarantor at:

[Name of Franchisee]
[Location of Registered Office]
Email: [Franchisee e-mail for notice]

Notice to the Franchisor should be addressed to:

TAHINI'S FRANCHISING USA CORP.

Attention: Omar Hamam
2-657 Wilton Grove Rd,
London ON N6N 1N7
Email: omar@tahinis.com

with a copy to:

Akerman LLP
Attention: Dale A. Cohen, Esq.
1251 Avenue of the Americas, 37th Floor
New York, NY 10020
Email: dale.cohen@akerman.com

The address or email address given for the delivery of a notice may be changed at any time by either party by written notice in accordance with this section. Any notice delivered personally will be received on the day delivered. Any notice delivered on a business day prior to 5pm by facsimile or email will be received on the day delivered. Any notice delivered via email must be sent with the tracking function "request a delivery receipt" enabled such that the recipient is prompted to send notification to the sender that the recipient has received such email. Any notice delivered on a business day at or after 5pm by email will be received the day immediately following the day delivered. Any notice sent by registered or certified mail will be received on the 3rd business day following the date of mailing. Any notice sent by courier will be received on the next business day following the date of dispatch.

21.5 Written Consent

Whenever this Agreement requires the prior approval or consent of the Franchisor, the Franchisee will make a timely written request to the Franchisor for such approval or consent, and such approval or consent will be obtained in writing.

21.6 No Waiver

No failure of the Franchisor to execute any power reserved to it by this Agreement, or to insist upon strict compliance by the Franchisee with any obligation or condition of this Agreement, and no custom or practice of the parties that differs from the terms of this Agreement, will constitute a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement. Waiver by the Franchisor of any particular default by the Franchisee will not affect or impair the Franchisor's rights with respect to any subsequent default of the same, similar or different nature, nor will any delay, forbearance or omission of the Franchisor to exercise any power or right arising out of any breach or default by the Franchisee of any of the terms, provisions or covenants of this Agreement, affect or impair the Franchisor's right to exercise any of its powers or rights, nor will such constitute a waiver by the Franchisor of any right under this Agreement, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by the Franchisor of any payments due to it under this Agreement will not be a waiver by the Franchisor of any preceding breach by the Franchisee of any terms, covenants or conditions of this Agreement.

21.7 Uncontrollable Circumstances

Delays in the performance of any duties under this Agreement that are not within the reasonable control of the parties due to fire, flood, natural disaster, act of God, governmental acts or orders or civil disorders including strikes (collectively, “**Catastrophic Events**”) will not cause a default under this Agreement and the other party will extend the time for performance for the period of such delay or for such other reasonable period of time as may reasonably be required, unless such Catastrophic Event permanently impairs the continuance, in whole or in part, of the Franchised Business in a normal, profitable manner, in which case Section 17.2(s) of this Agreement shall apply.

21.8 Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the Franchised Business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section 21.8 is intended to invoke the application of any franchise registration and disclosure, franchise relationship, business opportunity, antitrust, “implied covenant”, unfair competition, fiduciary or any other doctrine of law of the State of Delaware, or any other state, which given its jurisdictional scope (and absent this choice of law provision) would not otherwise apply, and Franchisee agrees to never contend otherwise..

21.9 Jurisdiction and Venue

Subject to the dispute resolution provisions of this Agreement, any action brought by either party against the other will be commenced and continued before a court of competent jurisdiction in Dover, Delaware. The Franchisee hereby waives any right to demand or have trial by jury in any action relating to this Agreement in which the Franchisor is a party. The Franchisee hereby irrevocably submits itself to the jurisdiction of any such court and waives all questions of personal jurisdiction for the purpose of carrying out this provision. The Franchisee agrees that any dispute as the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, the Location, the Franchisor may bring such an action in any state or federal district court which has jurisdiction. The Franchisee hereby waives and covenants never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of “forum non conveniens”). As used in this section of the Agreement, the term “parties” includes the Franchisee; the Franchisee’s guarantor(s); if the Franchisee is a business entity, the Franchisee’s owners, officers, directors, shareholders, partners, members, managers, agents, representatives, independent contractors, servants and employees (as applicable) and, as to each of them, whether acting in their corporate or individual capacity; any other individual entity acting or purporting to act by, through, under or under authority granted by the Franchisee; and, any affiliate of each of the foregoing.

21.10 Limitation of Claims

The Franchisee agrees not to bring any claim asserting that any of the Marks are generic or otherwise invalid. The Franchisee agrees that its sole recourse for claims arising between the parties will be against the Franchisor or its successors and assigns. The parties agree that any proceeding will be conducted on an individual, not class-wide basis, and that a proceeding between the Franchisor and the Franchisee may not be consolidated with another proceeding between the Franchisor and any other person or entity. The Franchisee and its guarantors hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between the Franchisee and the Franchisor and/or any of their affiliates, and the Franchisee and such others covenant never to advance or pursue any such claim for punitive damages. The Franchisee and such others agree that in the event of a dispute, the Franchisee and such others shall be limited to the recovery from the Franchisor of any actual damages sustained by the Franchisee or them.

21.11 Arbitration

Except with respect to any Excluded Dispute, any dispute, controversy or claim arising under, out of or relating to this Agreement and any subsequent amendment of this Agreement including, without limitation, its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims (collectively, a “**Dispute**”), shall be determined by final and binding arbitration, to the exclusion of the courts (with the exception of injunctive relief sought by the Franchisor), to be determined by one arbitrator, in accordance with the American Arbitration Association’s Rules. “**Excluded Dispute**” means any claim of the Franchisor relating to (i) preserving and protecting the Marks or other intellectual property rights under this Agreement, or to maintaining the uniformity and integrity of the System as called for under this Agreement, (ii) preserving its rights to maintain an action, (iii) collecting fees or payments that are owed to the Franchisor or its affiliates by the Franchisee, (iv) indemnification in favor of any indemnified party pursuant to this Agreement, or (v) non-compliance with Section 9.20. The sole arbitrator shall be appointed by the Franchisor and must declare himself or herself to be generally conversant with respect to franchising. The parties expressly agree to confer upon the arbitrator the powers to fill gaps, cure contractual omissions and to perform all other activities which he or she may deem necessary and/or opportune. The arbitration will be held in Dover, Delaware. The decision arrived at by the arbitrator shall be final and binding and no appeal shall lie therefrom. The award of the arbitrator shall be the sole and exclusive remedy among the parties regarding any claims and counterclaims presented to the arbitrator. The parties undertake to fully and punctually abide by the award rendered by the arbitrator, failing which judgment upon the award or any other appropriate procedures may be entered or sought in any court having jurisdiction thereof to secure enforcement of said award. The final award will be payable in the lawful currency of the United States without deduction or offset and costs, fees or taxes incidental to the enforcement of the arbitration award shall be charged in accordance with the decision of the arbitrator against a party resisting enforcement. Payment of the award including interest from the date of breach and violation shall be made in accordance with the relevant provisions of this Agreement. This Section constitutes an arbitration agreement between the parties. The costs of the arbitrator shall be shared equally by the parties, subject to the arbitrator’s ability to award costs as part of his or her judgment.

21.12 Counterparts and Electronic Execution

This Agreement may be executed and delivered by facsimile or electronic signature and in any number of counterparts, each of which shall constitute an original, and all of which together will constitute one and the same instrument.

21.13 Electronic Storage

The Franchisee acknowledges and agrees that the Franchisor may create an electronic record of any or all agreements, correspondence or other communications between them or involving third parties, and that the Franchisor may thereafter dispose of or destroy the original of any such document or record. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available. The Franchisee agrees that, notwithstanding any statute, regulation or other rule of law to the contrary, any such electronic version of this or any other agreement or correspondence between the parties will have the same legal effect, validity and enforceability as an original of any such document, even if the original of such document has been disposed of or intentionally destroyed.

21.14 Entire Agreement

This Agreement, when fully executed, will supersede all prior and existing agreements, understandings, negotiations and discussions, either oral or in writing, between the parties with respect to the subject matter of this Agreement. Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements, whether direct, indirect, collateral, express or implied, made by the Franchisor to the Franchisee.

21.15 Disclaimer

The Franchisee acknowledges that it has conducted an independent investigation of the Franchised Business, and recognizes that the business venture contemplated by this Agreement is speculative and involves business risks and that its success will be largely dependent upon the abilities of the Franchisee. The Franchisor expressly disclaims the making of, and the Franchisee acknowledges that it has not received, any representation, warranty, promise, inducement or guarantee, express or implied, oral or written, as to the potential volume, profits or success of the business venture contemplated by this Agreement or otherwise with respect to the subject matter of this Agreement.

21.16 Risk and Responsibility

The Franchisee acknowledges that the financial, business and economic success of the Franchisee's Franchised Business will be primarily dependent upon the personal efforts of the Franchisee, its management and its employees, and on economic conditions in the area where the Franchised Business is located and economic conditions in general.

21.17 Investigation and Voluntary Agreement

The Franchisee and Guarantor acknowledge that they have received, read and understood this Agreement. The Franchisee and Guarantor acknowledge that the Franchisor has provided each of them ample time and opportunity to consult with advisors of their own choosing about the

potential benefits and risks of entering into this Agreement. The Franchisee and Guarantor are entering into this Agreement voluntarily, and without threat, duress or compulsion whatsoever.

21.18 Deliveries

The Franchisee acknowledges that it received the franchise disclosure document required by any applicable franchise law, at least 14 days prior to the date on which this Agreement was executed.

Signature page follows.

IN WITNESS WHEREOF this Agreement has been executed on the date first written above.

TAHINI'S FRANCHISING USA CORP.

Per: _____
Omar Hamam, President

[Name of franchisee]

Per: _____

SCHEDULE 1 TO THE FRANCHISE AGREEMENT
LOCATION

The address of the Location is: _____.

If Franchisee is a corporation, limited liability company or partnership, the Designated Operator approved by the Franchisor to manage and operate the Franchised Business is:

Name: _____

SCHEDULE 2 TO THE FRANCHISE AGREEMENT
PERSONAL GUARANTEE

**PERSONAL GUARANTEE OF
TAHINI'S MEDITERRANEAN CUISINE FRANCHISE AGREEMENT**

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated the ____ day of _____, 20____, between Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine ("Franchisor") and _____ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor

and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of Delaware, and if the business franchised under the Franchise Agreement is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in the federal or state court having jurisdiction in Dover, Delaware. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Dover, Delaware. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Franchise Agreement.

Signature

Printed Name

Address

Signature

Printed Name

Address

**SCHEDULE 3 TO FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP**

1. **Business Entity.** Franchisee was incorporated or formed on _____, 20__, under the laws of the State of _____. Franchisee has not conducted business under any name other than your corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<u>Name of Person</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

2. **Ownership.** The following is a list of all shareholders, partners, owners or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name of Person</u>	<u>Percentage of Ownership/ Nature of Ownership</u>
_____	%/
_____	%/
_____	%/
_____	%/

This Statement of Ownership is current and complete as of _____, 20 __.

OWNER

INDIVIDUALS:

Signature

Print Name

ENTITY:

Name

By:

Title:

**SCHEDULE 4 TO THE FRANCHISE AGREEMENT
ELECTRONIC TRANSFER AUTHORIZATION**

**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO
TAHINI'S FRANCHISING USA CORP. d/b/a Tahini's Mediterranean Cuisine
("COMPANY")**

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and credit entries to Depositor's checking or savings account (select one) indicated below drawn by and payable to the order of TAHINI'S FRANCHISING USA CORP. d/b/a Tahini's Mediterranean Cuisine by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

Date Signed

Signature(s) of Depositor, as Printed Above

**Please attach a voided blank check, for purposes of setting up Bank and Transit
Numbers.**

SCHEDULE 5 TO THE FRANCHISE AGREEMENT
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) assigns, transfers and sets TAHINI’S FRANCHISING USA CORP., a Delaware corporation (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease,” a copy of which is attached hereto, respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a Tahini’s Mediterranean Cuisine Restaurant between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee’s failure to agree otherwise in writing and upon Assignor’s failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:
TAHINI’S FRANCHISING USA CORP.

By: _____
Name: Omar Hamam
Title: Chief Executive Officer
Date: _____

ASSIGNOR:

By: _____
Name: _____
Title: _____
Date: _____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

_____ (“Lessor”) has entered into a lease (the “Lease”) with _____ (“Franchisee”), for the premises located at _____ (the “Premises”). Lessor understands that Franchisee is operating an independently owned and operated franchised Tahini’s Mediterranean Cuisine business pursuant to a Franchise Agreement with Tahini’s Franchising USA Corp. (“Franchisor”), and that, as a condition of Franchisee obtaining those rights, Franchisee agreed to include the following provisions in the Lease. Therefore, Lessor hereby agrees to the following:

(a) Lessor shall notify Franchisor in writing of and upon Franchisee’s failure to cure any default by Franchisee under the Lease. Notice to Franchisor shall be sent to 2-657 Wilton Grove Road, London ON N6N 1N7, ATTN: Omar Hamam (which address may change upon certified letter to Lessor). Franchisor will have the right, but not the obligation, to cure any such default by Franchisee under the Lease within thirty (30) days after Lessor’s delivery of notice of the default.

(b) Lessor shall notify Franchisor at least ten (10) business days prior to any amendment or modification of the Lease is entered into by Lessor and Franchisee.

(c) Lessor consents to the Collateral Assignment and agrees that if Franchisor takes possession of the premises and confirms to Lessor that it has assumed the Lease as tenant (which Franchisor is under no obligation to do), Lessor will recognize Franchisor as tenant under the Lease, provided that Franchisor cures within the thirty (30) day period noted in section (b) above Franchisee’s defaults under the Lease; and

(d) Franchisor may further assign the Lease to or enter into a sublease with another franchisee, licensee, joint venture partner or other designee of Franchisor as a substitute tenant who agrees to assume the tenant’s obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Franchisor will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Restaurant.

(e) Following the termination or expiration of the Lease or Franchisee’s Franchise Agreement with Franchisor, as the case may be, Franchisor shall have the right to enter the Premises for purpose of inspecting the Premises to assure Franchisee’s compliance with its de-identification obligations (i.e., removing signage bearing the Franchisor’s trademarks, logos, and other indicia of the franchise system) and, if not sufficiently de-identified, to complete such tasks on Franchisee’s behalf. Franchisor complete such tasks as a representative of Franchisee and Lessor shall look only to Franchisee for liability or indemnification in connection with same.

(f) It is understood that Franchisor shall entitled to the benefits of the terms of herein, but is not a party to, obligated under or entitled to the benefits of any other part of the Lease, except as may be expressly set forth therein.

Dated: _____

_____, Lessor

**SCHEDULE 6-A TO THE FRANCHISE AGREEMENT
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____

**(Relationship to Franchisee - - Owner,
Shareholder, Officer, Director, Attorney,
Employee, Etc.)**

_____ (“**Franchisee**”) is a franchisee of TAHINI’S FRANCHISING USA CORP. (“**Franchisor**”) pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the “**Franchise Agreement**”).

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me (“**Confidential Information**”), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies and procedures relating to all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the Franchisor’s system for establishing and operating Tahini’s Mediterranean Cuisine restaurants (the “**System**”); Franchisor’s Confidential Operating Manual (as same may be amended from time to time, the “**Manual**”); supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner

of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession and/or utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of two (2) years immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two (2) years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any competitive business, if the other business is located within ten miles of Franchisee's Tahini's Mediterranean Cuisine restaurant or within ten miles of any Tahini's Mediterranean Cuisine business (whether Franchisor-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of five percent (5%) of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of Confidential Information set forth in this Agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful

utilization of Franchisor’s Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor’s enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys’ and experts’ fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the franchised business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, “implied covenant”, unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Dover, Delaware. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Dover, Delaware.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

(Print Name)

Witness/Date

(Signature)

(Date)

**SCHEDULE 6-B TO THE FRANCHISE AGREEMENT
CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)**

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____

**(Relationship to Franchisee - - Non-
Managerial Employee, Etc.)**

_____ (“**Franchisee**”) is a franchisee of TAHINI’S FRANCHISING USA CORP. (“**Franchisor**”) pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the “**Franchise Agreement**”).

I agree that during the term of my employment by, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me (“**Confidential Information**”), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies and procedures relating to all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the Franchisor’s system for establishing and operating Tahini’s Mediterranean Cuisine restaurants (the “**System**”); Franchisor’s Confidential Operating Manual (as same may be amended from time to time, the “**Manual**”); supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner

of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association or service, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession and/or utilized during my employment, association or service.

I acknowledge that violation of this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of the restrictions on the use of Confidential Information set forth in this Agreement. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of this Agreement.

If all or any portion of this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the franchised business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Dover, Delaware. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Dover, Delaware.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

(Print Name)

Witness/Date

(Signature)

(Date)

**SCHEDULE 7 TO THE FRANCHISE AGREEMENT
ACKNOWLEDGMENT ADDENDUM**

CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN FRANCHISEES SHOULD NOT COMPLETE THIS ACKNOWLEDGMENT ADDENDUM. IF A FRANCHISEE IN ONE OF THESE STATES DOES SO, WE WILL DISREGARD AND NOT RELY ON THE ACKNOWLEDGMENT ADDENDUM. IF YOU ARE A MARYLAND OWNER/RESIDENT OR A FRANCHISEE OPERATING IN MARYLAND, YOU MUST NOT SIGN THIS DOCUMENT.

As you know, you and we intend to enter into a Franchise Agreement for the operation of a Tahini's Mediterranean Cuisine franchise. This Acknowledgment Addendum must be completed prior to the final execution of a Franchise Agreement. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand certain terms, conditions, and restrictions associated with the offer and sale of the franchise and the operation of a Tahini's Mediterranean Cuisine franchise. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you or a representative receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing this Acknowledgment Addendum and Franchise Agreement? Check one: Yes or No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: Yes or No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one: Yes or No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document or Franchise Agreement? Check one: Yes or No. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Did any employee or other person speaking on behalf of Tahini's Franchising USA Corp. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Tahini's Mediterranean Cuisine franchise location or business, or the likelihood of success at your franchised business? Check one: Yes or No. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Did any employee or other person speaking on behalf of Tahini's Franchising USA Corp. make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the

information contained in the Disclosure Document. Check one: Yes or No. If yes, please comment: _____

7. Do you understand that that the franchise granted is for the right to develop and operate a Tahini's Mediterranean Cuisine franchise at a Location approved by us, as stated in Franchise Agreement Section 5.1, and that, according to Franchise Agreement Section 3.4, we and our affiliates have the right, regardless of the proximity to your Tahini's Mediterranean Cuisine franchise, to: (a) operate and to grant others the right to operate Tahini's restaurants at any location, including at a location immediately proximate to your Franchised Business; (b) acquire and convert to Tahini's restaurants any business, whether independent or franchised, including at a location immediately proximate to your Franchised Business at the Location; (c) operate and to grant others the right to operate, at any location, including at a location immediately proximate to the Franchised Business at the Location, restaurants under trade names and trademarks other than the Marks if such restaurants are directly or indirectly acquired by us or our affiliates or if we or our affiliates have acquired directly or indirectly the rights and obligations of the franchisor of such restaurants and/or to require all or any part of the System (including the Franchised Business) to be re-branded under such alternative marks or names; (d) use and license the use at any location, including at a location immediately proximate to the Franchised Business at the Location, of alternative proprietary marks or methods in connection with the operation of businesses under names which are not the same as or confusingly similar to the Marks, which businesses may be the same as, or similar to, or different from the Franchised Business and/or to require all or any part of the System (including the Franchised Business) to be re-branded under such alternative marks or names; (e) distribute or grant others the right to distribute products or services identified by the Marks through not only Tahini's restaurants, but through any other distribution method which may from time to time be established by us, including but not limited to grocery and retail distribution, food trucks, wholesale distribution, or any form of direct-to consumer distribution, anywhere, including at a location immediately proximate to the Franchised Business at the Location; and (f) engage in any other activities at any location not expressly prohibited in the Franchise Agreement. Check one: Yes or No. If no, please comment: _____
8. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not set out in the Disclosure Document or Franchise Agreement will not be binding? Check one: Yes or No. If no, please comment: _____
9. Do you understand that the success or failure of your Tahini's Mediterranean Cuisine franchise will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the "Tahini's Mediterranean Cuisine" trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Tahini's Mediterranean Cuisine franchise may change? Check one Yes No. If no, please comment: _____
10. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Franchise Agreement Section 9.20 and that an injunction is an appropriate remedy to protect the interests of the Tahini's Mediterranean Cuisine System if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly in Franchise Agreement Section 9.20,

such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one () Yes or () No. If no, please comment:

11. On the receipt page of the Disclosure Document you identified _____ as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction? Check one () Yes or () No. If no, please identify any additional franchise sellers involved with this transaction: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ACKNOWLEDGMENT ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT ADDENDUM.

Signed: _____
Print Name: _____
Date: _____

APPROVED ON BEHALF OF
TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Title: _____
Date: _____

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act. Any release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

**SCHEDULE 8 TO THE FRANCHISE AGREEMENT
STATE AMENDMENTS**

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF HAWAII**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq.* To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act.
- d. If the Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control.
- e. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

2. The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

3. The following Sections and language are removed from the Agreement and Schedules to the Agreement:

- a. Sections 1.5 (Franchisee’s Independent Investigation), 21.15 (Disclaimer), 21.16 (Risk and Responsibility), 21.17 (Investigation and Voluntary Agreement), and 21.18 (Deliveries);
- b. In Section 2.8 (Schedules), “Schedule 7 - Acknowledgment Addendum”;
- c. In Section 21.14 (Entire Agreement), “Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements, whether direct, indirect, collateral, express or implied, made by the Franchisor to the Franchisee.” ;and
- d. Schedule 7 (Acknowledgment Addendum).

4. Section 6.1 of the Agreement shall be amended to add the following language at the end of the first paragraph:

"We will defer all initial franchise fees owed to us by you until such time as all initial obligations owed to you have been fulfilled by us and you have commenced business operations. This deferral is imposed by the Illinois Attorney General's Office due to our financial condition."

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI’S FRANCHISING USA CORP.
d/b/a Tahini’s Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. Section 9.20 of the Agreement is amended to reflect the requirement under Indiana Code 23-2-2.7- 1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
2. Sections 1.5 and 21.15-21.18 of the Agreement are amended to state that they are subject to Indiana Code 23-2-2.7-1 (10).
3. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Section 21.9 the Franchise Agreement.
4. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine ("Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §§ 14-201 *et seq.* (2015 Repl. Vol.) (the "Law"). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Law.
- b. Any acknowledgments or representations of the Franchisee made in the Agreement which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law.
- c. A Franchisee may bring a lawsuit in Maryland for claims arising under the Law.
- d. Nothing in the Agreement shall act to reduce the 3 year statute of limitations afforded a Franchisee for bringing a claim arising under the Law. Any claims arising under the Law must be brought within 3 years after the grant of the franchise.

2. The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

3. The following Sections and language are removed from the Agreement and Schedules to the Agreement:

- a. Sections 1.5 (Franchisee's Independent Investigation), 21.15 (Disclaimer), 21.16 (Risk and Responsibility), 21.17 (Investigation and Voluntary Agreement), and 21.18 (Deliveries);

- b. In Section 2.8 (Schedules), "Schedule 7 - Acknowledgment Addendum";
- c. In Section 21.14 (Entire Agreement), "Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements, whether direct, indirect, collateral, express or implied, made by the Franchisor to the Franchisee."; and
- d. Schedule 7 (Acknowledgment Addendum).

4. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF MICHIGAN**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MICHIGAN LAW MODIFICATIONS

The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

The following Sections and language are removed from the Agreement and Schedules to the Agreement:

1. Sections 1.5 (Franchisee's Independent Investigation), 21.15 (Disclaimer), 21.16 (Risk and Responsibility), 21.17 (Investigation and Voluntary Agreement), and 21.18 (Deliveries);
2. In Section 2.8 (Schedules), "Schedule 7 - Acknowledgment Addendum";
3. In Section 21.14 (Entire Agreement), "Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements, whether direct, indirect, collateral, express or implied, made by the Franchisor to the Franchisee."; and
4. Schedule 7 (Acknowledgment Addendum).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The provisions of this Amendment form an integral part of, and are incorporated into the Agreement. This Amendment is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the Franchised Business will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of each of Sections 1.5 and 21.15-21.8 of the Agreement:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. Section 6.1 of the Agreement shall be amended to add the following language at the end of the first paragraph:

Based upon the franchisor's financial condition, the State of Minnesota Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the first franchise is open.

4. The following sentence is added to the end of Article 4 ("TERM") and Article 17 ("DEFAULT AND TERMINATION"):

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of franchise agreements.

5. The following sentences are added to the end of Section 21.9 of the Agreement:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. The following sentence is added to the end of Section 21.10 of the Agreement:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

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

8. The provisions of this Amendment will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act and the Rules and Regulation promulgated thereunder are met independently of this Amendment.

9. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Agreement.

10. Except as expressly modified by this Amendment, the Agreement remains unmodified and in full force and effect.

11. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

12. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine ("Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The provisions of this Amendment form an integral part of, and are incorporated into the Agreement. This Amendment is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of New York; (b) Franchisee is a resident of the State of New York; and/or (c) the Franchised Business will be located or operated in the State of New York.
2. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. Any capitalized terms that are not defined in this Amendment will have the meaning given them in the Agreement.
4. The provisions of this Amendment will be effective only to the extent that the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently of this Amendment.
5. Except as expressly modified by this Amendment, the Agreement remains unmodified and in full force and effect.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine ("Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Delaware law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than Delaware law, as stated in Section 21.8 of the Agreement.

2. The State of North Dakota has determined that requiring franchisee to sign a general release upon renewal of a this agreement to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee to sign a general release as a condition of renewing the franchise agreement is deleted.

3. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.

4. Section 6.01 of the Agreement shall be amended to add the following language:

The State of North Dakota is requiring the franchisor to defer payments of the initial franchise fees until such time as the franchise under the Agreement is operational.

5. Section 19.10 of the Agreement shall be amended to add the following language

The State of North Dakota has determined that requiring franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. Section 21.9 of the Agreement ("Jurisdiction and Venue"), shall be amended to include the following language:

The State of North Dakota has determined that requiring the franchisee to consent to a waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in this Agreement that a franchisee waive a jury trial is deleted.

7. Liquidated damages and termination penalties are prohibited by law in the state of North Dakota and, therefore, Article 17 of the Agreement is amended by deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein: "Notwithstanding any such termination, and in addition to your other obligations, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, you shall be, continue and remain liable to us for any

and all damages which we have sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on your part until the end of the Term.”

8. Any provisions in the Agreement (including but not limited to Sections 21.9 and 21.10) which require the franchisee to waive the right to a jury trial or to exemplary or punitive damages are deleted from any agreements issued in the State of North Dakota.

9. Any provision in the Agreement (including Section 21.10) which requires the franchisee to consent to a limitation of claims is deleted from any agreements issued in the State of North Dakota. Instead, the statute of limitations under North Dakota law applies.

10. Section 21.11 of the Agreement (“Jurisdiction and Venue”), shall be amended to include the following language

The State of North Dakota has determined that parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

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

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

RHODE ISLAND MODIFICATIONS

1. The following language is added to Section 21.9:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independently of this Addendum. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF SOUTH DAKOTA**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

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

2. The Securities Regulation Office has determined the Franchisor's financial condition is not adequate to fulfill its obligations to franchisees at this time and thus, pursuant to SDCL 37-5B-5, the Franchisor has agreed to defer its initial franchise fees until such time as the franchise is operational.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF VIRGINIA**

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

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Virginia Retail Franchising Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20____.

FRANCHISOR:

TAHINI’S FRANCHISING USA CORP.
d/b/a Tahini’s Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Non solicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**AMENDMENT TO FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

The Tahini's Mediterranean Cuisine Franchise Agreement between _____ ("Franchisee" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

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

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**EXHIBIT C TO THE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT**



**TAHINI'S FRANCHISING USA CORP.
AREA DEVELOPMENT AGREEMENT**



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- A DEVELOPMENT TERRITORY
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- C GUARANTEE
- D INFORMATION REGARDING AREA DEVELOPER
- E STATE AMENDMENTS



This AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of _____ between Tahini's Franchising USA Corp., a Delaware corporation with its principal office at 2-657 Wilton Grove Rd, London ON N6N 1N7 ("we," "us," "our" or "Franchisor") and _____, whose principal address is _____ ("you", "your" or "Area Developer").

1. INTRODUCTION

1.01 The Tahini's Restaurant Businesses, System and Proprietary Marks

As a result of the expenditure of time, skill, effort and money, we and our affiliates have developed a proprietary system for opening and operating businesses ("Tahini's Businesses" or "Businesses") that operate take-out and delivery restaurants ("Restaurants") specializing in the sale of high-quality Middle Eastern cuisine such as shawarma, falafel, kababs, and salads (the "Tahini's Restaurant System" or the "System"). The System makes use of the mark "TAHINI'S" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (together, the "Proprietary Marks").

1.02 The Area Franchise

You wish to obtain the right to acquire and operate Tahini's Restaurant franchises in the geographical area (the "Development Territory") set forth in Exhibit A to this Agreement and pursuant to a development schedule (the "Development Schedule") defined and set forth in Section 6.01 of this Agreement. We wish to grant you the right to acquire and operate Tahini's Restaurant franchises in the Development Territory and pursuant to the Development Schedule upon the terms and subject to the conditions set forth in this Agreement.

2. GRANT OF AREA DEVELOPMENT RIGHTS

2.01 Area Development Rights

We grant you, and you accept, the right to and obligation to acquire and operate an area development business in connection with which you will develop franchised Tahini's Restaurant Businesses in the Development Territory pursuant to the Development Schedule and upon the terms and subject to the provisions of this Agreement and the terms of each Unit Franchise Agreement (referred to individually as a "Franchise Agreement" and collectively as the "Franchise Agreements") to be entered into between you and us, and all agreements related to the Franchise Agreements.

3. TERRITORY

3.01 Territorial Grant

You undertake to own and operate the franchised Tahini's Restaurant Businesses listed in Section 6.01 of this Agreement within the Development Territory set forth by map or written description in Exhibit A of this Agreement.

3.02 Our Restrictions

Within the Development Territory, we, our parents/owners, affiliates, and subsidiaries (together, the "Affiliates") will not operate a business of the type contemplated by this Agreement and franchised under the Franchise Agreements, or enter into any other agreement granting rights to own, develop, or operate Tahini's Restaurant Businesses, all so long as you are not in default under this Agreement and all other related agreements, and except as provided in Section 3.03 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

3.03 Rights We Reserve

You acknowledge that we and our Affiliates may have, and may later acquire or develop, rights and property that are not granted to you or may not be designated as part of the Tahini's Restaurant System. You further acknowledge that this Agreement does not create any form of franchise or license with respect to those rights, all of which remain our property. We reserve those rights and all rights not expressly granted in this Agreement. These rights will not be qualified or diminished in any way by implication. For example, and without limitation, we or our Affiliates may own, operate or authorize others to own or operate Tahini's Restaurant Businesses or any other form of Tahini's Restaurant business subject only to the territorial restrictions provided in Section 3.02 and engage in or authorize others to conduct at any location any form of business including any type of product or service not offered under the Proprietary Marks. Without limiting the generality of this paragraph, the following specific rights are reserved to us and our Affiliates and the franchisees of our Affiliates, and we and our Affiliates and the franchisees of our Affiliates alone may engage in the following activities:

- (a) sell within and outside your Development Territory through any methods of distribution other than a dedicated Tahini's Restaurant Business, including, without limitation, the internet/worldwide web and other forms of electronic commerce; online networks; "800" or similar toll-free telephone numbers (other than those we establish and make available to you for use in your franchised Business(es) hereunder); mail order; catalogues; direct marketing campaigns, including mail and phone solicitations; and, television sales, including "infomercials" (together, "Alternative Distribution Channels");
- (b) operate, and to grant others the right to operate, franchised businesses located anywhere outside the Development Territory under any terms and conditions we and our Affiliates deem appropriate and regardless of their proximity to the Development Territory or their actual or threatened impact on sales within the Development Territory, or, after default by the Area Developer, at any location(s) within the Development Territory that we may select from time to time;
- (c) develop and license the use of, at any location (whether within or outside the Development Territory), names and marks other than the Marks, in connection with the operation of a business which offers for sale at retail, or distributes products

- and/or services similar to those sold under the System, on such terms and conditions as the we, in our sole business judgment, deems prudent or desirable;
- (d) develop, market, own, operate or participate in any business other than a franchised business under the Marks or any other trademarks;
 - (e) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by the Tahini's Restaurant Business, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating within the Development Territory;
 - (f) be acquired (in whole or in part and regardless of the form of transaction), by a business providing products and services similar to those provided by a Tahini's Restaurant Business, or by another business, even if such business operates, franchises and/or licenses a business involved in the offer or sale of products or services which are the same as or similar to those offered by a Tahini's Restaurant Business and even if it competes with a Tahini's Restaurant Business within the Territory;
 - (g) establish and operate, or grant others the right to establish and operate, Non-Traditional Locations anywhere, including within the Development Territory; and
 - (h) do such things and transact such business that this Agreement does not expressly grant to or confer upon the Area Developer.

For purposes of this Agreement, "Non-Traditional Locations" means any non-traditional Tahini's operations, which shall include, but are not limited to: enclosed malls (provided the location does not have exterior access), institutions (such as hospitals, colleges, universities or other schools), airports, parks (including theme parks), military bases and sports arenas or stadiums, train stations, travel plazas, and entertainment venues that are subject to exclusive food vending rights of third parties or for which the Area Developer is otherwise precluded from obtaining occupancy or vending rights.

You waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding to register a compliant with any governmental entity, directly or indirectly contending otherwise.

4. TERM

4.01 Term

The term ("Term") of this Agreement will be for a period beginning on the date we sign this Agreement and extending until the earlier of either the actual or scheduled Date of Execution of the last Franchise Agreement executed pursuant to this Agreement and specified in Section 6.01 of this Agreement, unless sooner terminated in accordance with the provisions of this Agreement.

4.02 Notice of Expiration

If applicable law requires us to give notice of expiration to you at a specified time before the expiration of the Term of this Agreement, and we have not done so, then the term of this Agreement will be extended on a month-to-month basis until we have given you the required notice of expiration and the required period before the expiration of the Agreement becomes effective has expired.

5. AREA DEVELOPMENT FEE; DISCOUNTED INITIAL FRANCHISE FEES

5.01 Area Development Fee; Discounted Initial Franchise Fees

In consideration of our execution of this Agreement, you agree to pay us an area development fee calculated by multiplying the aggregate number of franchised Businesses which you are required to establish and operate pursuant to Section 6.01 of this Agreement by the sum of \$10,000 (the "Area Development Fee"). The Area Development Fee is payable in full when you sign this Agreement and will be fully earned when paid. You recognize that we have incurred administrative and other expenses in relation to this Agreement, and that our development opportunities have been lost or curtailed as a result of the territorial rights granted to you in this Agreement. Therefore, we will not refund the Area Development Fee in whole or in part, under any circumstance.

Your Initial Franchise Fee (as defined in the Franchise Agreement) for each Tahini's Business for which you sign a unit Franchise Agreement pursuant to this Agreement will be discounted to an amount that is fifty percent (50%) of our then-current Initial Franchise Fee charged to unit franchisees, up to the limited number of Businesses on the Development Schedule, less the \$10,000 per franchised Business paid in accordance with the preceding paragraph.

6. DEVELOPMENT SCHEDULE

6.01 Development Schedule

For so long as this Agreement is in effect and you are not in default under the terms of this Agreement or any Franchise Agreement, you will have the right and obligation to execute Franchise Agreements for and commence operations of Tahini's Restaurant Businesses pursuant to the development schedule below (the "Development Schedule"). The Development Schedule sets forth the date on which you must execute the Franchise Agreement for each Business (the "Date of Execution") and the date no later than which you must commence operations of each Business under each Franchise Agreement (the "Commencement of Operations Date").

Business Number	Date of Execution of Franchise Agreement	Commencement of Operations Date
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

You may not develop or commence operations of more than the number of Businesses set forth above without first obtaining our written consent.

A Tahini's Restaurant Business will be considered "developed" if: (a) the Franchise Agreement for the Business has been signed by you and us, and (b) the Tahini's Restaurant

Business has commenced operations in accordance with the Franchise Agreement governing the Business.

6.02 Failure to Fulfill Development Obligations

Except as provided in Section 17.01 below (“Unavoidable Delay or Failure to Perform [Force Majeure]”), if you fail to adhere to the Development Schedule in Section 6.01 by either: (1) failing to execute the Franchise Agreement for each franchised Business on or before the Date of Execution specified above, or (2) failing to commence operations of each franchised Business on or before the applicable Commencement of Operations Date specified above, then this will constitute a material breach of this Agreement, which, unless you cure it as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated immediately.

Termination of this Agreement for this reason will not be a termination (constructive or otherwise) of any Unit Franchise Agreement(s) entered into by you and us under which you have already commenced the operation of the franchised Tahini’s Restaurant Businesses covered by the Unit Franchise Agreement(s) if you have fully performed and otherwise been in compliance with all of your obligations under the Unit Franchise Agreement(s) in question. The undeveloped balance of your Development Territory will revert to us, and we may operate or franchise Tahini’s Restaurant Businesses within the undeveloped balance of the Development Territory without in any way being in violation of this Agreement. This remedy of ours will be in addition to whatever other remedies we may have at law or in equity.

6.03 Time is of the Essence

Subject to the provision of Section 17.01 below (“Unavoidable Delay or Failure to Perform [Force Majeure]”), your timely performance of your obligations under Article 6 of this Agreement is of material importance and is of the essence to this Agreement.

7. EXECUTION OF FRANCHISE AGREEMENTS

7.01 Execution of Franchise Agreements

You and we will execute a Franchise Agreement for each Business provided for in the Development Schedule. Each Franchise Agreement will be in the form of our then-current Franchise Agreement, modified as follows: (a) you need only pay the discounted Initial Franchise Fee (as defined in the Franchise Agreement) in accordance with Section 5.01 hereof, and (b) the Royalty Fee (as defined in the Franchise Agreement), Advertising Fee (as defined in the Franchise Agreement), and local advertising requirements imposed on you by the Franchise Agreement will not be greater than those set forth in the first Franchise Agreement that you will sign (a copy of which is attached to the Franchise Disclosure Document that has been delivered to you). Each Franchise Agreement will be executed according to the following procedure:

- (1) Not less than thirty days (and no more than sixty days) before the scheduled Date of Execution of the Franchise Agreement for the franchise to be conveyed, you will request in writing (by email or in accordance with the Notices provision herein) that we furnish to you a copy of our then-current applicable Tahini’s Restaurant Franchise Disclosure Document, including our then-current applicable form of Tahini’s Restaurant Franchise Agreement, modified as provided above (collectively, the “Franchise Disclosure Document”).
- (2) Promptly upon receipt of your request, we will deliver to you a copy of our then-current Franchise Disclosure Document. You must acknowledge receipt by executing the Receipt form prescribed in the Franchise Disclosure Document and promptly returning the Receipt to us.
- (3) No sooner than fourteen calendar days but no later than twenty business days after you receive our Franchise Disclosure Document, you must, by written notice, notify us as to whether

or not you elect to execute our then-current form of Franchise Agreement (modified as provided above) for the Business.

(4) Promptly upon our receipt of your notice that you elect to execute our then-current form of Franchise Agreement (modified as provided above), we will furnish to you one or more execution copies of the Franchise Agreement. Promptly upon receipt of these execution copies, you must execute them and return them to us.

If you fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (1), (2), (3) or (4) above in a timely fashion, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately on notice to you, with no opportunity to cure.

8. OUR DUTIES

8.01 Duties of Franchisor

So long as you are not in default of this Agreement or the Franchise Agreements, we will grant you the right and obligation to acquire and operate Tahini's Restaurant franchises in the Development Territory and pursuant to the Development Schedule, upon the terms and subject to the provisions of this Agreement and the terms of each Franchise Agreement entered into between you and us and of all documents related to this Agreement and the Franchise Agreement, and to use solely and in connection with these Franchise Agreements the Tahini's Restaurant System as it may be changed, improved, modified or further developed from time to time, in the Development Territory as defined in this Agreement and upon the terms and subject to the provisions of this Agreement and the terms of all documents related to this Agreement and the Franchise Agreements.

Pursuant to the Franchise Agreements and under their terms, we will offer and perform the training, instruction, assistance and other activities for which the Franchise Agreements provide.

9. YOUR DUTIES

9.01 Payments to Us

In addition to all other payments under this Agreement, you agree to pay us (or our Affiliates) immediately upon demand:

1. All sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by us or our Affiliates (excluding any corporate income taxes imposed on us or our Affiliates) because we or our Affiliates have furnished services or products to you or collected any fee from you.
2. All amounts we advanced, or which we have paid, or for which we have become obligated to pay, on your behalf for any reason.
3. All amounts due to us (or our Affiliates) any other reason.

All payments due to us from you under this Agreement must be paid by cheque transmitted to our headquarters address, except that we reserve the right to require deposit of payments elsewhere and/or payment by wire transfer or other form of electronic funds transfer.

9.02 Compliance with Franchise Agreement, Brand Standards, and Laws, Rules and Regulations

You agree to abide by and faithfully adhere to the terms of each Franchise Agreement signed pursuant to this Agreement.

You further agree, in regard to your area development business hereunder, to abide by and faithfully adhere to our confidential operating manuals (the "Brand Standards"). The Brand Standards may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; computer software; other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other now or hereafter developed medium capable of conveying the Brand Standards' contents. The Brand Standards will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your franchised Business. You must at all times operate your area development business in strict compliance with the Brand Standards. We have the right to prescribe additions to, deletions from or revisions of the Brand Standards (the "Supplements to the Brand Standards"), all of which will be considered a part of the Brand Standards. All references to the Brand Standards in this Agreement will include the Supplements to the Brand Standards. Supplements to the Brand Standards will become binding on you as if originally set forth in the Brand Standards, upon being delivered to you.

You further agree to develop and operate the franchised Tahini's Restaurant Businesses in strict compliance with all applicable laws, rules and regulations of all governmental authorities; to comply with all applicable wage, hour and other laws and regulations of the federal, state and local governments; to prepare and file all necessary tax returns; to pay all taxes imposed upon you related to the Businesses; and, to obtain and keep in good standing all necessary licenses, permits and other required forms of governmental approval required of you.

9.03 Indemnification

You hereby agree that you will, at your sole cost, at all times defend, reimburse, indemnify and hold harmless us, our Affiliates, and the corporate affiliates, subsidiaries, successors, assigns and designees of each, and the respective directors, officers, employees, agents, attorneys, shareholders, designees, contractors and representatives of each (we and all others referenced above, the "Indemnitees"), to the fullest extent permitted by law, against all claims, losses, liability and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based, upon, is a result of or is related to any of the following:

1. Any element of your entry into this Agreement;
2. Claims of any type or nature advanced by or against you or any of your officers, directors, shareholders, partners, proprietors, management, agents, employees, affiliates representatives and contractors (or any third party acting on your behalf or at your direction) by a third party (or, as applicable, against a third party) or between or among themselves;
3. Your alleged or actual infringement or violation of any patent, mark or copyright or other proprietary right owned or controlled by third parties;

4. Your alleged or actual violation or breach of any contract, federal, state, local, foreign or other law, rule or regulation;
5. Libel, slander or any other form of defamation by you;
6. Your alleged or actual violation or breach of any warranty, representation, agreement or obligation set forth in this Agreement;
7. Any acts, errors, neglects or omissions by you and/or your officers, directors, shareholders, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives (or any third party acting on your behalf or at your direction), whether or not any of the foregoing was approved by us;
8. Any damage to the property, or injury or death, suffered by you, us, any of our Affiliates, or their, our or your officers, directors, management, agents, employees and contractors, including (without limitation) any property damage, injury or death suffered or caused by any contractor or vehicle serving your area development business hereunder;
9. Any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of any federal, local or state labor and/or wage and hour laws, rules or regulations);
10. Your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or your area development business hereunder; and
11. All activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 12.02) of any interest whatsoever in your area development business hereunder; and, any action by any visitor to any facility operated in conjunction with your area development business hereunder.

As used herein, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by the Indemnitees' attorneys and/or experts); all expenses of compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Indemnitees' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any action, suit, proceeding, claim, demand, inquiry or any other event that could be the basis for a claim for indemnification hereunder by any

Indemnitee within three days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Indemnitees and to hold us and them harmless. If you or any of your affiliates and the Indemnitees (or any one of them) are named as co-defendants, and there is a conflict of interest between them such that they cannot be represented by common counsel, then the Indemnitees may retain separate counsel at your expense and you will promptly reimburse the Indemnitees for all costs and attorneys' fees incurred upon request and as they are incurred.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnitee is a defendant without our prior written consent, which we may grant or withhold in our sole discretion and business judgment. Under no circumstances will we or the other Indemnitees be required to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by us or the other Indemnitees from you. The indemnification obligations of this Section 9.03 will survive the expiration or sooner termination of this Agreement.

9.04 Business Entity Area Developer Requirements

If you are a corporation, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

1. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form annexed hereto as Exhibit D; any shareholders, partnership, membership, buy-sell or equivalent agreements and documents; and, a list of all your officers, directors and managers (as applicable).
2. Confine your activities to the operation of your franchised Business, and your governing documents must provide that your activities are confined exclusively to the operation of your franchised TAHINI'S Business(es).
3. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.
4. Maintain stop transfer instructions against the transfer on the records of any of your equity securities, and not issue or have outstanding any securities on the face of which the following printed legend does not legibly and conspicuously appear:
"The transfer of this security is subject to the terms and conditions of an Area Development Agreement with Tahini's Franchising USA Corp., dated _____. Reference is made to the provisions of this Area Development Agreement and to the governing documents of the issuer. Please refer to those documents for the terms of the restrictions."
5. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any interest in you is restricted by the terms

of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised TAHINI'S Business(es) pursuant to one or more area development and/or franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Area Development Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the Tahini's Franchising USA Corp. Area Development Agreement, the parties hereto agree that the provisions of such Area Development Agreement will supersede the same and that the parties hereto will enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the Tahini's Franchising USA Corp. Area Development Agreement."

6. Without our prior written consent (which will not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

9.05 Best Efforts; Cooperation with Us

You agree to act in good faith and use your best efforts to comply with your obligations under this Agreement, and to cooperate with us in accomplishing the purposes of this Agreement.

9.06 Your Participation in Operations

A. You agree to devote your full time and efforts to the performance of your duties under this Agreement, and a failure to do so will constitute a material breach of this Agreement, which, unless cured as provided in Section 15.03 of this Agreement, will result in this Agreement being terminated in accordance therewith.

B. Upon the execution of this Agreement, you must designate, and must retain at all times during the Term, an individual to serve as your business manager to oversee the general development and operation of your Restaurants ("Area Manager"). If you are an individual, you must perform all obligations of the Area Manager. If you are a business entity, prior to engaging the services of an Area Manager, you must identify such individual to us. The Area Manager must be qualified and approved, in our business judgment, to oversee multi-unit operations and must have attended and successfully completed, or promptly attend and successfully complete, our Initial Training Program (as described in the first unit Franchise Agreement we sign for your first TAHINI'S Business, for form of which is attached hereto). The Area Manager must execute the "Confidentiality and Non-Competition Agreement" attached as Exhibit B-1 to this Agreement.

1. The Area Manager must maintain a direct or indirect ownership interest of not less than ten percent (10%) in you. Except as may otherwise be provided in this Agreement, the Area Manager's interest in you must be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Area Manager must execute this Agreement, and must be individually, jointly and severally, bound by all your obligations hereunder.

2. You may, at your option and subject to our written consent, designate one or more district managers to work under the supervision of the Area Manager to supervise the operation of all Restaurants developed and operated by you (and, if applicable, your affiliates) within a geographic subset of all Restaurants to be developed and operated pursuant to this Agreement (each a "District Manager"); provided however, that you and your Area Manager will remain fully responsible for any District Manager's performance. The District Manager, if appointed, must also be identified to us and approved by us, must promptly attend and successfully complete our Initial

Training Program (at your expense), and must execute the “Confidentiality and Non-Competition Agreement” attached as Exhibit B-1 to this Agreement.

3. Unless a District Manager is designated pursuant to Section 9.06(B)(2), your Area Manager must devote full time and best efforts to the supervision of the Restaurants operated by you and, if applicable, your affiliates, and, without our written consent, must not engage in any other business. The foregoing provision will not apply if a District Manager is designated, provided, the District Manager must devote his or her full time and best efforts to the supervision and operation of the Tahini’s Restaurants conducted by you and, if applicable, your affiliates.

4. You may also appoint several Restaurant-level managers (each, a “Restaurant General Manager”) to oversee the day-to-day operations of each of the Restaurants developed and operated by you (and, if applicable, your affiliates) pursuant to this Agreement, in accordance with the terms of the Franchise Agreement for each Restaurant developed hereunder. Each General Manager must execute such confidentiality and/or non-competition agreement as required by the applicable Franchise Agreement.

5. The Business Manager, any District Manager and any Restaurant General Manager must meet our qualifications, as set forth in this Agreement, the Brand Standards, or otherwise in writing and, without limitation, must be empowered with authority to act for and on your behalf.

9.07 Anti-Terrorism, Anti-Corruption

You represent and warrant to us that, as of the date of this Agreement and at all times during the Term hereof, and to your actual or constructive knowledge, neither you, any affiliate of you, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury’s Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a “Specially Designated National or Blocked Person” (as defined below) or to an entity in which a “Specially Designated National or Blocked Person” has an interest. For the purposes of this Agreement, “Specially Designated National or Blocked Person” means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a “specially designated national or blocked person” or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism and anti-corruption laws, and you specifically acknowledge and agree your

indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 9.07. Any misrepresentation by you under this Section 9.07. or any violation of any anti-terrorism or anti-corruption laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

10. CONFIDENTIAL INFORMATION

10.01 Restriction on Use of Confidential Information

You agree that you will not, during the Term of this Agreement or thereafter, divulge to or use for the benefit of any other person(s), partnership, proprietorship, association, corporation or entity, any confidential information, knowledge or know-how concerning your or our systems of operation, programs, services, products, customers or practices and/or pertaining to the Tahini's Restaurant System which may be communicated to you. Any and all information, knowledge, know-how, techniques and information which we, our Affiliates, or their respective officers, designate as confidential will be deemed confidential for the purposes of this Agreement, except information which you can demonstrate came to your attention before our disclosure or which, at or after the time of our disclosure to you, has become a part of the public domain through publication or communication by others.

11. COVENANTS NOT TO COMPETE

11.01 Covenants Not to Compete

You agree that during the Term of this Agreement, and for two years immediately following the expiration or termination of this Agreement for any reason within the geographical area described below, you will not directly or indirectly engage in any other business which offers or sells Middle Eastern cuisine such as shawarma, falafel, kababs, and salads or any other products or services which are now or hereafter authorized for sale under the Tahini's Restaurant System or any component thereof in any matter ; which offers or sells related services or products; which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other service, product or component which now or in the future is part of the Tahini's Restaurant System, or any confusingly similar service or product (a "Competitive Business").

During the Term and any renewal term (if any) of this Agreement, you are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant. In addition, you agree not to divert any business that should be handled by your franchised business to any other person or entity.

For two years immediately following (a) the expiration or termination or assignment (as defined in Section 12.02, below) of this Agreement for any reason or (b) the date on which all persons restricted by this Section 11.01 begin to comply with this Section 11.01, you are prohibited from directly or indirectly engaging in, aiding, assisting, serving or participating in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant, if the other business is located within your Development Territory, within ten (10) miles of the perimeter of your Development Territory, or within ten (10) miles of any Tahini's Restaurant Business or territory of any Tahini's Restaurant Business (if awarded) (whether Company-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or the provision of any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing in this Section will prevent you from owning for investment purposes no more than an aggregate of five percent (5.0%) of the capital stock of any Competitive Business you do not control and whose stock is listed on the New York Stock Exchange or the National Association of Securities Dealers Automated Quotation System. It is the intention of these provisions that any person or entity with any legal or beneficial interest in or traceable to or through you be bound by the provisions of this covenant.

You agree to obtain the execution of our Confidentiality and Non-Competition Agreement (Exhibit B-1) from the following persons and to cause them to refrain from the competitive activities described above: (a) before employment or any promotion, your Area Managers; District Managers; Restaurant General Manager, any personnel you employ who have received or will receive training from us, all your other managerial employees and any other managerial personnel; and (b) if you are a Business Entity, all your officers, directors, equity holders, members and those of any Business Entity directly or indirectly controlling you, at the same time as the execution of this Agreement (or at such later time as they assume such status). You must furnish us with copies of all signed Confidentiality and Non-Competition Agreements no later than ten (10) days following their execution. You also agree to obtain the execution, from all other non-managerial personnel of your area development business hereunder, the "Confidentiality Agreement" attached as Exhibit B-2 to this Agreement, and to cause them to refrain from the competitive activities described above.

You agree to prosecute to the fullest extent permitted by law breaches of any Confidentiality and Non-Competition Agreement or Confidentiality Agreement executed pursuant to this Section 11.01 and you acknowledge our right, to be exercised in our sole business judgment, to ourselves enforce the terms of each executed Confidentiality and Non-Competition Agreement and Confidentiality Agreement.

11.02 Enforcement of Covenants Not To Compete

The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You agree that such covenants not to compete: (a) are reasonable, including, but not limited to, their term, geographical area, and scope of activity to be restrained; (b) are designed to preclude competition which would be unfair to us; and (c) do not impose a greater restraint than is necessary to protect our goodwill and other legitimate business interests. You acknowledge that violation of the covenants not to compete in this Agreement would constitute a material breach of this Agreement and would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. You therefore consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of these covenants not to compete, without the necessity of our posting any bond or security. You agree that it may conclusively be presumed that any violation of the terms of the covenants not to compete was accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. You also agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees, that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

11.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 11 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency will be empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You agree to be bound by any lesser covenant subsumed within the terms of this Article 11 as if the resulting covenants were separately stated in and made a part of this Agreement.

12. ASSIGNMENT

12.01 Assignment By Us

We will have the right to assign this Agreement, and all of our rights and privileges under this Agreement, to any person, firm, corporation or other entity, provided that, if the assignment results in the performance by the assignee of our functions under this Agreement: the assignee must, at the time of the assignment, be financially responsible and economically capable of performing our obligations under this Agreement, and the assignee must expressly assume and agree to perform these obligations.

You acknowledge that we will have the right to sell our company, our assets, our Proprietary Marks and/or our System to a third party; sell privately or publicly some or all of our securities; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and that we and our Affiliates have the right to purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that network's, chain's or business's facilities, and to operate, franchise or license those businesses and/or facilities as Tahini's Restaurant Businesses operating under the Proprietary Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be within the Development Territory and near your Restaurants.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Section 12.01.

12.02 Assignment By You – General

Your rights and obligations under this Agreement are personal because we have entered into this Agreement in reliance on and in consideration of your singular personal trust, confidentiality, skill and qualifications (or, if you are an entity, the personal trust, confidentiality, skill and qualifications of your owners and employees). Therefore, except as provided below, neither your interest in this Agreement, your rights, privileges or obligations under this Agreement, the franchised Business, the Restaurant, nor any interest in the franchised Business, the Restaurant or a Business Entity Franchisee (including any capital stock, membership, partnership or proprietary interest of you or anyone who controls you), may be assigned, sold, transferred, shared, reconsidered, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, in one or a series of related transactions, by operation of law or otherwise (each, an "assignment"), without first obtaining our written consent as provided in this Article 12. We may impose a \$10,000 transfer fee. Any assignment in violation of this Article 12 will be null, void and of no effect.

12.03 Assignment By You – To A Business Entity You Form

We will not unreasonably withhold or delay our consent to your assignment to a Business Entity that you form solely for the convenience of entity ownership if all the following conditions are met:

1. The Business Entity is newly formed and each requirement in Sections 9.04 and 18.14 has been satisfied.
2. Each individual involved in the new entity has the same proportionate ownership interest in the new entity as he or she had in your franchised Business(es) before the assignment.
3. You and the new entity sign an agreement with us under which you and the new entity are jointly and severally liable for all the obligations under this Agreement and bound by all the terms, conditions and covenants of this Agreement.
4. Each present and future equity holder in the new entity signs our Confidentiality and Non-Competition Agreement in the form of Exhibit B-1 to this Agreement.

12.04 Assignment By You – Transfer Upon Death or Disability

Upon your death or long-term disability (if you are an individual) or the death or disability of any “Key Equityholder” as defined below (if you are a Business Entity), that person’s rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the “Estate”). “Key Equityholder” means a 25% shareholder, member, partner or proprietor of your business entity as of the Effective Date.

The Estate may continue the operation of the franchised Business if: (i) the Estate provides a competent and qualified individual acceptable to us to serve as Area Manager and operate your Tahini’s Restaurant Businesses on a full-time basis, and (ii) this individual assumes full-time operation of the Businesses as Area Manager within one month of the date the person dies or becomes disabled. If the Estate does not designate an Area Manager or the Estate’s designated Area Manager does not assume the full-time operation of the franchised Business within one month, this will be a material breach of this Agreement which, unless cured by the Estate as provided in Section 15.03, will result in this Agreement being terminated immediately.

12.05 No Encumbrance

You will have no right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the Franchise Agreements or the Businesses in any manner without our prior written permission, which we may withhold for any reason.

13. PROPRIETARY MARKS

13.01 Not a License of the Proprietary Marks

You acknowledge and agree that nothing contained in this Agreement will be deemed to constitute a license to you to use or display any of the Proprietary Marks in any manner. You will acquire a limited, non-exclusive license to use the Proprietary Marks only pursuant to, and to the extent that these rights are granted by, Franchise Agreements executed by you and us pursuant to this Agreement.

13.02 Non-Use of Trade Name

If you are a Business Entity, you may not use our Proprietary Marks or any confusingly similar words or symbols, in your entity name. In particular, you may not use the words “Tahini’s Restaurant, ” “Tahini’s Franchising USA Corp., ” or any variant as part of your Business Entity name.

13.03 Injunction

You explicitly affirm and recognize the unique value and secondary meaning attached to the Tahini’s Restaurant System and the Proprietary Marks. Accordingly, you agree that any non-compliance by you with the terms of this Agreement, or any unauthorized or improper use of the Tahini’s Restaurant System or the Proprietary Marks by you, will cause irreparable damage to us and other Tahini’s Restaurant franchisees and area developers. You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the Tahini’s Restaurant System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions.

14. RELATIONSHIP OF THE PARTIES

14.01 Independent Contractor; No Third Party Beneficiaries

You are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose. You will be solely responsible for your employees and all employment related decisions, including, without limitation, decisions concerning wages and benefits, hiring and discharging, training and supervision and work schedules of employees. You are not empowered to, and may not, make any express or implied agreements, warranties, guarantees or representations or incur any debt or other obligations in our name or for our account (or for those of any of our Affiliates). Except as expressly provided in this Agreement, we will have no control or access to your funds or their expenditure or in any other way exercise control over your franchised Business. You must communicate to all your employees that you, not us, are their employer; and you must ensure that no payroll cheques or other employment-related documents (such as job applications and W-2s) contain or reference the Proprietary Marks or our name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

You agree to conspicuously identify yourself, your area development business, your franchised Businesses, your Restaurants, and any other facilities of your franchised Businesses in all dealings with third parties as an independent Tahini’s Restaurant franchised Business and to place notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials in the manner that we specify and require from time to time, in our Brand Standards or otherwise.

All of our obligations under this Agreement are to you alone and no other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer for your employees. If such a claim is brought against us, we may use your covenant in this Section 14.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

14.02 Your Required Means of Identification

You agree that you will do business and be identified as an area developer, but not an agent of, Tahini's Franchising USA Corp.

15. DEFAULT AND TERMINATION

15.01 Termination By Us – Automatic Termination Without Notice

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you become insolvent; you or any of the Businesses or any Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor or creditors; a petition in bankruptcy is filed by or against you or any of the Businesses or Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within sixty (60) days from filing; you admit in writing your inability to pay your debts when due; you, your franchised Business(es) and any affiliate or Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, any of the Businesses, any Guarantor thereof or assets of any of them is filed and consented to by any of them; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, any of the Businesses or any Guarantor thereof is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law are instituted by or against you or any of the Businesses or any Guarantor thereof; you are dissolved; execution is levied against you, any of the Businesses or any Guarantor thereof or your property; the real or personal property of or any of the Businesses or any Guarantor thereof is sold after levy thereon by any governmental body or agency, sheriff, marshal, constable or other person authorized under federal, state and/or local law; a final court judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); a judicial or non-judicial action to foreclose any lien or mortgage against any of your System Restaurant premises or equipment is instituted against you and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

15.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we will have the right, at our option, to terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier,

personal physical delivery or any other manner authorized herein, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
2. We and you agree in writing to terminate this Agreement.
3. You, your Area Manager, any of your District Managers, and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your duties under this Agreement and/or your operation of any of the Businesses, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
4. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you or any of the Businesses to any third party in violation of the terms of this Agreement.
5. You do not comply with the covenant not to compete during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required in Article 11 of this Agreement.
6. You, your Area Manager and all others required to do so fail to attend or successfully complete our Initial Training Program.
7. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.
8. After curing a default which is subject to cure under Section 15.03 below, you commit the same act of default again within six months.
9. You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving or affecting your obligations under this Agreement or the operations of the Businesses.
10. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other franchisees or area developers; any supplier of you, us, other franchisees, or other area developers; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.
11. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.
12. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.

13. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.
14. You, your Area Manager, or any of your District Managers violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
15. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.
16. You engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to our Proprietary Marks.
17. You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Businesses, us or the Tahini's Restaurant System.
18. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.
19. Per Section 15.05 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our affiliates) including, but not limited to, any other area development agreement, franchise agreement, lease or promissory note.

15.03 Termination by Us – Fifteen Days to Cure

Except as specifically provided elsewhere in this Agreement, you will have fifteen (15) calendar days following our delivery of written notice to you to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within that time, (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of your obligations and, if you are a business entity, your owners and Guarantors, imposed by this Agreement, our Brand Standards and/or all Supplements to the Brand Standards or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor will they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business. The cure period for this default will not be the above-referenced fifteen (15) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.

2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Brand Standards or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
4. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
5. You fail to pay any taxes due and owing by your franchised Business(es) hereunder (including employee taxes) when due.
6. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Brand Standards or otherwise.
7. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.
8. By act or omission, you permit a continued violation in connection with the operation of your business hereunder of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.
9. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
10. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
11. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 18.14 of this Agreement.
12. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised area development business hereunder.
13. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
14. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty (30) days (or such shorter period as any law, rule or regulation requires).
15. You fail to comply with any other requirement imposed by this Agreement or our Brand Standards, or otherwise fail to carry out the terms of this Agreement in good faith.

15.04 Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related

agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

15.05 Cross Default

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, or if the nature of the default under this Agreement permits us to terminate this Agreement, then we (or our Affiliate) will have the right to terminate any or all of the agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement. Your “affiliates” include any persons or entities controlling, controlled by, or under common control with you.

15.06 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights of termination under this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by the laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

16. OTHER OBLIGATIONS AND RIGHTS ON TERMINATION OR EXPIRATION

16.01 Other Obligations and Rights on Termination or Expiration

The termination of this Agreement upon breach of your development obligations, as set forth in Section 6.01 above, will not terminate any of the Unit Franchise Agreements executed by you before the effective date of termination of this Agreement and for which you have already commenced the franchised Tahini’s Restaurant Business(es) covered by the Unit Franchise Agreement(s), but after the effective date of the termination, you will have no right to develop or operate any additional Tahini’s Restaurant Business without first obtaining our express written consent, which we may withhold without cause.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, employees, taxing authorities, advertising agencies and all other third parties.
2. If we terminate because of your default, pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, and expenses, and reasonable attorneys’ and experts’ fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new area developer for the Development Territory. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by

you and any of the Businesses at the time of termination and against any of your money which we are holding or which is otherwise in our possession.

3. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.
4. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 11 of this Agreement.
5. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 10 of this Agreement.

16.02 No Prejudice

The expiration or termination of this Agreement will be without prejudice to our rights against you, and will not relieve you of any of your obligations to us at the time of expiration or termination, or terminate your obligations which by their nature survive the expiration or termination of this Agreement.

17. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

17.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

18. ADDITIONAL PROVISIONS

18.01 Delegation by Us

From time to time, we will have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to third parties, whether the same are our agents or independent contractors with whom we have contracted to provide such services. In addition, we may direct you to make any payments due under this Agreement to any such third party. You agree in advance to such delegation by us of any portion or all of our obligations under this Agreement. You acknowledge and agree that we may not be bound, and this Agreement cannot be modified without our prior written consent. You acknowledge and agree that any such delegation of our duties and obligations to any third party does not assign or confer any rights under this Agreement upon such person.

18.02 Amendments

No previous course of dealing or any terms, discussions, or negotiations not specifically set forth in this Agreement will be admissible to explain, modify or contradict this Agreement. Any

amendment or modification of this Agreement is invalid unless made in writing and signed by us, you and each Guarantor.

18.03 Further Assurances

Each of the parties agrees to sign and deliver such other documents, to cause such meetings to be held, resolutions passed, and by-laws enacted, to exercise their vote and influence and to do and cause to be done and any other acts and things necessary or desirable to give full effect to this Agreement.

18.04 Notice

Any notice required or permitted to be given under this Agreement will be in writing and may be given by email, personal service, courier or by registered or certified mail, addressed to the Area Developer or any Guarantor at:

[Name of Area Developer]
[Location of Registered Office]
Email: [Area Developer e-mail for notice]

Notice to us should be addressed to:

Tahini's Franchising USA Corp.
Attention: Omar Hamam
2-657 Wilton Grove Rd
London ON N6N 1N7
Email: omar@tahinis.com

With a copy to:

Akerman LLP
Attention: Dale A. Cohen, Esq.
1251 Avenue of the Americas, 37th Floor
New York, NY 10020
Email: dale.cohen@akerman.com

The address or email address given for the delivery of a notice may be changed at any time by either party by written notice in accordance with this section. Any notice delivered personally will be received on the day delivered. Any notice delivered on a business day prior to 5pm by email will be received on the day delivered. Any notice delivered via email must be sent with the tracking function "request a delivery receipt" enabled such that the recipient is prompted to send notification to the sender that the recipient has received such email. Any notice delivered on a business day at or after 5 pm by email will be received the day immediately following the day delivered. Any notice sent by registered or certified mail will be received on the 3rd business day following the date of mailing. Any notice sent by courier will be received on the next business day following the date of dispatch.

18.05 Written Consent

Whenever this Agreement requires our prior approval or consent, you will make a timely written request to us for such approval or consent, and such approval or consent will be obtained in writing.

18.06 No Waiver

No failure by us to execute any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition of this Agreement, and no custom or practice of the parties that differs from the terms of this Agreement, will constitute a waiver of our right to demand exact compliance with any of the terms of this Agreement. Our waiver of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar or different nature, nor will any delay, forbearance or omission by us to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement, affect or impair our right to exercise any of our powers or rights, nor will such constitute a waiver by us of any right under this Agreement, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by us of any payments due to us under this Agreement will not be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

18.07 Business Judgment

You and we recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe our right to take (or refrain from taking) certain actions in the exercise of our business judgment based on our assessment of the overall best interests of the Tahini's Restaurant System. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor a judge may substitute his or her judgment for the judgment we have so exercised. "Business judgment" is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of any business judgment rule in a corporate law context.

18.08 Exercise of Rights

You understand and agree that whenever we have reserved a right in this Agreement, we have the uncontrolled and unfettered right to do what we have reserved.

18.09 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

18.10 Attorneys' Fees and Costs of Enforcement

The prevailing party will be entitled to recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect the prevailing party's rights under this Agreement, to enforce the terms of this Agreement, or in any action commenced or joined in by the other party against the prevailing party. If we incur costs and expenses due to your failure to pay when due amounts

owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees, including any fees and costs incurred in connection with collection of any amounts due and, obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

18.11 Governing Law

This Agreement, all relations between the parties, and any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the Franchised Business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section is intended to invoke the application of any franchise disclosure, franchise relationship, business opportunity, anti-competition, "implied covenant", unfair competition, unfair or deceptive trade practice, fiduciary or any other doctrine of law of the State of Delaware or any other state, which given its jurisdictional scope (and absent this choice of law provision) would not otherwise apply, and Area Developer agrees to never contend otherwise.

18.12 Jurisdiction and Venue

Subject to the dispute resolution provisions of this Agreement, any action brought by either party against the other will be commenced and continued before a court of competent jurisdiction in Dover, Delaware. You hereby irrevocably waive any right to demand or have a trial by jury in any action relating to this Agreement in which we are a party. You hereby irrevocably submit yourself to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, any particular Restaurant location, we may bring such an action in any state or federal district court which has jurisdiction. You hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). As used in this section of the Agreement, the term "parties" includes you; your guarantor(s); if you are a business entity, your owners, officers, directors, shareholders, partners, members, managers, agents, representatives, independent contractors, servants and employees (as applicable) and, as to each of them, whether acting in their corporate or individual capacity; any other individual entity acting or purporting to act by, through, under or under authority granted by you; and, any affiliate of each of the foregoing.

18.13 Limitation of Claims

You agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. You agree that your sole recourse for claims arising between the parties will be against us or our successors or assigns. The parties agree that any proceeding will be conducted on an individual, not class-wide basis, and that a proceeding between us and you may not be consolidated with another proceeding between us and any other person or entity. You and your guarantor(s) hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim

for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between the parties to this Agreement and/or any of their affiliates. You, your guarantor(s) and your affiliates covenant never to advance or pursue any such claim for punitive, exemplary, incidental, indirect, special, consequential or other similar damages. You, your guarantor(s) and affiliates agree that in the event of a dispute, you and such others will be limited to the recovery from us of any actual damages sustained by you or them.

18.14 Guarantee

If you are a Business Entity, the following persons must sign our standard form Guarantee (Exhibit C) at the same time as the execution of this Agreement or at such later time as they assume such status: (a) if you are a corporation or limited liability company, all shareholders or members (as applicable) owning 5% or more of your issued and outstanding stock or membership interests, as applicable; (b) if you are a partnership, all general partners owning a five percent (5%) or greater interest in you; and, (c) if you are a limited partnership, the general partner and all shareholders owning a five percent (5%) or greater interest in the general partner.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity (each, a guarantor) without first proceeding against you and without proceeding against or naming in the suit any other guarantors. Your obligations and those of each guarantor will be joint and several. Notice to or demand upon guarantor will be considered notice to or demand upon you and all guarantors, and no notice or demand need be made to or upon all guarantor. The cessation of or release from liability of you or any guarantor will not relieve any other guarantor from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

18.15 Survival

Any provision of this Agreement which imposes an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement.

This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

18.16 Your Additional Representations and Acknowledgments

You acknowledge, warrant and represent to us that:

1. We do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to operate your franchised Businesses or carry out the other activities contemplated by this Agreement.
2. You have received from us a copy of our Franchise Disclosure Document at least fourteen calendar days before the execution of this Agreement or at least fourteen calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the area franchise granted by this Agreement.
3. You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.

4. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised area business hereunder.
5. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

18.17 Arbitration

Except with respect to any Excluded Dispute, any dispute, controversy or claim arising under, out of or relating to this Agreement and any subsequent amendment of this Agreement including, without limitation, its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual disputes (collectively, a “**Dispute**”), shall be determined by final and binding arbitration, to the exclusion of the courts (with the exception of injunctive relief sought by us), to be determined by one arbitrator, in accordance with the American Arbitration Association’s Rules. “**Excluded Dispute**” means any claim by us relating to (i) preserving and protecting the Marks or other intellectual property rights under this Agreement, or to maintaining the uniformity and integrity of the System as called for under this Agreement, (ii) preserving our rights to maintain an action, (iii) collecting fees or payments that are owed to us or our affiliates by you, (iv) indemnification in favor of any indemnified party pursuant to this Agreement, or (v) non-compliance with Section 11. The sole arbitrator shall be appointed by us and must declare himself or herself to be generally conversant with respect to franchising. The parties expressly confer upon the arbitrator the powers to fill gaps, cure contractual omissions and to perform all other activities which he or she may deem necessary and/or opportune. The arbitration will be held in Dover, Delaware. The decision arrived at by the arbitrator shall be final and binding and no appeal shall lie therefrom. The award of the arbitrator shall be the sole and exclusive remedy among the parties regarding any claims and counterclaims presented to the arbitrator. The parties undertake to fully and punctually abide by the award rendered by the arbitrator, failing which judgment upon the award or any other appropriate procedures may be entered or sought in any court having jurisdiction thereof to secure enforcement of said award. The final award will be payable in the lawful currency of the United States without deduction or offset and costs, fees or taxes incidental to the enforcement of the arbitration award shall be charged in accordance with the decision of the arbitrator against a party resisting enforcement. Payment of the award including interest from the date of breach and violation shall be made in accordance with the relevant provisions of this Agreement. This Section constitutes an arbitration agreement between the parties. The costs of the arbitrator shall be shared equally by the parties, subject to the arbitrator’s ability to award costs as part of his or her judgment.

18.18 Counterparts and Electronic Execution

This Agreement may be executed and delivered by facsimile or electronic signature and in any number of counterparts, each of which shall constitute an original, and all of which together will constitute one and the same instrument.

18.19 Electronic Storage

You acknowledge and agree that we may create an electronic record of any or all agreements, correspondence or other communications between them or involving third parties, and that we may thereafter dispose of or destroy the original of any such document or record. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available. You agree that, notwithstanding any statute, regulation or other rule of law to the contrary, any such electronic version of this or any other agreement or correspondence between the parties will have the same legal effect, validity and enforceability as an original of any such document, even if the original of such document has been disposed of or intentionally destroyed.

18.20 Entire Agreement

This Agreement, when fully executed, will supersede all prior and existing agreements, understandings, negotiations and discussions, either oral or in writing, between the parties with respect to the subject matter of this Agreement. Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements, whether direct, indirect, collateral, express or implied, made by the us to you.

18.21 Disclaimer

You acknowledge you have conducted an independent investigation of the Business, and recognize that the business venture contemplated by this Agreement is speculative and involves business risks and that its success will be largely dependent upon your abilities. We expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, promise, inducement or guarantee, express or implied, oral or written, as to the potential volume, profits or success of the business venture contemplated by this Agreement or otherwise with respect to the subject matter of this Agreement.

18.22 Risk and Responsibility

You acknowledge that the financial, business and economic success of your franchised Businesses will be primarily dependent upon your personal efforts, management and employees, and on economic conditions in the area where the franchised Businesses are located and economic conditions in general.

18.23 Investigation and Voluntary Agreement

You and your guarantor(s) acknowledge that you have received, read and understood this Agreement. You and your guarantor(s) acknowledge that we have provided you and each guarantor ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement. You and your guarantor(s) are entering into this Agreement voluntarily, and without threat, duress or compulsion whatsoever.

18.24 Deliveries

You acknowledge that you received the franchise disclosure document required by any applicable franchise law, at least 14 days prior to the date on which this Agreement was executed.

19. SUBMISSION OF AGREEMENT

19.01 Submission of Agreement

The submission of this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. Our date of execution will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

[signature page follows]

Dated: _____

AREA DEVELOPER:

If a Business Entity:

(Name of Entity)

By: _____

Name: _____

Title: _____

If one or more individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

This Agreement was executed by Area Developer in the State of _____.

Dated: _____

FRANCHISOR:

Tahini's Franchising USA Corp.

By: _____

[signature page to Tahini's Area Development Agreement]

**EXHIBIT A TO AREA DEVELOPMENT AGREEMENT
DEVELOPMENT TERRITORY**

The following describes the Development Territory within which Area Developer may locate "Tahini's" Restaurants under this Agreement:

APPROVED:

TAHINI'S FRANCHISING USA CORP
d/b/a Tahini's Mediterranean Cuisine

By: _____
Print Name: _____
Title: _____
Date: _____

AREA DEVELOPER:

IF AN INDIVIDUAL:

By: _____
Print Name: _____
Date: _____
Spouse Signature: _____
Spouse Name: _____
Date: _____

**IF A PARTNERSHIP, CORPORATION, OR
OTHER ENTITY:**

By: _____
Print Name: _____
Title: _____
Date: _____
Owner Signature: _____
Owner Name: _____
Date: _____
Owner Signature: _____
Owner Name: _____
Date: _____

**EXHIBIT B-1 TO AREA DEVELOPMENT AGREEMENT
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

NAME: _____

AREA DEVELOPER: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____
**(Relationship to Area Developer - - Owner,
Shareholder, Officer, Director, Attorney,
Employee, Etc.)**

_____ (“**Area Developer**”) is an Area Developer of Tahini’s Franchising USA Corp. (“**Franchisor**”) pursuant to an Area Development Agreement entered into by Area Developer and Franchisor dated _____ (the “**Area Development Agreement**”). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Area Development Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Area Developer, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Area Developer and/or Franchisor which may be communicated to me (“**Confidential Information**”), and I will not divert any business to competitors of Area Developer and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies and procedures relating to all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the Franchisor’s system for establishing and operating Tahini’s Mediterranean Cuisine restaurants (the “**System**”); Franchisor’s Confidential Operating Manual (as same may be amended from time to time, the “**Manual**”); supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the

components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Area Developer, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession or utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Area Development Agreement contemplates will be engaged in by Area Developer under the Franchise Agreements; or, which offers or sells any other service, product or component which now or in the future is part of Tahini's Mediterranean Cuisine System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any competitive business, if the other business is located within Area Developer's Development Territory, within ten (10) miles of the boundaries of Area Developer's Development Territory, within ten miles of (or within) any other Development Territory, or within ten miles of any Tahini's Mediterranean Cuisine business (whether Company owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Area Developer do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Area Developer for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Area Developer (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of

Confidential Information set forth in this Agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Area Developer and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the franchised Business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Dover, Delaware. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Dover, Delaware.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

(Signature)

Witness/Date

(Print Name)

(Date)

**EXHIBIT B-2 TO AREA DEVELOPMENT AGREEMENT
CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)**

NAME: _____

AREA DEVELOPER: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____
**(Relationship to Area Developer - - Non-
Managerial Employee, Etc.)**

_____ (“**Area Developer**”) is an Area Developer of Tahini’s Franchising USA Corp. (“**Franchisor**”) pursuant to an Area Development Agreement entered into by Area Developer and Franchisor dated _____ (the “**Area Development Agreement**”). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Area Development Agreement.

I agree that during the term of my employment by, association with or service to Area Developer, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Area Developer and/or Franchisor which may be communicated to me (“**Confidential Information**”), and I will not divert any business to competitors of Area Developer and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies and procedures relating to all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the Franchisor’s system for establishing and operating Tahini’s Mediterranean Cuisine restaurants (the “**System**”); Franchisor’s Confidential Operating Manual (as same may be amended from time to time, the “**Manual**”); supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating

thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association or service, I agree to return to Franchisor or Area Developer, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession and/or utilized during my employment, association or service.

I acknowledge that violation of this Agreement would result in immediate and irreparable injury to Franchisor and Area Developer for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Area Developer (or both) prohibiting any conduct by me in violation of the terms of the restrictions on the use of Confidential Information set forth in this Agreement. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of this Agreement.

If all or any portion of this covenant not to use Confidential Information is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Area Developer and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the franchised Business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Area Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Dover, Delaware. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Dover, Delaware.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

(Signature)

Witness/Date

(Print Name)

(Date)

EXHIBIT C
GUARANTEE OF TAHINI'S FRANCHISING USA CORP.
AREA DEVELOPMENT AGREEMENT

In consideration of the execution by Franchisor of the Area Development Agreement (the "**Area Development Agreement**") dated the _____ day of _____, _____, between Tahini's Franchising USA Corp. ("**Franchisor**") and _____ ("**Area Developer**") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Area Development Agreement and in any other agreement(s) by and between Area Developer and Franchisor.

If more than one person has executed this Guarantee, the term "**the undersigned**", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Area Development Agreement and any other agreement(s) by and between Area Developer and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Area Development Agreement and any other agreement(s) by and between Area Developer and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Area Development Agreement may be amended, compromised, released or otherwise altered by Franchisor and Area Developer, and the undersigned do guarantee and promise to perform all the obligations of Area Developer under the Area Development Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Area Development Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Area Developer may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Area Developer, any of the undersigned, any party to the Area Development Agreement or any other person.

Should Area Developer be in breach or default under the Area Development Agreement or any other agreement(s) by and between Area Developer and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Area Developer and without proceeding against or naming in such suit any other Area Developer, signatory to the Area Development Agreement or any others of the undersigned.

Notice to or demand upon Area Developer or any of the undersigned shall be deemed notice to or demand upon Area Developer and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Area Developer or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Area Development Agreement, or under any other agreement(s) between Franchisor and Area Developer, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Area Development Agreement or any other agreement(s) by and

between Area Developer and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of Delaware, and if the business franchised under the Area Development Agreement is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in Dover, Delaware. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Dover, Delaware. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Area Development Agreement.

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

**EXHIBIT D TO AREA DEVELOPMENT AGREEMENT
INFORMATION REGARDING AREA DEVELOPER**

Business Entity. Area Developer was incorporated or formed on _____, 20__, under the laws of the State of _____. Area Developer has not conducted business under any name other than your corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<u>Name of Person</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____

Ownership. The following is a list of all shareholders, partners, owners or other investors in Area Developer, including all investors who own or hold a direct or indirect interest in Area Developer, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership/Nature of Interest</u>
_____	_____% / _____
_____	_____% / _____
_____	_____% / _____
_____	_____% / _____

This Principal Owners Statement is current and complete as of _____, 20__

OWNER

INDIVIDUALS:

[Signature]

[Print Name]

[Signature]

[Print Name]

**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP:**

[Name]

By: _____

Title: _____

**EXHIBIT E TO THE AREA DEVELOPMENT AGREEMENT
STATE AMENDMENTS**

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF HAWAII**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF ILLINOIS**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq.* To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.
- b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.
- c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act.
- d. If this Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control.
- e. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

2. The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

3. The following Sections and language are removed from the Agreement:
 - a. First sentence in Section 18.02 (Amendments);
 - b. Paragraph 2 in Section 18.16 (Your Additional Representations and Acknowledgments); and
 - c. Sections 18.21 (Disclaimer), 18.22 (Risk and Responsibility), 18.23 (Investigation and Voluntary Agreement) and 18.24 (Deliveries).

4. Section 5.01 of the Agreement shall be amended to add the following language at the end of the first paragraph:

"We will defer all initial development fees owed to us by you until such time as all initial obligations owed to you have been fulfilled by us and you have commenced business operations. This deferral is imposed by the Illinois Attorney General's Office due to our financial condition."

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF INDIANA**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine ("Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. Section 11.01 of the Agreement is amended to reflect the requirement under Indiana Code 23-2-2.7- 1 (9), which states that any post term non-compete covenant must not extend beyond the area developer's exclusive territory.
2. Sections 18.13 and 18.20-18.22 of the Agreement are amended to state that they are subject to Indiana Code 23-2-2.7-1 (10).
3. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the area developer so requests. This amends Section 18.12 of the Agreement.
4. Under Indiana Code 23-2-2.7-1 (10), the area developer may not agree to waive any claims or rights.
5. No statement, questionnaire, or acknowledgment signed or agreed to by an area developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF MARYLAND**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine ("Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §§ 14-201 *et seq.* (2015 Repl. Vol.) (the "Law"). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Law.
- b. Any acknowledgments or representations of the Area Developer made in the agreement which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law.
- c. An Area Developer may bring a lawsuit in Maryland for claims arising under the Law.
- d. Nothing in the Agreement shall act to reduce the 3 year statute of limitations afforded an Area Developer for bringing a claim arising under the Law. Any claims arising under the Law must be brought within 3 years after the grant of the franchise.

2. The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

3. The following Sections and language are removed from the Agreement:

- a. First sentence in Section 18.02 (Amendments);
- b. Paragraph 2 in Section 18.16 (Your Additional Representations and Acknowledgments); and

- c. Sections 18.21 (Disclaimer), 18.22 (Risk and Responsibility), 18.23 (Investigation and Voluntary Agreement) and 18.24 (Deliveries).

4. Section 5.01 of the Agreement shall be amended to add the following language at the end of the first paragraph:

"We will defer all initial development fees owed to us by you until such time as all initial obligations owed to you have been fulfilled by us and you have commenced business operations. This deferral is imposed by the Maryland Securities Commissioner due to our financial condition."

5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF MICHIGAN**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

MICHIGAN LAW MODIFICATIONS

The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

The following Sections and language are removed from the Agreement:

1. First sentence in Section 18.02 (Amendments);
2. Paragraph 2 in Section 18.16 (Your Additional Representations and Acknowledgments); and
3. Sections 18.21 (Disclaimer), 18.22 (Risk and Responsibility), 18.23 (Investigation and Voluntary Agreement) and 18.24 (Deliveries).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF MINNESOTA**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The provisions of this Amendment form an integral part of, and are incorporated into the Agreement. This Amendment is being executed because: (a) the offer or sale of the franchise to Area Developer was made in the State of Minnesota; (b) Area Developer is a resident of the State of Minnesota; and/or (c) the Franchised Business will be located or operated in the State of Minnesota.

2. The following sentence is added to Section 4.01 ("Term") and Sections 15.01-15.06 ("Default and Termination") of the Agreement:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of franchise agreements.

3. The following sentence is added to the end of Section 5.01:

Based upon the franchisor's financial condition, the State of Minnesota Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the development agreement and the first franchise under the development agreement is open.

4. The following sentences are added to the end of Sections 18.12 ("Jurisdiction and Venue") and 18.17 ("Arbitration") of the Agreement:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. The following sentence is added to the end of Section 18.13 ("Limitation of Claims") of the Agreement:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

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

7. The provisions of this Amendment will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act and the Rules and Regulation promulgated thereunder are met independently of this Amendment.

8. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Agreement.

9. Except as expressly modified by this Amendment, the Agreement remains unmodified and in full force and effect.

10. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

11. The franchisor will protect the area developer's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the area developer from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the area developer's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF NEW YORK**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The provisions of this Amendment form an integral part of, and are incorporated into the Agreement. This Amendment is being executed because: (a) the offer or sale of the franchise to Area Developer was made in the State of New York; (b) Area Developer is a resident of the State of New York; and/or (c) the Franchised Business will be located or operated in the State of New York.
2. No statement, questionnaire or acknowledgment signed or agreed to by an area developer in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. Any capitalized terms that are not defined in this Amendment will have the meaning given them in the Agreement.
4. The provisions of this Amendment will be effective only to the extent that the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently of this Amendment.
5. Except as expressly modified by this Amendment, the Agreement remains unmodified and in full force and effect.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The laws of the State of North Dakota supersede any provisions of the Agreement or Delaware law if such provisions are in conflict with North Dakota law. The Agreement will be governed by North Dakota law, rather than Delaware law, as stated in Section 18.11 of the Agreement.

2. The State of North Dakota has determined that requiring developers to sign a general release upon renewal of a this agreement to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a developers sign a general release as a condition of renewing the development agreement is deleted.

3. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.

4. Section 5.01 of the Agreement shall be amended to add the following language:

The State of North Dakota is requiring the developer to defer payments of the development fees until such time as the first franchise developed under the Agreement is operational.

5. Section 9.03 of the Agreement shall be amended to add the following language:

The State of North Dakota has determined that requiring the developer to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in this agreement that a developer consent to a waiver of exemplary and punitive damages is deleted.

6. Section 18.10 of the Agreement shall be amended to add the following language:

The State of North Dakota has determined that requiring developers to pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

7. Section 18.12 of the Agreement shall be amended to add the following language at the end of the first paragraph:

The State of North Dakota has determined that requiring the developer to consent to a waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in this Agreement that a developer waive a jury trial is deleted.

8. Section 18.17 of the Agreement shall be amended to add the following language:

The State of North Dakota has determined that parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of the developer's business to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the developer's place of business.

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

[SIGNATURE PAGE TO FOLLOW]

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

RHODE ISLAND MODIFICATIONS

1. The following language is added to Section 18.12 of the Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. The Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independently of this Addendum. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF SOUTH DAKOTA**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The Agreement and any document signed in connection with the franchise are supplemented with the following language: "No statement, questionnaire, or acknowledgment signed or agreed to by an area developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

2. The Securities Regulation Office has determined the Franchisor's financial condition is not adequate to fulfill its obligations to franchisees at this time and thus, pursuant to SDCL 37-5B-5, the Franchisor has agreed to defer its development fees until such time as the first franchise developed under the Agreement is operational.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF VIRGINIA**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The Agreement and any document signed in connection with the franchise are supplemented with the following language: "No statement, questionnaire, or acknowledgment signed or agreed to by an area developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Virginia Retail Franchising Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

WASHINGTON ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT AND ALL RELATED AGREEMENTS

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Non solicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such

provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

**AMENDMENT TO AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF WISCONSIN**

The Tahini's Mediterranean Cuisine Area Development Agreement between _____ ("Area Developer" or "you") and Tahini's Franchising USA Corp. d/b/a Tahini's Mediterranean Cuisine (the "Franchisor" or "us") dated _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

1. The Agreement and any document signed in connection with the franchise are supplemented with the following language: "No statement, questionnaire, or acknowledgment signed or agreed to by an area developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

FRANCHISOR:

TAHINI'S FRANCHISING USA CORP.
d/b/a Tahini's Mediterranean Cuisine

By: _____
Name: _____
Title: _____

AREA DEVELOPER:

By: _____
Name: _____
Title: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT
LIST OF CURRENT AND FORMER FRANCHISEES AND AREA DEVELOPERS

(as of December 31, 2024)

Franchisees and Area Developers:

Outlets Open:

None.

Franchise Agreements Signed but Outlet Not Yet Open

Alabama

Jayesh Patel And Pradipkumar Patel
Restaurant Location: TBD, Alabama
Restaurant Tel: N/A
Contact Tel: (215) 688-8002 and (732) 357-6633

Illinois

Varsha Loves Park, LLC
1521 East Riverside Boulevard,
Suite 4, Loves Park, IL 61111
Restaurant Tel: TBD
Contact Tel: 646-284-2875

New Jersey

Taha Ramadan
Restaurant Location: TBD, New Jersey
Restaurant Tel: N/A
Contact Tel: (973) 460-9496

Former Franchisees and Area Developers:

None.

EXHIBIT E TO THE DISCLOSURE DOCUMENT
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EXHIBIT F TO DISCLOSURE DOCUMENT
STATE SPECIFIC ADDENDA

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII**

[THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Our registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 205, Honolulu, Hawaii 96813.

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

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

1. Item 5 of this disclosure document is modified to include the following: “We will defer all initial franchise and development fees owed to us by you until such time as all initial obligations owed to you have been fulfilled by us and you commenced business operations. This deferral is imposed by the Illinois Attorney General’s Office due to our financial condition.”
2. Illinois law governs the agreements between the parties to this franchise.
3. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement (or development agreement) that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
4. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law or Illinois is void.
5. Your rights upon termination and non-renewal of a franchise agreement (or development agreement) are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure act.
6. The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. The following Sections and language are removed from the Franchise Agreement and Schedules to the Franchise Agreement:
 - a. Sections 1.5 (Franchisee’s Independent Investigation), 21.15 (Disclaimer), 21.16 (Risk and Responsibility), 21.17 (Investigation and Voluntary Agreement), and 21.18 (Deliveries);
 - b. In Section 2.8 (Schedules), “Schedule 7 – Acknowledgment Addendum”;
 - c. In Section 21.14 (Entire Agreement), “Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements, whether direct, indirect, collateral, express or implied, made by the Franchisor to the Franchisee.”; and
 - d. Schedule 7 (Acknowledgment Addendum).
8. The following Sections and language are removed from the Area Development Agreement:
 - a. First sentence in Section 18.02 (Amendments);
 - b. Paragraph 2 in Section 18.16 (Your Additional Representations and Acknowledgments);

and

- c. Sections 18.21 (Disclaimer), 18.22 (Risk and Responsibility), 18.23 (Investigation and Voluntary Agreement) and 18.24 (Deliveries).

Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the laws described above, with respect to each provision of the law, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA**

1. Item 17.r. of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7- 1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
2. Item 17 of the Disclosure Document is amended to state that under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Section 21.9 of the Franchise Agreement and Section 18.12 of the Area Development Agreement.
3. Item 17 of the Disclosure Document is amended to state that under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.
4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

1. Item 5 of the disclosure document is amended by adding the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the area development agreement opens.
2. Item 17.v. of the disclosure document, in the Summary column for "Choice of Forum," is amended as follows:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Except for any rights a franchisee has under the Maryland Franchise Registration and Disclosure Law to bring suit in Maryland for claims arising under the Law, arbitration of disputes which are subject to arbitration will be held in Dover, Delaware. Except as otherwise required by the Maryland Franchise Registration and Disclosure Law, venue for all proceedings arising under the Franchise/Area Development Agreement is in Dover, Delaware, unless otherwise brought by us.
3. Item 17.c. of the disclosure document, "Requirements for you to renew or extend" (Franchise Agreement chart) and Item 17.m. "Conditions for our approval of transfer" (Franchise and Area Development Agreement charts), are amended by the addition of the following:

The Code of Maryland Regulations (COMAR 02.02.08.16L.) states that a general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. This may affect the enforceability of certain provisions in the Franchise/Area Development Agreements relating to renewal, sale, assignment, or transfer of the Franchise/Area Development Agreements.
4. Item 17 of the disclosure document is amended by adding the following note at the end of the Item:

Any claims that Franchisee/Area Developer may have under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
5. Item 17 of the disclosure document is amended by adding the following as the last paragraph:

A provision in the Franchise/Area Development Agreement which terminates the agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.
6. The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language:

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

term of any document executed in connection with the franchise.

7. The following Sections and language are removed from the Franchise Agreement and Schedules to the Franchise Agreement:

- a. Sections 1.5 (Franchisee's Independent Investigation), 21.15 (Disclaimer), 21.16 (Risk and Responsibility), 21.17 (Investigation and Voluntary Agreement), and 21.18 (Deliveries);
- b. In Section 2.8 (Schedules), "Schedule 7 - Acknowledgment Addendum";
- c. In Section 21.14 (Entire Agreement), "Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements, whether direct, indirect, collateral, express or implied, made by the Franchisor to the Franchisee."; and
- d. Schedule 7 (Acknowledgment Addendum).

8. The following Sections and language are removed from the Area Development Agreement:

- a. First sentence in Section 18.02 (Amendments);
- b. Paragraph 2 in Section 18.16 (Your Additional Representations and Acknowledgments); and
- c. Sections 18.21 (Disclaimer), 18.22 (Risk and Responsibility), 18.23 (Investigation and Voluntary Agreement) and 18.24 (Deliveries).

Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the laws described above, with respect to each provision of the law, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

1. The following statement is added to Item 5:

Based upon the franchisor's financial condition, the State of Minnesota Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the area development agreement opens.

2. The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreements.

3. The following statement is added to the State Cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial.

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

7. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Addendum.

8. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

9. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g)

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer": However, to the extent required by applicable law, all rights you enjoy and any causes of action

arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts – Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

1. Item 5 of the disclosure document is amended by adding the following:

Based upon the franchisor's financial condition, the North Dakota Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the area development agreement opens.
2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document is amended accordingly.
3. The State of North Dakota has determined that requiring franchisees or developers to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, Development Agreement and Supplemental Agreements that a franchisee or developer consent to a waiver of exemplary and punitive damages is deleted.
4. The State of North Dakota has determined that parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of the franchisee's or developers business to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's or developers place of business.
5. The State of North Dakota has determined that requiring franchisees or developers to sign a general release upon renewal of a franchise agreement or development agreement to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee or developer sign a general release as a condition of renewing the franchise agreement is deleted.
6. The State of North Dakota has determined that requiring franchisees or developers to consent to a waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, Development Agreement and Supplemental Agreements that a franchisee or developer waive a jury trial is deleted.
7. The State of North Dakota has determined that requiring franchisees or developers to pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
8. Item 17(v) of the Disclosure Document is amended by adding the following: "To the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota."
9. Item 17(w) of the Disclosure Documents amended by adding the following: "Subject to federal law, North Dakota law governs."

10. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

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

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND**

1. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. The disclosure document, franchise agreement, development agreement and any document signed in connection with the franchise are supplemented with the following language:

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

3. Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the laws described above, with respect to each provision of the law, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA**

1. Item 5 of the disclosure document is amended by adding the following:

The Securities Regulation Office has determined the Franchisor's financial condition is not adequate to fulfill its obligations to franchisees at this time and thus, pursuant to SDCL 37-5B-5, the Franchisor has agreed to defer its initial franchise fees under the Franchise Agreement until such time as the franchise is operational and to defer its development fees until such time as the first franchise developed under the Area Development Agreement is operational.

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

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

1. Item 17(h) of the disclosure document is supplemented by the following: Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. The disclosure document, franchise agreement, area development agreement and any document signed in connection with the franchise are supplemented with the following language: "No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Non solicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**ADDENDUM TO TAHINI'S MEDITERRANEAN CUISINE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN**

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

EXHIBIT G TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

**LIST OF STATE ADMINISTRATORS & AGENTS
FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states and are our agents for service of process in these states (to the extent that we are registered in these states):

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677) www.dfpi.ca.gov ask.dfpi@ca.gov	Commissioner of Department of Financial Protection and Innovation
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South 2nd Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Attn: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 14 th Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance/Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of South Dakota Division of Insurance
VIRGINIA	Clerk of the State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033	Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT H TO THE DISCLOSURE DOCUMENT
STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	September 26, 2025
Maryland	
Michigan	September 3, 2025
Minnesota	
New York	
North Dakota	
Rhode Island	December 1, 2025
South Dakota	November 25, 2025
Virginia	
Washington	
Wisconsin	October 22, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I TO THE DISCLOSURE DOCUMENT
RECEIPTS

RECEIPT
(KEEP THIS COPY FOR YOUR RECORDS)

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

If Tahini’s Franchising USA Corp. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Tahini’s Franchising USA Corp. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit G.

The franchisor is Tahini’s Franchising USA Corp., located at 2-657 Wilton Grove Road, London ON N6N 1N7. Its telephone number is 1-888-TAHINIS.

Issuance date: September 3, 2025, as amended October 16, 2025

The name, principal business address and telephone number of our primary franchise seller offering the franchise is as follows: Shawn Saraga, 2-657 Wilton Grove Road, London ON N6N 1N7, 1-888-TAHINIS; and each other franchise seller offering the franchise is as follows:_____

Tahini’s Franchising USA Corp. authorizes the agents listed in Exhibit G to receive service of process for it.

I have received a disclosure document dated September 3, 2025, as amended October 16, 2025, that included the following Exhibits:

A – Financial Statements	F – State Specific Addenda
B – Franchise Agreement	G – List of State Administrators/Agents for Service of Process
C – Area Development Agreement	H – State Effective Dates Page
D – Current and Former Franchisees and Area Developers	I – Receipts
E – Table of Contents of Confidential Operations Manual	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

RECEIPT
(RETURN THIS COPY TO US)

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

If Tahini’s Franchising USA Corp. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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E – Table of Contents of Confidential Operations Manual	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to Tahini’s Franchising USA Corp., 2-657 Wilton Grove Road, London ON N6N 1N7 or by emailing a copy of the signed and dated receipt to Tahini’s Franchising USA Corp. at shawn@tahinis.com.