

## FRANCHISE DISCLOSURE DOCUMENT



Naz's Franchising, LLC  
146 New Bridge, 2<sup>nd</sup> Floor, East Suite  
Hicksville, New York 11801  
(516) 615-2504  
Franchise@nazshalal.com  
Nazshalal.com

The franchise is for a Naz's Halal Food® restaurant that offers a variety of menu items, featuring rice platters, gyros, burgers, sandwiches, wings, salads, and sides, all prepared in accordance with Halal standards and specifications. The total investment necessary to begin operation of a Naz's Halal Food restaurant ranges from \$269,220 \$501,000. This includes \$40,000 that must be paid to the franchisor or its affiliates.

~~If we grant you area development rights, t~~The total investment necessary to acquire these rights will be in the range of begin operation of your first Naz's Halal Food restaurant under an Area Development Agreement is \$299,220 to \$576,000~~561,000~~. This includes \$70,000 to \$~~115,000 (based on a standard 3 to 5 franchise development deal,~~100,000 which must be paid to the franchisor (based upon our standard 3 to 5 franchise 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 this disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental 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 Mohammad Nasir Mashriqi, Chief Financial Officer, email: naz@nazshalal.com, phone: (516) 615-2504.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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 of this Disclosure Document: April 28, 2025, as amended August 14, 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
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F-1 and F-2.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Naz’s Halal Food® restaurant in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Naz’s Halal Food® franchisee?</b>	Item 20 or Exhibits F-1 and F-2 lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 A](#).

Your state also may have laws that require special disclosures or amendments to 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 area development agreement require you to resolve disputes with the franchisor by arbitration or litigation only in New York. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with the franchisor in New York than in your home 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. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
5. **Inventory/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.

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.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

**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 assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. 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 or area development agreement existing at the time of the proposed transfer.

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING 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:

Michigan Attorney General's Office  
Consumer Protection Division  
Attention: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48933  
Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the franchise agreement and the area development agreement. Paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**



**TABLE OF CONTENTS**

<b><u>ITEM</u></b>	<b><u>PAGE</u></b>
Item 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	2
Item 2. BUSINESS EXPERIENCE .....	4
Item 3. LITIGATION.....	5
Item 4. BANKRUPTCY.....	5
Item 5. INITIAL FEES .....	5
Item 6. OTHER FEES .....	6
Item 7. ESTIMATED INITIAL INVESTMENT.....	9
Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	14
Item 9. FRANCHISEE’S OBLIGATIONS .....	17
Item 10. FINANCING .....	<del>19</del> <u>18</u>
Item 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING .....	19
Item 12. TERRITORY .....	<del>30</del> <u>29</u>
Item 13. TRADEMARKS .....	<del>33</del> <u>32</u>
Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	<del>34</del> <u>33</u>
Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	<del>36</del> <u>34</u>
Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	<del>36</del> <u>35</u>
Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	<del>37</del> <u>36</u>
Item 18. PUBLIC FIGURES.....	<del>47</del> <u>46</u>
Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	<del>47</del> <u>46</u>
Item 20. BUSINESSES AND FRANCHISEE INFORMATION.....	<del>49</del> <u>48</u>
Item 21. FINANCIAL STATEMENTS.....	<del>52</del> <u>51</u>
Item 22. CONTRACTS.....	52
Item 23. RECEIPTS .....	<del>53</del> <u>52</u>

**EXHIBITS**

Exhibit A	List of State Agencies / Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Area Development Agreement
Exhibit D	Table of Contents to Operations Manual
Exhibit E	Financial Statements
Exhibit F-1	List of Current Franchisees
Exhibit F-2	List of Former Franchisees
Exhibit G	Sample General Release
Exhibit H	Lease Addendum
Exhibit I	State Addenda
Exhibit J	Receipts

## **Item 1.**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

The franchisor is Naz’s Franchising, LLC. It will be referred to in this disclosure document (this “Disclosure Document”) as “Franchisor,” “Company,” or “we.” References to “you” mean the person or entity to whom we grant a franchise.

#### **The Franchisor**

We are a limited liability company formed in New York in January 2025. Our principal business address is 146 New Bridge, 2nd Floor, East Suite, Hicksville, New York 11801. Our telephone number is (516) 615-2504. Our agents for service of process are disclosed in Exhibit A. We conduct business under our corporate name and under the trade name “Naz’s Halal Food.” We have never owned or operated a Naz’s Halal Food restaurant and have not offered franchises in any other lines of business. We began offering franchises for Naz’s Halal Food restaurants ~~as of the date of this Disclosure Document~~ in April 2025, and our sole business is to sell franchises for Naz’s Halal Food restaurants and provide certain services to our franchisees. Prior to this time, our affiliate, Nazs Halal Inc., previously licensed use of the Marks (defined below) for the operation of Naz’s Halal Food restaurants from July 2020 to April 2025. Nazs Halal Inc. is a New York corporation, and has a principal business address of 158 Dartmouth Drive, Hicksville, New York, 11801. As of the issuance date of this Disclosure Document, there are 36 licensed Naz’s Halal Food restaurants open and operating in the United States.

#### **Our Parents, Predecessors and Affiliates**

We do not have any predecessors.

Our affiliate, Naz’s IP Holdings, LLC (“Naz’s IP”), a New York limited liability company, owns the Marks (defined below) and will provide trademark license rights in the Marks to us, enabling us to license those Marks to franchisees. Our affiliate, Naz’s Operations, LLC (Naz’s Operations”), a New York limited liability company, currently owns and operates Restaurants (defined below), and may provide certain training services to franchisees. Our parent is Naz’s Holdco, LLC (“Naz’s Holdco”), a New York limited liability company. Naz’s IP, Naz’s Operations, and Naz’s Holdco each share our principal business address and have not offered franchises for Restaurants or any other concepts.

Except as listed above, we have no predecessors or other affiliates that are required to be disclosed in this Item 1.

#### **The Franchise**

The franchise is the right to develop, own and operate a restaurant business that is identified currently by the federally registered trademark *Naz’s Halal Food*<sup>®</sup> (together, with such other trademarks, service marks, and commercial symbols we periodically designate, the “Marks”) and that offers its customers a variety of menu items, including rice platters, gyros, burgers, sandwiches, wings, salads, and sides, prepared in accordance with Halal standards and specifications (each a “Restaurant”). In this Disclosure Document, we call the Restaurant that you will operate “your Restaurant” and the right and license to own and operate it the “Franchise.”

Restaurants offer a menu of halal foods and beverages based on proprietary recipes and ingredients (the “Menu Items”), which are prepared according to our specified recipes and procedures and use high quality, halal ingredients. Restaurants are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, menus, and other specifications, each of which we may replace, further develop, or otherwise modify or discontinue from time to time (collectively, the “System”).

The Restaurant that you agree to develop, own and operate will be subject to a written franchise agreement between us and you (a “Franchise Agreement”), the current form of which is attached as Exhibit B to this Disclosure Document. If you are not a natural person, your owners that own direct or indirect ownership interest in you must guarantee and personally assume, jointly with you, your obligations under the Franchise Agreement and any other agreements you sign with us as described in this Disclosure Document.

If you agree to acquire more than one Franchise, you will sign an Area Development Agreement in the form attached as Exhibit C to this Disclosure Document (a “Development Agreement”) under which you will agree to purchase Franchises to develop and open an agreed upon number of Restaurants at locations within a defined geographic area (the “Development Area”) according to an agreed upon schedule (the “Development Schedule”), each of which will be described in the Development Agreement when you and we sign it. Each Restaurant developed pursuant to the Development Agreement will be subject to an individual Franchise Agreement. You will sign the first Franchise Agreement when you sign the Development Agreement and pay the entire initial franchise fee due and payable under it. Then, as we approve your proposed additional locations, you will sign our then-current form of Franchise Agreement, the form of which may be materially different than the form of Franchise Agreement attached as Exhibit B to this Disclosure Document, including with respect to fees owed.

### Market Competition

Restaurants operate year-round and utilize a fast-casual service format to serve the general public. The restaurant industry is well-developed and highly competitive in matters concerning price, service, location, selection, food quality, promotional activities, and guest service. It is often affected by changes in consumer tastes, economic conditions, population, and traffic patterns. You must anticipate competing for locations and customers with other restaurants and food retailers offering a wide range of comparably priced food and beverage items and a wide variety of service formats, including national or regional franchise systems and other chains and independently owned local restaurants located in close proximity to your Restaurant.

### Industry-Specific Laws and Regulations

In addition to laws that affect businesses generally, Restaurants are subject to federal and state laws specifically applicable to restaurants and other food retailers including environmental laws regarding recycling and the use of containers and other materials potentially harmful to the environment; standards regarding sanitation and the storage, handling, cooking and preparation of food; food and/or nutrition labeling and advertising laws that require restaurants to make certain public disclosures including calorie content disclosures; laws that prohibit charging hidden/junk fees;

and laws that mandate certain minimum wage and hour standards applicable specifically to restaurant and food service businesses.

You are responsible for investigating and complying with all laws in which your Restaurant is operated and should consider their effect and cost of compliance. We urge you to discuss these laws with your legal and financial advisors.

**Item 2.**  
**BUSINESS EXPERIENCE**

Ismatullah Mohmend – President

Ismatullah Mohmend has been our President since our formation in January 2025. Mr. Mohmend has also served as President of our affiliate, Nazs Halal Inc., since July 2020, and as President of our parent, Naz’s Holdco, and affiliates, Naz’s IP and Naz’s Operations, since January 2025. Prior to this time, Mr. Mohmend was a teacher with the New York City Department of Education, from September 2014 to January 2020, in New York City, New York. Mr. Mohmend was between positions from February 2020 to July 2020 working to develop the Naz’s Halal Food brand. Mr. Mohmend is based in Hicksville, New York.

Mohammad Nasir Mashriqi – Chief Financial Officer

Mohammad Nasir Mashriqi has been our Chief Financial Officer since our formation in January 2025. Mr. Mashriqi has also served as Chief Financial Officer of our affiliate, Nazs Halal Inc., since July 2020, and as Chief Financial Officer of our parent, Naz’s Holdco, and affiliates, Naz’s IP and Naz’s Operations, since January 2025. Mr. Mashriqi has also been employed as a teacher with the New York City Department of Education, since September 2004, in Flushing, New York. Mr. Mashriqi is based in Hicksville, New York.

Kristina Centnere – Chief Marketing Officer

Kristina Centnere has been our Chief Marketing Officer since our formation in January 2025. Ms. Centnere has also served as Chief Marketing Officer of our affiliate, Nazs Halal Inc., since April 2022. Ms. Centnere has also served as Chief Executive Officer of Social Cow LLC since January 2011, and as Managing Partner of KUBCO FLL LLC since March 2023. Ms. Centnere is based in Miami, Florida.

Gerry Henley – President of Franchise Operations

Gerry Henley has been our President of Franchise Operations since our formation in January 2025. Mr. Henley has also served as President of Launch to Growth since October 2019. Mr. Henley is based in Dunedin, Florida.

Laila Mashriqi – Vice President of Supply Chain

Laila Mashriqi has been our Vice President of Supply Chain since our formation in January 2025. Ms. Mashriqi has also served as Vice President of Supply Chain for our affiliate, Nazs Halal Inc., since July 2020, and as Vice President of Supply Chain of our parent, Naz’s Holdco, and affiliate, Naz’s Operations, since January 2025. Ms. Mashriqi was between positions from March 2020 to July 2020. Ms. Mashriqi is based in Hicksville, New York.

**Item 3.**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**Item 4.**  
**BANKRUPTCY**

No bankruptcy proceedings are required to be disclosed in this Item.

**Item 5.**  
**INITIAL FEES**

Initial Franchise Fee

You must pay us an initial franchise fee in a lump sum on the date that you sign the Franchise Agreement (the “Initial Franchise Fee”). The Initial Franchise Fee will be \$40,000 for the 1<sup>st</sup> Restaurant developed by you or your affiliates, and if you are granted the right to acquire subsequent Franchises, the Initial Franchise Fee will be reduced to \$30,000 for the 2<sup>nd</sup> through 5<sup>th</sup> Restaurants developed by you or your affiliates and to \$25,000 for the 6<sup>th</sup> and each subsequent Restaurant developed by you or your affiliates. The Initial Franchise Fee is fully earned when paid and not refundable under any circumstances.

Veteran’s Incentive Program

If you or your owners are active members of, or were honorably discharged from, the United States armed forces and remain in good standing under all agreements with us, you will receive a ten percent (10%) reduction in the Initial Franchise Fee for your first Restaurant. This discount will not apply to any subsequent Franchises that you are granted.

Development Fee

If we elect to sign a Development Agreement with you, when you sign the Development Agreement, you will pay us, in a lump sum, an initial development fee (the “Development Fee”) equal to 50% of the Initial Franchise Fee for each Franchise, less the 1<sup>st</sup> one, you agree to acquire as specified in the Development Schedule.

The minimum number of Franchises you must commit to acquiring under a Development Agreement is 3, and the typical Development Agreement would require the development of between 3 to 5 Restaurants (the specific number of which would be agreed upon by us and you and specified in the Development Schedule), requiring payment of a Development Fee ranging from \$30,000 to ~~\$75,000~~60,000. We credit the Development Fee, in \$15,000 increments, toward payment of the Initial Franchise Fee that is due as the 2<sup>nd</sup> through 5<sup>th</sup> Restaurants developed by you or your affiliates and \$12,500 for the 6<sup>th</sup> and each subsequent Restaurant developed by you and your affiliates. The Development Fee is fully earned when paid and is not refundable.

**Item 6.**  
**OTHER FEES**

Name of Fee <sup>1</sup>	Amount	Due Date	Remarks
Royalty	6% of Gross Sales <sup>2</sup>	Weekly on the day we	You must pay us a Royalty in the manner we prescribe. Currently, we collect the Royalty

Name of Fee <sup>1</sup>	Amount	Due Date	Remarks
		specify	through electronic funds transfers.
Brand Fund Contribution	2% of Gross Sales	Weekly with your Royalty	We may change the amount you must contribute to the brand development fund we have established to promote Restaurants and brand generally (the "Brand Fund"), but your required Brand Fund Contribution, the Local Advertising Requirement, and the required contribution to a Local Advertising Cooperative, collectively, will not exceed 5% of the Gross Sales of your Restaurant (the "Marketing Expenditure Cap").
Local Advertising Requirement	2% of Gross Sales	If collected by us, monthly with your first Royalty payment each month	You must spend this amount to promote your Restaurant, but we may have you instead pay this amount to us or our designee. We may change the amount of this requirement subject to the Marketing Expenditure Cap.
Local Advertising Cooperative	Not currently charged (up to 1.5% of Gross Sales)	Monthly with your first Royalty payment each month	Depending on the make-up of the Local Advertising Cooperative, we may have or control the majority of the votes. Your required contributions will be part of and subject to the Marketing Expenditure Cap.
Online Marketing Portal Fee	Not currently charged (up to \$150 per month)	Monthly with your first Royalty payment each month	For access to certain proprietary software which would include marketing materials and other marketing support.
Technology Fee	\$250 per month (subject to change up to \$500 per month, with no more than a \$100 per month increase each year)	Monthly with your first Royalty payment each month	For certain technology-related activities we or our affiliates conduct or services we or our affiliates provide.
Additional Training Fee	\$1,500 per person, plus reimbursement of our expenses	As incurred	Payable if we provide training that we are not required to provide, either at your request or at our initiative, including training for additional or replacement Required Trainees (as defined in Item 11).
Annual Franchisee Conference	\$1,000	As invoiced	The Annual Conference Fee covers attendance for you (or your Managing Owner). An additional \$500 per person fee will be charged for additional attendees. If you (or your Managing Owner) do not attend our Annual Conference, you will be charged a \$1,500 absence fee.

<b>Name of Fee <sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Successor Franchise Fee	\$5,000	On execution of successor Franchise Agreement	Payable only if you acquire a successor Franchise when the term of the Franchise Agreement expires.
Transfer Fee	\$20,000 (which will be reduced to \$10,000 for transfer to existing franchisee)	Before transfer is completed	Subject to our prior approval of your proposed transfer.
Re-Location Fee	\$7,500	As incurred	Subject to our prior approval of the new Premises of your Restaurant. This fee will not be assessed if your request is denied.
Development Late Fee	\$10,000 per extension request	As incurred	Payable if you sign a Development Agreement, and request (and we approve) an extension of your Development Schedule, for a period of up to 6 months.
Insurance	10% of the premiums paid, plus reimbursement of the premiums	As incurred	Payable if, after you open your Restaurant, you fail to maintain the required insurance coverage for your Restaurant, and we exercise our right to purchase it for you.
Insufficient Funds Fee	\$50 per day	As incurred	Payable if any payment is returned, rejected, or reversed due to insufficient funds, payment stop, or any other reason, or if there are insufficient funds in the business account you designate to cover our withdrawals.
Inspection and Testing for Alternative Vendors, Products or Equipment	Actual costs (estimated to be up to \$5,000 per request)	As incurred	Payable if, at your request, we agree to consider approving a Vendor (defined below in Item 8) that is not then currently approved, including the cost of testing the Vendor's products and inspecting its facilities. See Item 8.
Audit Fee	Actual costs (estimated to be up to \$5,000)	Within 10 days of receiving the examination report	You must pay all costs related to any audit of your books and records if such audit is conducted because you failed to timely furnish required reports, or if the audit reveals that you have understated or underpaid the amounts owed to us or our affiliates by more than 2%.
Tax Reimbursement	Actual costs, plus an administrative fee not to exceed 10% of taxes paid by us	As incurred	You must reimburse us for any taxes that we are required to pay to any state taxing authority on account of the operation of your Restaurant or payments that you make to us (other than our own income taxes).

Name of Fee <sup>1</sup>	Amount	Due Date	Remarks
Interim Operations Fee	Gross Sales exceeding the expenses of your Restaurant, plus reimbursement of our costs and expenses	As incurred	Due if we step-in to operate your Restaurant on an interim basis if you abandon or fail actively to operate your Restaurant or the Franchise Agreement expires or is terminated and we are transitioning your Restaurant operations to us or another person we designate, or determining whether to do so.
Indemnification	Varies based on amounts awarded and our actual costs	As incurred	If claims covered by the indemnity obligations are asserted against us and our related parties, you must defend and hold us harmless against all liability, damages and costs, including lawyers' fees, incurred.
Lost Revenue Damages <sup>3</sup>	Number of calendar months in the Measurement Period (See Note 3), multiplied by (1) Royalty Fee and Brand Fund Contribution percentages, multiplied by (2) the average monthly Gross Sales of your Restaurant during 36 full calendar months immediately prior to the last date of regular operations of your Restaurant	Within 15 days of expiration or termination	Payable if we terminate the Franchise Agreement because of your breach or you terminate the Franchise Agreement without cause.  If your Restaurant has not been operating for at least 36 months, the average monthly Gross Sales of all Restaurants operating under the Marks during the 36 months immediately preceding the last date of regular operations of your Restaurant.
Costs and Attorneys' Fees	Actual costs	As incurred	You must pay our costs and attorney's fees if we are successful in bringing an action against you arising out of, or related to, the Franchise Agreement, including any action commenced to collect amounts owed to us.

**Explanatory Notes:**

1. General. Except as described in this Item 6, all fees are imposed and collected by and payable to us or our affiliates. These fees are not refundable and are uniformly imposed. Fees must be paid in the manner we prescribe from time to time. Currently, you must authorize us to debit your designated bank account for all such amounts (the “EFT Authorization”) and sign and deliver to us any documents we and your bank require for such EFT Authorization. Your EFT Authorization must remain in full force and effect throughout the Term and for 30 days following its expiration or termination.

2. Gross Sales. “Gross Sales” means the regular advertised price of all goods and services sold at, from, or in connection with the operation of your Restaurant (whether or not in compliance with the Franchise Agreement), regardless of if or the manner in which the price was paid by the purchaser of such products or services, but excluding (1) sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, and (2) the amount of any documented refunds and credits your Restaurant in good faith gives to customers and your employees. Revenue from the purchase or redemption of gift certificates, gift cards or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Restaurant due to a casualty or other event covered by business interruption or similar insurance coverage.

If you fail to timely report Gross Sales, we may debit your account for 110% of the average of the last three Royalty and Brand Fund contributions that we debited. If the amounts that we debit from your account under this paragraph are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your account for the balance on the day we specify. If such amounts are greater than what you actually owe, we will credit the excess against the amounts we otherwise would debit from your account during the following week.

3. Lost Revenue Damages. For purposes of calculating Lost Revenue Damages, the “Measurement Period” means the time period commencing on the last date of regular operations of your Restaurant and end on the earlier of: (a) 24 full calendar months following the last date of regular operations of your Restaurant, or (b) the originally scheduled expiration of the term of your Franchise Agreement.

**Item 7.**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

**FRANCHISE AGREEMENT**

Type of Expenditure <sup>1</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee <sup>2</sup>	\$40,000	\$40,000	Lump sum	On execution of Franchise	Us

Type of Expenditure <sup>1</sup>	Amount		Method of Payment	When Due Agreement	To Whom Payment is to be Made
Training Expenses <sup>3</sup>	\$1,500	\$1,500	As arranged	As incurred	Unaffiliated Vendors
Real Property (3 months) <sup>4</sup>	\$9,000	\$27,000	As arranged	As incurred	Landlord
Furniture, Fixtures, and Equipment <sup>5</sup>	\$35,000	\$75,000	As arranged	As incurred	Unaffiliated Vendors
Leasehold Improvements <sup>6</sup>	\$100,000	\$170,000	As arranged	As incurred	Unaffiliated Vendors
Professional Fees <sup>7</sup>	\$4,000	\$12,000	As arranged	As incurred	Unaffiliated Vendors
Bookkeeping Services (3 months) <sup>8</sup>	\$1,050	\$1,500	As arranged	As incurred	Unaffiliated Vendors
Licenses and Permits <sup>9</sup>	\$5,000	\$15,000	As arranged	As incurred	Unaffiliated Vendors
Computer System <sup>10</sup>	\$3,000	\$8,000	As arranged	As incurred	Unaffiliated Vendors
POS Licensing Fee <sup>10</sup> (3 months)	\$1,000	\$2,600	As arranged	As incurred	Unaffiliated Vendors
QuickBooks Licensing Fee <sup>10</sup>	\$420	\$500	As arranged	As incurred	Unaffiliated Vendors
Opening Inventory <sup>11</sup>	\$11,000	\$24,000	As arranged	As incurred	Unaffiliated Vendors
Supplies <sup>11</sup>	\$2,500	\$6,000	As arranged	As incurred	Unaffiliated Vendors
Insurance (3 months) <sup>12</sup>	\$3,750	\$6,900	As arranged	As incurred	Unaffiliated Vendors
Security and Utility Deposits <sup>13</sup>	\$6,000	\$18,000	As arranged	As incurred	Unaffiliated Vendors
Signage <sup>14</sup>	\$5,000	\$10,000	As arranged	As incurred	Unaffiliated Vendors
Initial Marketing Materials Package <sup>15</sup>	\$2,000	\$7,000	As arranged	As incurred	Unaffiliated Vendors
Grand Opening Advertising <sup>16</sup>	\$10,000	\$10,000	As arranged	As incurred	Unaffiliated Vendors
Architect Designs	\$5,000	\$18,000	As arranged	As incurred	Unaffiliated Vendors
Security System	\$3,000	\$8,000	As arranged	As incurred	Unaffiliated Vendors
Uniforms	\$1,000	\$3,000	As arranged	As incurred	Unaffiliated Vendors
Interior Branding and Graphics <sup>17</sup>	\$5,000	\$12,000	As arranged	As incurred	Unaffiliated Vendors
Additional funds (3 months) <sup>18</sup>	\$15,000	\$25,000	As arranged	As incurred	Unaffiliated Vendors
<b>TOTAL ESTIMATED</b>	<b>\$269,220</b>	<b>\$501,000</b>			

Type of Expenditure <sup>1</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Made
INITIAL INVESTMENT:					

**Explanatory Notes:**

1. All amounts payable to us or our affiliates are not refundable under any circumstances. Refundability of amounts paid to third parties will be subject to the terms of your agreement with those parties.

2. Initial Franchise Fee. The Initial Franchise Fee will be \$40,000 for the 1<sup>st</sup> Restaurant developed by you or your affiliates, and if you are granted the right to acquire subsequent Franchises, the Initial Franchise Fee will be reduced to \$30,000 for the 2<sup>nd</sup> through 5<sup>th</sup> Restaurants developed by you or your affiliates and to \$25,000 for the 6<sup>th</sup> and each subsequent Restaurant developed by you or your affiliates. If you or your owners are active members of, or were honorably discharged from, the United States armed forces and remain in good standing under all agreements with us, you will receive a ten percent (10%) reduction in the Initial Franchise Fee for your first Restaurant. This discount will not apply to any subsequent Franchises that you are granted.

3. Initial Training Program. We conduct our Initial Training Program at our training center in Long Island, New York. The amounts shown assume the two (2) Required Trainees (including the Managing Owner and Designated Manager) attend. We do not charge a training fee for the Required Trainees to attend the Initial Training Program. The amounts shown reflect our estimate of (i) the travel and related expenses (including payroll, lodging, meals, etc.) that your Required Trainees will incur in connection with attendance and participating in the Initial Training Program. Travel expenses for you and your employees will depend on the distance you and they must travel and your own reimbursement policies for employee travel.

4. Real Property. We expect that your Restaurant will be located in premises that you lease from a third-party landlord. A suitable building for your Restaurant will range in size from approximately 1,200 to 2,000 square feet. Local market conditions, changes in the economy, and inflation will all contribute to your real property costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will affect both its size and price. Lease agreements vary, but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of your Restaurant. This range includes an estimate of the rent payable (\$3,000 to \$9,000 per month) to the landlord for three months.

5. Furniture, Fixtures and Equipment. We specify the kitchen equipment that you must install in your Restaurant, as well as movable furniture and fixtures that will be required for your Restaurant, such as seating, tables, chairs, stools, banquettes, booths, and upholstery. The provided estimates assume you purchase the specified equipment.

6. Leasehold Improvements. You will need to adapt your Premises to our prototype designs and plans for the building in which you will locate your Restaurant, in accordance with state and local building codes. Construction costs depend upon numerous factors, including the size and configuration of the premises, location, and the cost of materials and labor for construction. The provided estimates assume the landlord delivers the Premises to you with basic finishings and connections to adequate electrical, gas, water and sewer service. In certain markets, especially major

metropolitan markets, costs could be substantially higher due to prevailing market rates for labor (and use of union labor) and materials. These estimates may also vary substantially based upon your ability to negotiate with your landlord. The high estimated figures include building or remodeling walls, ceilings, floors, and countertops, and other construction including electrical, plumbing, HVAC, and carpentry work. Depending on the Lease terms, your landlord might cover some of these costs.

7. Professional Fees. You may incur other types of professional fees including fees for legal and accounting services. You may require an accountant and an attorney to provide services to help you form a new business entity to own your Restaurant and review contracts and other documents, including this Disclosure Document.

8. Bookkeeping Services. You will be required to contract with an approved vendor to provide you with bookkeeping and other accounting services. This figure includes a three-month estimate (ranging from \$350 to \$500 per month).

9. Licenses and Permits. This is an estimate of the cost of building permits which you must obtain before you begin construction work, as well as other licenses needed to open and operate your Restaurant, such as licensing for food handling and/or restaurant management. The permitting process and attendant licensing and permitting costs vary substantially by local jurisdiction.

10. Computer System. You must obtain and install our designated Computer System and software named in the Operations Manual (see Item 11), which includes the point-of-sale system (“POS System”), QuickBooks software, and other related technologies. The POS System, QuickBooks software and other named software will each be subject to a monthly licensing fee determined by a third-party vendor.

11. Opening Inventory and Supplies. This estimate includes equipment, ingredients, disposable supplies, and other operating supplies including knives, kitchen utensils, blenders, kitchen equipment, spoons, ladles, stainless steel pans, and an opening quantity of cleaning supplies, plastic ware, serving containers, napkins, branded cups, and take-away boxes and containers. Expenses to replenish the opening inventory and supplies during the remainder of the initial period are accounted for in Additional Funds.

12. Insurance. You must, at your expense, comply with the requirements regarding insurance coverage that we describe in our Operations Manual (as defined in Item 11) from time to time. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. No insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or affiliates. This estimate is based on our current requirements. We make no representation that the coverage will be sufficient for your Restaurant or your purposes. Your Lease agreement may require higher insurance limits than those required by us. You may also have to prepay a portion of the first year’s premiums for insurance. See Item 8.

13. Security and Utility Deposits. This figure estimates what may be due to third parties prior to your Restaurant opening for operation, such as utility deposits and deposits for

leasing required equipment. Your actual payments may vary depending on your agreements with third parties.

14. Signage. You will need indoor and outdoor signage for your Restaurant. The cost of your signage will depend on several factors, including the size of your Restaurant, the complexity of your building, as well as local ordinances and regulations as well as landlord restrictions and requirements for signage.

15. Marketing Materials. This figure includes the cost of our initial marketing materials package, which may include (depending on package selected) marketing materials, templates, seasonal campaign materials, and other marketing support.

16. Grand Opening Advertising. You must conduct a grand opening marketing program for your Restaurant that complies with the requirements set forth in the Operations Manual. The amount you will be required to spend on your grand opening marketing program will depend on various factors, including the local market conditions and the amount of competition in your area, but we will not require you to spend more than \$10,000.

17. Interior Branding and Graphics. You must comply with our System Standards in connection with the interior branding, graphics, and development of your Restaurant. The amount of fees you incur, will depend on design, layout and specifications of your Restaurant and the geographic market in which you operate.

18. Additional Funds – Initial 3-Month Period. Our estimates of the amounts needed to cover your expenses for the initial phase of your Restaurant (3 months from the date your Restaurant opens) include: replenishing your inventory, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities, and other variable costs. These amounts do not include any estimates for debt service on loans that you obtain to finance your Restaurant or the costs of purchasing real estate, and the estimates do not include any salary for your owners during the initial phases of operations. [This estimate is based on our affiliates’ experience in developing Restaurants.](#)

~~The figures in this Item 7 reflect our estimates of your initial opening investment and are based on our affiliates’ experience in developing Restaurants.~~ Neither we nor our affiliates offer financing directly or indirectly for any part of the initial investment. You should not plan to draw income from operations during the initial period. We encourage you to review these numbers with your professional advisors.

**YOUR ESTIMATED INITIAL INVESTMENT**

**AREA DEVELOPMENT AGREEMENT**

Type of Expenditure <sup>1</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Development Fee <sup>2</sup>	\$30,000	<del>\$75,000</del> <u>60,000</u>	Lump Sum	On Execution of Development Agreement	Us

Type of Expenditure <sup>1</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Agreement (First Restaurant)	\$269,220	\$501,000	See Chart Above		
<b>TOTAL ESTIMATED INITIAL INVESTMENT:</b>	<b>\$299,220</b>	<del>\$576,000</del> <b>561,000</b>			

**Explanatory Notes:**

1. All amounts are payable to us or our affiliates and are not refundable under any circumstances.

2. When you sign the Development Agreement, you will also sign the Franchise Agreement for the 1<sup>st</sup> Franchise you are obligated to purchase. The Initial Franchise Fee will be due and payable under the Franchise Agreement, but it will be payable concurrently with the execution of the Development Agreement. For that reason, we have included that amount as an amount needed to commence activities under the Development Agreement. Note that, by virtue of signing the 1<sup>st</sup> Franchise Agreement, you will be obligated to develop the Restaurant referenced in that Franchise Agreement. Review the chart applicable to the Franchise Agreement in this Item 7 for the estimated initial investment needed to commence activities under the Franchise Agreement. If you or your owners are active members of, or were honorably discharged from, the United States armed forces and remain in good standing under all agreements with us, you will receive a ten percent (10%) reduction in the Initial Franchise Fee for your first Restaurant. This discount will not apply to any subsequent Franchises that you are granted.

3. The actual amount of the Development Fee will depend on the number of Franchises you agree to acquire under the Development Schedule. The Development Fee is equal to 50% of the Initial Franchise Fee for each Franchise (after the 1<sup>st</sup> one) you agree to acquire. For example, if you agree to acquire Franchises to open 3 Restaurants (the minimum commitment under a Development Agreement), the Development Fee would be \$30,000; and if you agree to open 5 Restaurants, the Development Fee would be ~~\$75,000~~60,000. We apply the Development Fee, in \$15,000 increments, toward payment of the Initial Franchise Fee that is due as the 2<sup>nd</sup> through 5<sup>th</sup> Restaurants developed by you or your affiliates and \$12,500 for the 6<sup>th</sup> and each subsequent Restaurant developed by you and your affiliates.

**Item 8.**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Premises and Lease**

Your Restaurant must be developed, owned, and operated, throughout the term of the Franchise Agreement, at a site that we approve (the “Premises”). We have the right to approve the Premises’ Lease or sublease and to require that it include certain provisions, including our right to the Premises if the Franchise Agreement is terminated or not renewed or if you lose possession because of your default under the Lease.

**Development of Your Restaurant**

We will give you mandatory and suggested specifications and layouts for a Restaurant to operate, including requirements for dimensions, design, image, menu signage, interior layout, decor, Operating Assets, and color scheme. We must review and approve all final construction plans and specifications before you begin constructing your Restaurant and all revised or “as built” plans and specifications during construction. Our review is only to ensure your compliance with our design requirements.

**Designated and Approved Vendors**

We have, and may further develop, standards and specifications for all aspects of the development and operation of a typical Restaurant, including gift and loyalty programs are offered at Restaurants (the “System Standards”), and you must strictly comply with all System Standards. We may require you to purchase or lease brands, types, or models of products, services, supplies, equipment, the Computer System, furniture, fixtures, and signs (the foregoing being referred to, collectively, as the “Operating Assets”) or other items only from manufacturers, suppliers, and distributors (collectively, “Vendors”) we designate or approve, and we may mandate a limited number or a single source for some or all of those items. Currently, we have designated Vendors for food products and ingredients, branded paper products, and bookkeeping services.

We and our affiliates are not currently Vendors but we reserve the right to designate ourselves and our affiliates as a Vendor or the sole Vendor for some or all of the Operating Assets and other items used in the development and operation of Restaurants. We restrict your sources of approved products in order to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items. Your purchase of approved or mandated items may require that you enter into contracts with Vendors of those items, and we may mandate the terms and conditions of those contracts. We may concentrate purchases with one or more Vendors to obtain lower prices and/or the best advertising support and/or services for any group of Restaurants franchised or operated by us or our affiliates. We will provide you with a list of our approved and designated vendors, our approved products and services, contact information and ordering procedures, and price terms.

We may modify the list of approved products, Operating Assets, and Vendors at any time, in which case we will allow you a reasonable amount of time to exhaust current inventories and begin purchasing new approved products or Operating Assets from an approved or designated Vendor. If

we expand the list of approved products, we may designate ourselves or our Affiliates as the exclusive or recommended Vendor, or we may identify third-party Vendors that will pay us revenue or other compensation or consideration on account of their transactions with our franchisees.

The Operations Manual includes a separate section with specifications for ingredients, beverages, and recipes that we may modify at any time. There is no contractual limitation to the number of modifications we may make to the Operations Manual, approved products, Operating Assets, and Vendor specifications, and there is no limit on your obligation to comply with such modifications.

During the 2024 fiscal year, we and our affiliates did not derive revenue from the sale of products or services to Restaurant franchisees. We and our affiliates do not currently receive rebates or other material consideration from approved Vendors based on sales of products and services they make to our franchisees, though we may participate in any of these arrangements in the future. None of our officers currently owns an interest in any Vendor of products or services to our franchisees.

We estimate that 80% of your initial investment and 75% to 80% of your ongoing expenditures will require you to purchase products and services that will be restricted by us in some manner.

#### Alternative Vendors

We will provide you with a list of approved Vendors, the content of which may change from time to time as we add to, change, or remove our approval of Vendors. If you would like us to consider approving a Vendor or product that is not then approved, you must submit your request in writing before purchasing any items or services from that Vendor. We will make all determinations about whether to approve an alternative Vendor or product based on our then-current criteria, which may change periodically, and we will use reasonable efforts to notify you of our decision within 8 weeks after we receive your written request and supporting documentation. If you do not receive our written approval within that time, the request will be deemed to have been denied. If we approve your request, we may later revoke such approval if we determine it is in the interests of the Naz's Halal Food® brand to do so. We are not obligated to issue to you our criteria for approving alternative Vendors. We may also refuse to consider and/or approve any proposed alternative Vendor or product for any reason whatsoever. We may ~~charge~~require you ~~a fee if you ask us to~~ reimburse our costs and expenses for ~~evaluating, inspecting and testing~~ evaluating, inspecting and testing any proposed alternative Vendor or product ~~in the amount of costs we incur in inspecting and testing such products~~. We may, with or without cause, revoke our approval of any Vendor or product at any time. Vendor or product approval might be temporary until we evaluate the Vendor or product in more detail.

~~Our approval of a product or Vendor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria.~~

#### Purchasing Programs, Material Benefits, and Ownership of Vendors

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved Vendors on behalf of the System. We may establish purchasing cooperatives and programs with certain Vendors with respect to Operating Assets and other items

used in the development and operation of Restaurants. As of the issuance date of this Disclosure Document, there are no purchasing or distribution cooperatives for Restaurants. We do not provide material benefits to franchisees for purchasing particular products or services or using designated or approved Vendors.

## Insurance

You must, at your expense, comply with the requirements regarding insurance coverage that we describe in our Operations Manual from time to time. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred and resources used to obtain such insurance for you (equal to 10% of the insurance premiums paid by us). Your obligation to satisfy our minimum insurance requirements is not diminished or limited in any way by any insurance we or our affiliates carry, and no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations under the Franchise Agreement or Development Agreement.

Our insurance requirements represent only the minimum coverage that we deem acceptable to protect our interests and are not representations or warranties of any kind that such coverage is sufficient to comply with applicable law or protect your interests or those of your Restaurant. It is your sole responsibility to make that determination and to acquire any additional coverages you believe are necessary to protect those interests, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Currently, we require that you purchase at least the following types and amounts of coverage (subject to change as described in our Operations Manual) from a carrier rated at least A-VII by AM Best: (1) comprehensive general liability, including ~~broad form contractual liability, employment practices coverage, broad form property damage, personal injury, facilities, products~~ completed operations, ~~products liability~~, coverage, on an occurrence basis, with at least the following minimums: (a) \$1,000,000 per occurrence, (b) \$2,000,000 general aggregate, (c) \$1,000,000 personal and advertising injury, (d) \$50,000 damage to rented premises, and (e) \$5,000 medical expenses; (2) commercial automobile liability (covering all vehicles used in the delivery of products from the Restaurant, including owned, hired, and non-owned vehicles) ~~and fire legal liability in the amount of \$5,000,000, with combined single limit of \$1,000,000 and uninsured motorist and underinsured motorist coverage of at least \$1,000,000;~~ (3) employer's liability workers' compensation, in the amount of at least \$1,000,000, and any other insurance that may be required by statute or rule of the state or locality in which the Restaurant is located or operated; (24) all risks coverage for full repair and replacement value of all of the equipment, fixtures, and supplies used in your Restaurant with an agreed amount endorsement equal to 100% of the property's value; (3) ~~employer's liability workers' compensation, and any other insurance that may be required by statute or rule of the state or locality in which the Restaurant is located or operated;~~ (4) (not less than \$50,000 for business personal property replacement and not less than \$145,000 for tenant improvements replacement); (5) business interruption insurance of at least 50% of your annual gross sales, excluding payroll 12 months of actual loss sustained, including naming us as an additional insured and loss payee for Royalty Fees that would have been paid by you based on the Restaurant's Gross Sales during the preceding 12 month period; (5; (6) cyber liability, with minimums of \$500,000 per occurrence, \$500,000 in aggregate, \$100,000 for social engineering, and \$250,000 for third party liability; (7) employment practices liability, with minimums of \$500,000 per occurrence, and \$500,000 in aggregate, including

third party liability coverage with wage and hour minimums of at least \$25,000 and a maximum deductible requirement with a minimum of \$10,000; (8) any insurance coverages required by the terms of the lease for the Restaurant premises; and (69) any other insurance coverage we may require in the future. You must also maintain Builder's Risks/installation insurance, when appropriate, in forms and amounts, written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us.

Advertising Materials

Before you use them, you must send us for review and approval samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written approval within 10 business days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Development Agreement

~~The Development Agreement does not require you to buy or lease from us (or our affiliates), our designees, or approved Vendors, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your Restaurant under the Development Agreement. However, you must give us information and materials we request concerning each Premises that you propose for your Restaurant(s) so that we can assess each site and grant our approval, as warranted.~~

**Item 9.  
FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.**

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2.A, 2.B, 3.A and 3.B, Lease Addendum	Section 2.D	Item 11
(b) Pre-opening purchases/leases	Sections 3.B, 3.C, and Section 9, Lease Addendum	Not Applicable	Items 7, 8 and 11
(c) Site development and other pre-opening requirements	Sections 3.A, 3.C, 5.A and 10.A	Section 2	Items 7, 8, and 11
(d) Initial and ongoing training	Sections 5.A, 5.B, and 5.C	Not Applicable	Items 6, 7, and 11
(e) Opening	Section 3.B	Section 2	Item 11

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Section in Development Agreement</b>	<b>Disclosure Document Item</b>
(f) Fees	Section 4, Data Sheet	Section 3, Data Sheet	Items 5, 6, and 7
(g) Compliance with standards and policies / Operations Manual	Sections 5.D, and 9.J	Section 2.D	Items 8 and 11
(h) Trademarks and proprietary information	Section 6	Not Applicable	Items 13 and 14
(i) Restrictions on products/services offered	Sections 9.C, 9.E, and 9.J	Not Applicable	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Section 9.F	Not Applicable	Item 11
(k) Territorial development and sales quotas	Not Applicable	Sections 2.C and 2.D, Data Sheet	Item 12
(l) On-going product/service purchases	Sections 9.C and 9.E	Not Applicable	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Sections 9.A and 9.J	Not Applicable	Items 6, 8, 11 and 17
(n) Insurance	Section 9.G	Not Applicable	Items 7 and 8
(o) Advertising	Section 10	Not Applicable	Items 6, 7, 8 and 11
(p) Indemnification	Section 17.C	Section 8.B	Item 6
(q) Owner's participation/management/staffing	Sections 1.B, 1.C, and 9.D	Section 1.B	Items 11 and 15
(r) Records and reports	Section 11	Section 4	Item 6
(s) Inspections and audits	Section 12	Not Applicable	Items 6 and 11
(t) Transfer	Section 13	Section 5	Item 17
(u) Renewal	Section 14	Not Applicable	Item 17
(v) Post-termination obligations	Section 16	Section 7	Item 17
(w) Non-competition covenants	Sections 8 and 16.A	Not Applicable	Item 17
(x) Dispute resolution	Section 18	Section 9	Item 17

**Item 10.**  
**FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease, or other obligations.

**Item 11.**  
**FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING**

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

Our Pre-Opening Obligations – Franchise Agreement.

Before you open your Restaurant, we will:

1. assist you in the various stages of development of your Restaurant, as determined by us in our sole discretion, including site selection and general oversight of the construction process (Franchise Agreement – Section 3.A);
2. review and either approve or disapprove your proposed Premises and Lease for your Restaurant (Franchise Agreement – Section 3.A);
3. loan to you our prototypical plans showing the standard layout and placement specifications for Operating Assets; review and, in our reasonable judgment, approve the steps you have taken to construct and prepare your Restaurant for opening in accordance our standards and specifications; and provide you confirmation, in writing, that, in our reasonable judgment, your Restaurant meets our standards and specifications and is ready for opening (Franchise Agreement – Section 3.B);
4. provide certain assistance in connection with your purchase of Operating Assets. Currently, we neither provide these items directly nor do we deliver or install them. (Franchise Agreement – Sections 3.B and 9);
5. provide initial training to your Required Trainees, prior to the opening of your Restaurant (Franchise Agreement – Section 5.A);
6. provide you with assistance for the grand opening of your first Restaurant (the identity, composition, and length of which will be in our discretion) (Franchise Agreement – Section 5.C); and
7. provide access to our Operations Manual (Franchise Agreement – Section 5.D).

## Our Pre-Opening Obligations – Area Development Agreement

After you sign a Development Agreement, but before you open your first Restaurant, we or our affiliates will provide you the following assistance:

1. review and evaluate against our then-current criteria, sites you propose for the development of Restaurants (Development Agreement, Section 2.D); and
2. issue you a Franchise Agreement (Development Agreement, Section 2.E).

### Site Selection and Possession

You are entirely responsible, at your expense, for doing everything necessary to develop and open your Restaurant, including, subject to our prior written acceptance, locating, selecting, and securing possession of the Premises from which your Restaurant will operate. You have 120 days after you sign the Franchise Agreement to locate and obtain our approval of the Premises for your Restaurant. You must provide any information we request to aid in our evaluation of your proposed Premises. We may evaluate each proposed site based on any criteria we believe are relevant, including factors such as demographics, proposed rental rates, neighborhood and nearby business counts and characteristics, nearby residential populations, traffic counts, accessibility, parking, visibility, signage, and competition. We are not under any obligation to notify you of our approval or rejection of your proposed site within a certain time period, but we will typically give you our answer within 30 days following our receipt of all information we request. If you fail to obtain our approval of any proposed site for your Restaurant, and as a result you do not open your Restaurant within 270 days after signing the Lease or 12 months of the Effective Date of the Franchise Agreement, whichever is earlier, we may terminate the Franchise Agreement. We do not typically own any premises which are then leased to franchisees.

You must secure possession of the Premises within 90 days following our approval, by signing a lease, sublease or other agreement that allows you to develop and operate your Restaurant at the Premises for the entire term of the Franchise Agreement (the “Lease”). You may not, however, sign the Lease until you have received our written approval of its terms. As a condition to our acceptance of the Lease, we may require the Lease to include certain provisions that we periodically require to protect and maintain the Naz’s Halal Food® brand and System and to protect our interests in the Premises and the continuity of the brand at the Premises. The current form of our standard Lease Addendum containing those provisions is attached as Exhibit H to this Disclosure Document. If we accept the Lease, we do so for our own purposes, and we make no representation or warranty as to the quality or suitability of the Lease or its terms. You should obtain the advice of your own professional advisors before signing it.

## Opening Requirements

### *Franchise Agreement*

You must, by the earlier of (a) 270 days after you sign the Lease, or (b) 12 months after the Effective Date of the Franchise Agreement, to do all things necessary to complete the development of your Restaurant and prepare it for opening in accordance with the Franchise Agreement and applicable laws, including adapting your Restaurant to our prototypical plans; acquiring and installing the Operating Assets; constructing your Restaurant to our approval and in accordance with the approved detailed construction plans and specifications for your Restaurant; using approved Vendors; retaining and paying all architects and contractors; securing all required operating permits, licenses, and insurance; and retaining and training all employees.

You must not begin operating your Restaurant until we have confirmed, in writing, that you have satisfied all conditions required under the Franchise Agreement to our satisfaction. Subject to your compliance with applicable laws, you must begin operating your Restaurant no later than 14 days following our written confirmation of those items. We may terminate the Franchise Agreement and retain your Initial Franchise Fee payment if you fail to open your Restaurant for full use by customers within such timeframes. The typical length of time between signing a Franchise Agreement and opening a Restaurant is between 9 and 12 months. Factors that affect this time include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, delivery and installation of equipment, and renovation of the premises.

### *Area Development Agreement*

Under the Development Agreement, despite any assistance we may provide, you are entirely responsible for locating and presenting to us proposed sites for Restaurants in the Development Area as necessary to comply with the Development Schedule. You must give us all information and materials we request to assess each proposed site, as well as your or your proposed affiliate's financial and operational ability to develop and operate a Restaurant at the proposed site. We have the absolute right to reject any site or any affiliate (a) that does not meet our criteria, or (b) if you or your affiliates are not then in compliance with any existing Franchise Agreements or are not then operating your or their Restaurants in compliance with the System Standards. We will use our reasonable efforts to review and evaluate your proposed sites within 14 days after we receive all requested information and materials. If we accept a proposed site, you or your approved affiliate must sign a separate Franchise Agreement for the Premises within 14 days after we provide you with an execution copy of the Franchise Agreement, or we may withdraw our approval and acceptance of the Premises. To maintain your rights under the Development Agreement, you must open the Restaurants pursuant to separate Franchise Agreements as necessary to satisfy the Development Schedule.

## Assistance During the Operation of Your Restaurant – Franchise Agreement

During the operation of your Restaurant, we or our designees will:

1. allow you to use our Confidential Information, including our Operations Manual in connection with the operation of your Restaurant (Franchise Agreement – Sections 5.D and 7);

2. allow you to use our Marks in connection with the operation of your Restaurant (Franchise Agreement – Section 6);
3. provide you additional or refresher training, if we determine that additional training is necessary (Franchise Agreement – Section 5.C);
4. periodically advise you regarding the operation of your Restaurant based upon reports you submit or inspections we make (Franchise Agreement – Sections 9, 11 and 12);
5. provide you with a list of authorized Vendors for the ingredients, supplies, signs, furniture, fixtures, equipment, and services (Franchise Agreement, Section 9.E);
6. provide you our System Standards and other suggested standards, specifications, and procedures for Restaurants (Franchise Agreement, Section 9.J); and
7. review and approve or disapprove advertising and marketing materials and programs that you propose to use (Franchise Agreement – Section 10).

While we are not obligated to do so, we may, subject to applicable law, determine prices that you and other Restaurants may charge for or advertise Menu Items (Franchise Agreement, Section 9.H).

#### Assistance During Activities Under the Development Agreement

During your operations under the Development Agreement, we or our designees will:

1. provide you with our site selection criteria for a Restaurant, and review locations you propose for your Restaurants (Development Agreement – Section 2.D); and
2. subject to your compliance with the Development Agreement, allow you to purchase Franchises to operate Restaurants at Premises we approve in your Development Area in accordance with the Development Agreement (Development Agreement – Section 2.E).

#### Operations Manual

During the term of your Franchise Agreement, we will provide you with access to our manual for the operation of Restaurants (the “Operations Manual”). ~~We will determine the content of the Operations Manual, the frequency in which it may be updated, and the manner and format in which it is delivered or made available to you. The Operations Manual will contain mandatory specifications, standards, operating procedures, and System Standards, and you must comply with those standards and requirements. The Operations Manual may also contain suggested policies and guidelines for the operation of Restaurants. We may periodically modify the Operations Manual, including in the form of memoranda and newsletters, to reflect changes in System Standards.~~

The current table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit D. There are currently 122 pages in our Operations Manual.

## Advertising and Promotion

### *Brand Fund*

We have established a Brand Fund to be used to promote awareness of the *Naz's Halal Food*<sup>®</sup> brand and Restaurants generally. Your contribution will be in amounts we periodically specify (currently, 2% of your Restaurant's Gross Sales) and is payable in the same manner as the Royalty. All franchisees will contribute to the Brand Fund at the same rate; however, we may, on notice to our franchisees, change the amount they must contribute to the Brand Fund subject to the Marketing Expenditure Cap.

We or our affiliates or other designees will direct all programs that the Brand Fund funds or finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Fund may pay for preparing and producing materials and electronic or digital media in any form or format that we periodically designate, including but not limited to: administering online advertising strategies, including maintaining a System Website or mobile applications; administering regional and multi-regional marketing and advertising programs; implementing a loyalty program; and supporting public relations, market research, product development, and other advertising, promotion, and marketing activities. The Brand Fund may sell you copies at its cost of certain materials at the Brand Fund's cost of producing them, plus any related shipping, handling, and storage charges.

We are not required to segregate Brand Fund contributions from our other funds, but we will account for the Brand Fund separately from our other funds and not use the Brand Fund for any of our general operating expenses. However, we may use the Brand Fund to reimburse us or our affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to the Brand Fund, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs. ~~While references to the availability of Franchises may appear in marketing materials,~~ No portion of the Brand Fund will ~~not~~ be used primarily to sell franchises.

The Brand Fund will not be our asset. We will hold all Brand Fund contributions for the benefit of its contributors. The Brand Fund may, in our discretion, spend in any fiscal year more or less than the total Brand Fund contributions made in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use all interest earned on the Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and, once prepared, give you the statement for the most recently completed fiscal year upon your written request. We are not required to audit the Brand Fund, but we may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate and, if we do, that successor entity will have all rights and duties reserved by us.

We need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by Restaurants operating in that geographic area or that any Restaurant, including your Restaurant, benefits from Brand Fund activities either directly or in proportion to its Brand Fund contributions. We have the right, but no obligation, to use

collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may, at any time, defer or reduce your contributions to the Brand Fund, and upon 30 days' prior notice to you, suspend Brand Fund operations for one or more periods of any length and/or terminate (and if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will, at our option, either spend all unspent monies at our discretion until such amounts are exhausted, or distribute the funds in the Brand Fund to the contributing Restaurant owners in a manner we deem fair and equitable.

Our company-owned or affiliate-owned Restaurants may, but are not required to, contribute to the Brand Fund; provided, that if we or they elect to do so, it will be at the same rate as our franchisees.

In fiscal year 2024, we did not collect or spend Brand Fund contributions. We have no advertising councils, though we reserve the right to form them in the future.

#### *Local Advertising*

You must spend, monthly, 2% of the prior month's Gross Sales of your Restaurant to locally advertise and promote your Restaurant (the "Local Advertising Requirement"). However, subject to the Marketing Expenditure Cap, we may, at any time and on notice to you, change the amount of your Local Advertising Requirement. You must list and advertise your Restaurant with the online directories we periodically prescribe and establish any other Online Presence (defined below) we require or authorize, each in accordance with our System Standards. If other Restaurants are located within the directory's distribution area, we may require you to participate in a collective advertisement with them and to pay your share of that collective advertisement. Within 30 days after the end of each calendar quarter, you will send us, on our request and in the manner that we prescribe, an accounting of your advertising expenditures during the preceding calendar quarter.

All materials you use to promote your Restaurant must be materials that we have provided or made available to you or that we otherwise approve, in writing, prior to your use. All such materials that you create must be completely clear, factual, ethical, and not misleading and must conform to our marketing and advertising policies that we periodically prescribe. You must submit to us, for our approval, samples of marketing materials you intend to use at least 10 days prior to your proposed use. If you do not receive our written approval of the materials within 10 days of your submission, they are deemed to be disapproved. We may withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the System's best interests.

We may, at any time, issue you a notice that the amounts required to be spent by you on local advertising shall, instead, be paid to us or our designee. If we exercise this option, we will then spend such amounts on your behalf, in accordance with local marketing guidelines and programs that we periodically develop, to advertise and promote your specific Restaurant. We may instead contribute any such amounts to the Brand Fund, at our discretion. We may also elect, on one or more occasions and without prejudice to our rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on your behalf and, instead, to require you to conduct such marketing activities yourself.

Except for administering the Brand Fund and performing your local advertising if we collect the amounts that you are required to spend on local advertising, we have no obligation to conduct any marketing for Restaurants or spend any amount on advertising in the territory where your Restaurant will be located; however, if we choose to do so, we may use any form of media with local, regional, or national coverage and we may prepare the advertising materials in-house or outsource such advertising responsibilities to third-party advertising agencies.

In the future, we may require you to pay us a monthly fee (up to \$150 per month) for access to certain proprietary software which would include marketing materials and other marketing support. This fee would not be included as part of your Local Advertising Requirement.

### *Local Advertising Cooperatives*

When there are multiple Restaurants operating in the same geographical area (as we define), we may establish or direct the establishment of a local advertising cooperative (“Local Advertising Cooperative”) and require all franchisees in such geographic area to participate in the Local Advertising Cooperative. The purpose of each Local Advertising Cooperative will be to administer coordinated advertising programs and develop advertising, marketing, and promotional materials for the area that the Local Advertising Cooperative covers. The Local Advertising Cooperative will be organized and governed in a form and manner that we determine, pursuant to written agreements (the then-current versions of which will be made available to you before you join the Local Advertising Cooperative), and we and our designee will administer each Local Advertising Cooperative. We may change, dissolve, and merge Local Advertising Cooperatives. If we establish a Local Advertising Cooperative for the area in which your Restaurant will be located then, you must sign any documents we require to become a member of a Local Advertising Cooperative and, subject to the Marketing Expenditure Cap, to contribute to and participate in the designated Local Advertising Cooperative. Subject to the Marketing Expenditure Cap, each Local Advertising Cooperative may determine the rate at which its franchisees will contribute to such Local Advertising Cooperative; however, we anticipate that all franchisees that participate in any given Local Advertising Cooperative will contribute to it at the same rate.

Restaurants that we or our affiliates own may, but will not be required to, contribute to any Local Advertising Cooperatives, and if we or our affiliates choose to do so, then we and they may not contribute at the same rate as the participating franchisees.

### *Online Presences, Contact Information, and Listings*

We may establish, develop, and update any website, domain name, email address, social media account, username, other online presence, or presence on any electronic, virtual, or digital medium of any kind (each an “Online Presence”), to advertise, market, and promote Restaurants, the Menu Items that they offer and sell, or the Restaurant franchise opportunity. We may ~~establish, develop and update Online Presences to advertise, market, and promote Restaurants, the products and services that they offer and sell, or the Restaurant franchise opportunity (each a “System Website”).~~ We may, but are not obligated to, provide you with a webpage or other Online Presence that references your Restaurant on any Online Presence established, developed and/or updated by us (each a “System Website”), upon which, you must: (i) provide us the information and materials we request to develop, update, and modify the information about your Restaurant; and (ii) notify us whenever any information about your Restaurant is not accurate. ~~You acknowledge that we~~ We have final approval rights over all information on any System Website.

~~If you default under the Franchise Agreement, we may, in addition to our other remedies, temporarily remove references to your Restaurant from any System Website until you fully cure the default, and our doing so will not be considered a termination of the Franchise Agreement. All advertising, marketing, and promotional materials that you develop for your Restaurant must contain notices of the System Website’s domain name in the manner we designate.~~

You may not, without our prior written consent, develop, maintain or authorize any Online Presence that mentions your Restaurant, links to any System Website, or displays any of the Marks. You may not, directly or indirectly through any Online Presence, promote, advertise or sell any

products or services without our prior written approval. ~~If we approve the use of any such Online Presence in your Restaurant's operations, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third party websites. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you must grant us access to each such Online Presence and take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence. If we allow you to maintain an Online Presence for your Restaurant, you must prepare and link a privacy policy to such Online Presence. Your Online Presence's privacy policy must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing.~~

Each telephone number, directory listing, and any other type of contact information used by or that identifies or is associated with your Restaurant (any "Contact Identifiers") may be used solely to identify your Restaurant in accordance with the Franchise Agreement. As between us and you, we have the sole rights to, and interest in, all Contact Identifiers and also all Online Presences. Under the Franchise Agreement, you will authorize and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet service provider and all listing agencies to transfer such Contact Identifiers to us.

### Computer System

You must, at your expense, obtain, maintain and use in your Restaurant the integrated computer hardware and software, including, POS System, franchise management software, QuickBooks software, phone system, online ordering software, and other related computer-related accessories and software, and an integrated computer-based order-entry system that we periodically specify from time to time in the Operations Manual (the "Computer System"). We may modify specifications for, and components of, the Computer System, which might require you to acquire new or modified computer hardware or software and obtain service and support for the Computer System. You must at all times ensure that your Computer System, as modified, meets our System Standards and functions properly.

You are required to pay us or, in some cases, our affiliates, a recurring fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance, support, and technology development services that we or our affiliates provide directly or indirectly through third-party providers (the "Technology Fee"). You will have sole and complete responsibility for the manner in which your Computer System interfaces at our specified levels of connection speed with our and any third party's computer system and any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The then-current Technology Fee can be found in the Operations Manual. We estimate that the cost of acquiring the Computer System will be \$3,000 to \$8,000. We estimate the cost of required maintenance, upgrades, and support contract for such systems will be \$300 to \$600 per terminal for hardware maintenance and \$500 to \$1,000 for technical support, each year. In addition, you will be required to pay a licensing fee of \$420 to \$500 per year for use and access to QuickBooks software.

We will have unlimited, remote access to your Computer System and independent access to the information generated and stored therein, including customer data and credit card information. There are no contractual limitations on our and our affiliates' right to access or use this information and data. You must provide us with all passwords, access keys, and other security devices as

necessary to permit our remote access. You are not required to enter any contracts for maintenance of your Computer System with us or any other third-party provider, though such arrangements may be beneficial for integration of our required and ongoing upgrades and operational requirements.

You must incur the costs of obtaining the Computer System (or additions and modifications) and required service or support, payable to us and/or our affiliates through the Technology Fee. It is your responsibility to implement and pay for all changes, modifications, maintenance, and upgrades associated with the Computer System, and we have no obligation to reimburse you for any costs detailed in this Item 11 unless otherwise noted. We have no obligation to provide maintenance, repairs, upgrades, or updates to the Computer System. If our or our affiliates' proprietary software is developed and provided to you, the terms and conditions applicable to your use of that software may be amended from time to time. Within 10 days after you receive notice from us, you must obtain the Computer System components that we designate and ensure that your Computer System, as modified, is functioning properly. We may require that you update or upgrade any component of the Computer System, and there will be no limitations on such requests.

You need not buy or use any additional Computer System to operate under the Development Agreement.

## Training

### *Initial Training Program*

At least 60 days before opening your or your affiliates' first Restaurant to the public, at least two Required Trainees must have completed, to our satisfaction, our initial training program (the "Initial Training Program"). The "Required Trainees" are your Managing Owner and either your Designated Manager or, if the Designated Manager and Managing Owner are the same person, one other manager-level employee of your Restaurant. The "Designated Manager" is an individual who is fully trained, certified and approved by us, who is on-site at your Restaurant on a day-to-day basis, and to whom you have assigned primary responsibility and authority for the day-to-day management and operation of your Restaurant. In addition to your Required Trainees, you may invite one additional management-level employee to attend the Initial Training Program. While our approval of your current and future Designated Managers is required, you are solely responsible for hiring them and determining all of the terms and conditions of their employment.

Any Required Trainee who has not signed a Guaranty must sign our then-current form of confidentiality agreement (subject to applicable laws) prior to attending the Initial Training Program.

Our training programs are provided as needed rather than on a particular schedule, but shall be made available no less than every 6 weeks. Timing of completion, scheduling, location, content, length, and format of our Initial Training Program are at our discretion, and we reserve the right to require that all of your attendees attend and participate at the same time. The Initial Training Program must be completed by you and your Required Trainees at least 60 days prior to opening your Restaurant to the general public. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending the Initial Training Program. You are responsible for those arrangements.

We will charge ~~a reasonable~~ an additional training fee ~~(currently, of \$1,500 per person), plus expenses,~~ if any replacement Required Trainee or any persons other than the Required Trainees attend the Initial Training Programs that we conduct.

Currently, the Initial Training Program consists of approximately 38 hours of classroom training and 62 hours of on-the-job training conducted at our training center in Long Island, New York. The training materials used during the training program will include the Operations Manual and other written manuals and guides we develop from time to time. We have the option to offer any portion of the program virtually instead of in-person. We may also send our trainers to your Restaurant to conduct any part of the Initial Training Program. We will determine the timing of each component of the Initial Training Program and the identity and composition of the trainer(s) conducting them, and we may vary the length and content of the program and its components based on the experience and skill level of the individuals attending. We do not conduct the Initial Training Program on a set schedule. Scheduling is based on your and our availability, training facility availability, and your projected opening date. We may also establish pre-training requirements, which the attendees will be expected to meet before attending the Initial Training Program, including study of provided materials and exams.

As of the date of this Disclosure Document, the Initial Training Program is comprised of the following:

#### INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Orientation	1	1	Our Training Center (located in Long Island, New York)
Food and Kitchen Safety (Require Food Certificate)	4	1	Our Training Center (located in Long Island, New York)
Food Preparation and Cooking	2	24	Our Training Center (located in Long Island, New York)
Recruiting, retention, hiring, and turnover	2	2	Our Training Center (located in Long Island, New York)
Scheduling	1	1	Our Training Center (located in Long Island, New York)
QSC&F - Conducting strategic site visits	4	2	Our Training Center (located in Long Island, New York)
Multi-unit leadership	4.5	0	Our Training Center (located in Long Island, New York)
Coaching for improved employee performance	2.5	0	Our Training Center (located in Long Island, New York)

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Inventory and Cost Control	2	2	Our Training Center (located in Long Island, New York)
General Restaurant Management	2	16	Our Training Center (located in Long Island, New York)
POS System and Cashier Training	2	8	Our Training Center (located in Long Island, New York)
Grand Opening Plans	1	1	Our Training Center (located in Long Island, New York)
Guerilla Marketing	2	2	Our Training Center (located in Long Island, New York)
Customer Acquisition and Experience	8	2	Our Training Center (located in Long Island, New York)
<b>Total:</b>	<b>38</b>	<b>62</b>	

*Additional Training Program Information; Ongoing Training Requirements*

Our training program is currently led and supervised by Ismatullah Mohmend (who has been with us and our affiliates for 8 years and has 24 years of industry experience).

You will be responsible for the proper training of your employees. You must ensure that everyone you employ successfully completes the required training programs, is properly trained in their designated roles, and is qualified to perform his or her duties at your Restaurant in accordance with the System and System Standards.

We may require your Required Trainees and/or other employees to attend an annual franchisee conference and additional, periodic or refresher training courses at such times and locations that we designate. We reserve the right to charge you a reasonable fee for attendance (and non-attendance) at these programs and any training materials that we provide in connection with such training. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending an annual conference or participating in other training programs. You are responsible for those arrangements. You must give us reasonable assistance in training other Restaurant franchisees, and we will reimburse you for your reasonable out-of-pocket expenses in providing such assistance at our request.

If you request, and we agree to provide, any additional or special guidance, assistance, or training, we may charge you our ~~then-applicable~~ additional training fee ~~(currently, of \$1,500 per person, plus expenses)~~. You understand that any specific ongoing training or advice we provide does not create an obligation for us to continue to provide this specific training or advice, all of which we may discontinue and modify periodically.

## **Item 12.** **TERRITORY**

### Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from Restaurants that we own, or from other channels of distribution or competitive brands that we control. However, so long as you are in compliance with the terms of your Franchise Agreement and subject to the rights that are reserved for us and our affiliates as described below, we will not authorize any other person or entity to operate a Restaurant within the Protected Territory designated in your Franchise Agreement. If your Premises and Protected Territory have not been agreed upon and identified in your Franchise Agreement, we will define your Protected Territory when we approve your proposed Premises. If you do not accept our definition of your Protected Territory, you may submit an alternative site for our approval. We may define the boundaries of your Protected Territory based upon factors including population density, character of neighborhood, traffic patterns, location, number of nearby competing businesses, and other factors. There are no minimum territory requirements regarding the size or configuration of the Protected Territory. The typical Protected Territory we grant ranges from a .05 to 1 mile radius around the Premises; provided, the Protected Territory could be smaller if there is a densely populated urban area, a readily definable market area like a resort or boardwalk, a specific facility (stadium, hospital, airport, casino, etc.) or a natural boundary like a body of water, bridge or expressway.

If we allow you to develop your Restaurant at a Non-Traditional Location, you will not receive a Protected Territory. A “Non-Traditional Location” is a physical location that (1) is part of a larger venue or facility, (2) is not generally and easily accessible to the general public, or (3) whose operating hours are limited to those imposed by the owner or operator of the venue in which it sits (for example, military bases, shopping malls, hotels, school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, trucks, casinos, sports or entertainment venues or stadiums, and retail shop locations being sublet under a lease to a master concessionaire).

Your rights to the Protected Territory are dependent on your compliance with your obligations under the Franchise Agreement. You are not required to meet any other specific performance thresholds in order to maintain your rights to the Protected Territory.

The Franchise Agreement does not grant you permission to relocate your Restaurant to different Premises. You may, however, request our approval to do so based on characteristics of the Premises that have changed or you believe are no longer suitable for your Restaurant. Permission to do so will be in our sole discretion. We will consider your request and supporting information and use reasonable efforts to notify you of our decision within 30 days following our receipt of all relevant information. If we grant your request, you will be required to sign an amendment to your Franchise Agreement to reflect the new Premises, the timing of reopening your Restaurant at the new Premises, and a general release of claims against us and our related parties. We may also charge you a fee for our consideration of your request (currently, \$7,500 per request).

You are not restricted to marketing to or otherwise soliciting or servicing or accepting orders from customers within or from any particular area. However, except in connection with the approved System Website, you may not engage in any promotional or similar activities, whether directly or indirectly, through or on any Online Presence, and we may require: (1) that your marketing efforts not directly target the customers of any other Restaurants, and (2) that you provide catering or delivery services only within an area that we determine from time to time.

We may reduce or terminate your Protected Territory if you violate your Franchise Agreement and/or any other agreements between you and your affiliates and us and our affiliates. ~~Otherwise, continuation of your territorial rights under the Franchise Agreement does not depend on your achieving a certain sales volume, market penetration, or other contingency.~~

#### Development Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from Restaurants that we own, from other channels of distribution or competitive brands that we control. However, so long as you are in compliance with the terms of your Development Agreement and subject to the rights that are reserved for us and our affiliates as described below, we will not grant development rights to or authorize any other person or entity to operate a Restaurant within your Development Area during the term of the Development Agreement.

The size of your Development Area will be determined based on population, geography, your experience and other criteria we determine in our discretion. However, the Development Area will typically not be smaller than the aggregate Protected Territories we would grant you under the Franchise Agreements to be signed during the term of your Area Development Agreement.

The Development Agreement will expire on the earlier of (1) the opening of the last Restaurant required to be open under the Development Schedule, or (2) the date by which the last such Restaurant is required to be open in satisfaction of the Development Schedule. Expiration or termination of the Development Agreement does not impact the continued existence of any Franchise Agreements that are, as of such time, already fully executed unless, in the case of termination, the grounds for termination are also bases for termination under the Franchise Agreements.

The size and configuration of the Development Area will depend on the number of Restaurants you commit to develop and may be described in terms of contiguous zip codes, street or county boundaries, or similar methods, and may be depicted on a map. Your Development Area will

be described in the Development Agreement before you sign it. There are no minimum territory requirements regarding the size or configuration of the Development Area.

When you sign the Development Agreement, you will also sign the first Franchise Agreement in the form attached to this Disclosure Document as Exhibit B. As we approve your proposed additional locations pursuant to your Development Schedule, you will sign our then-current form of Franchise Agreement, the form of which may be materially different than the form of Franchise Agreement attached as Exhibit B to this Disclosure Document, including with respect to fees owed.

We may reduce or terminate your Development Area if you violate your Area Development Agreement (including failure to comply with the development schedule specified therein) and/or any other agreements between you and your affiliates and us and our affiliates. ~~Otherwise, continuation of your territorial rights under the Area Development Agreement does not depend on your achieving a certain sales volume, market penetration, or other contingency.~~

### Reservations of Rights

We reserve for ourselves and our affiliates all rights that are not expressly granted to you in the Franchise Agreement or Development Agreement and the right to do all things that we do not expressly agree in those agreements not to do, in each case, without compensation to you, without regard to proximity to your Restaurant or Development Area, and on such terms and conditions as we deem appropriate. For example, we and our affiliates, ourselves or through authorized third parties, may (and you are not permitted to) do the following:

- (1) own and operate, and license others to own and operate Restaurants in Non-Traditional Locations anywhere in the world, including within your Development Area;
- (2) own and operate, and license others to own and operate, Restaurants using the System and the Marks on such terms and conditions we deem appropriate outside of your Development Area;
- (3) while we and our affiliates do not currently do so, and have no current plans to do so, we and our affiliates may develop or become associated with other businesses, including other halal food concepts and systems that offer the same or similar products, and/or award franchises under such other concepts, provided that, if located in your Development Area, such businesses are not identified by the *Naz's Halal Food* trademark (although they may, in our discretion, use and incorporate certain other elements of System and System Standards);
- (4) acquire or be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to the *Naz's Halal Food* brand, (ii) allow the other businesses to operate as part of or to use the elements of the System, and/or (iii) permit the other businesses to continue to operate under another name;
- (5) solicit customers, advertise, and authorize others to advertise, and promote sales of Restaurants anywhere, including within the Development Area, and fill customer orders; and

(6) market and sell, and grant to others the right to market and sell, anywhere (inside and outside your Development Area) through alternative channels of distribution (for example, through the Internet, catalog sales, telemarketing, direct marketing, e-commerce, and product lines in other businesses), any product or service identified by the Marks or any other trademarks, whether or not authorized for sale at Restaurants and whether similar to or different than products or services authorized for sale at Restaurants.

**Item 13.  
TRADEMARKS**

The following table sets forth the list of our principal Marks and the status of applications filed with the U.S. Patent and Trademark Office (the “USPTO”) for the Principal Register to protect the principal Marks:

Mark	Registration Number	Registration Date
NAZ'S HALAL FOOD	6444535	August 10, 2021
	6444534	August 10, 2021

All required affidavits of use will be filed in a timely manner. There is presently no effective determination of the USPTO, the Trademark Trial & Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks. We know of no superior prior rights or infringing uses that could materially affect your use of the Marks.

~~We grant you a non-exclusive license to use the Marks to operate your Restaurant, subject to the terms of your Franchise Agreement. You must at all times faithfully, honestly, and diligently promote the Marks in connection with operating your Restaurant. You may use the Marks only for your Restaurant, and only according to your Franchise Agreement and in accordance with System Standards. You have no right to sublicense or assign your right to use the Marks. You may not use any other trademarks, service marks or commercial symbols to identify or operate your Restaurant~~

~~You may not use any Mark (a) as part of any business entity name; (b) with any modifying words, terms, designs, or symbols (other than logos we have licensed to you); (c) in selling any unauthorized services or products; (d) as part of Online Presence, except as set forth in the Operations Manual or otherwise in writing from time to time; (e) in connection with any advertisement to sell or otherwise dispose of your Restaurant or any Operating Assets; or (f) in any other manner that we have not expressly authorized in writing. Except with regard to the System Website or with our prior written consent, you may not use the Marks as part of any domain name, homepage, electronic address, or otherwise in connection with a website, and then only under the terms we specify.~~

We license the Marks from Naz's IP under a License Agreement dated April 22, 2025 (the "License Agreement"). The term of the License Agreement will continue for 99 years from its effective date unless terminated. The License Agreement may be terminated (resulting in the loss of our right to use and to sublicense the use of the Marks to you) by mutual agreement of the parties, or by Naz's IP for a number of reasons, including if we default on any obligations, we are dissolved, make an assignment for the benefit of creditors, become insolvent, consent to appointment of a receiver, or our business is seized, or the parties cease to be affiliates. All rights in and goodwill from the use of the Marks accrue to Naz's IP. Except as described above, no agreement significantly limits our rights to use or sublicense the Marks in a manner material to the franchise

You must notify us immediately of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights to or in any Mark (each an "Infringement Matter"); ~~and not to communicate with any person other than us or our affiliates, our attorneys, and your attorneys, regarding any such Infringement Matter.~~ We and our affiliates may take the action we or they deem appropriate (including no action) and control exclusively any litigation, administrative actions, or other legal proceedings arising from any Infringement Matter, ~~and you must sign any documents and take any other reasonable action that we believe to be necessary or advisable to protect and maintain our and our affiliates' interests in any such proceeding or otherwise to protect and maintain our and their interests in the Marks.~~ We will reimburse you for your reasonable costs of taking any action that we or our affiliates ask you to take in this regard. We also agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding.

If it becomes advisable, in our opinion, to modify or discontinue using any Mark used by your Restaurant or to use in your Restaurant one or more additional or substitute trademarks or service marks, you will comply with our directions within a reasonable time after receiving notice. We will determine, in each instance, what time for compliance is reasonable, the length of which may vary based on the reason for the modification or discontinuance and the breadth and cost of making the change (for example, a shorter time may be required where the change is based on an actual or perceived threat of infringement versus where we are electing to make a change purely for marketing and branding purposes). We need not reimburse you for your expenses of complying with our directions in that regard or for any loss of revenue due to any modified or discontinued Mark. We may exercise these rights at any time and for any reason, and you waive any claims, demands or damages arising therefrom.

#### **Item 14.**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any patents, pending patent applications, or registered copyrights that are material to the franchise. However, we and our affiliates claim copyrights in the Operations Manual (which contains our trade secrets), handbooks, the System Website, advertising and marketing materials, all or part of the Marks, and other portions of the System and other similar materials used in operating Restaurants. We have not registered these copyrights with the United States Registrar of Copyrights but need not do so at this time to protect them. You may use these items only as we specify while operating your Restaurant (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the Confidential Information (defined below) or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend our copyrights, although we intend to do so if we determine that it is in the System's best interests. We may control any action involving the copyrights, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving a copyright.

We and our affiliates possess (and may continue to develop and acquire) certain information we treat as confidential, some of which may constitute trade secrets under applicable law (the "Confidential Information"), relating to the System, whether or not marked confidential, including: (a) the Operations Manual and its contents; (b) growth and development plans, strategies, and forecasts related to the System; (c) site selection criteria; (d) training and operations materials; (e) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, market research, customer data, knowledge, and experience used in developing, promoting and operating Restaurants and the products they offer and sell; (f) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies; (g) any software or other technology which is proprietary to us, our affiliates, or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other materials generated by, the software or other technology; and (h) knowledge of the operating results and financial performance of Restaurants (including your Restaurant).

You must promptly disclose to us all ideas, concepts, methods, techniques, and products conceived or developed by you and/or any of your affiliates, owners, agents, representatives, contractors or employees relating to the development or operation of your Restaurant or other Restaurants ("Innovations"), whether or not protectable intellectual property and whether created by or for you or your owners or employees. All Innovations are our sole and exclusive property and works made-for-hire for us and shall constitute our Confidential Information. To the extent any Innovation does not qualify as a work made-for-hire for us, you must assign ownership of that Innovation, and all related rights to that Innovation, to us and will sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating your Restaurant or otherwise without our prior written approval.

The restrictions on your disclosure and use of the Confidential Information will not apply to the: (a) disclosure of information, processes, or techniques which are generally known and used in the Restaurant or food service industry (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure; (b) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially; and (c) disclosure of your Restaurant's operating results and financial performance to your existing and prospective lenders, and, provided

they are bound by confidentiality obligations, to potential investors in you or purchasers of your Restaurant.

You may not use our Confidential Information in an unauthorized manner. You must adopt and implement procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to personnel of your Restaurant and certain other people and using non-disclosure agreements with those having access to Confidential Information in a form determined by us. We may regulate the form of agreement that you use, and we will be a third-party beneficiary of that agreement with independent enforcement rights.

All Confidential Information is owned by us or our affiliates and you will use the Confidential Information only for the development, promotion, and operation of your Restaurant. You will not use or sell Confidential Information to any third parties, and you will comply with all applicable laws governing the use and protection of Confidential Information.

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

If you are an entity, you must identify one of your owners who is a natural person with at least a 25% ownership interest in you, to at all times act as your “Managing Owner”. You must also employ a Designated Manager of your Restaurant, who may, but need not, be your Managing Owner or one of your other owners. You (or your Managing Owner) are solely responsible for the management, direction, and control of your Restaurant(s), subject to the terms and conditions of the Franchise Agreement and/or Development Agreement. Your Designated Manager must supervise the management and day-to-day operations of your Restaurant on a full-time basis and continuously exert best efforts to promote and enhance your Restaurant and the goodwill associated with the Marks. At least one such trained Designated Manager must remain on-site at all times during the Franchise’s operating hours.

We have the right to approve your Designated Manager before he or she begins to provide services at your Restaurant. Your Designated Manager must satisfy our educational and business experience criteria for Designated Managers of Restaurants, as set forth in the Operations Manual or otherwise, and satisfactorily complete our Initial Training Program and any other training programs we may periodically require. You are required to secure written confidentiality commitments, on forms we approve, from your Designated Manager.

If you are not a natural person, your direct and indirect owners must personally guarantee your obligations under the Franchise Agreement and Development Agreement and will be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. Our current form of Guaranty and Assumption of Obligations is attached as an exhibit to the current forms of Franchise Agreement and Development Agreement attached to this Disclosure Document as Exhibit B and Exhibit C, respectively. The non-owner spouse of each owner will be required to sign the guaranty merely to acknowledge the owner’s execution of the guaranty and the impact it may have on marital assets.

**Item 16.**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must use the Premises solely for the operation of your Restaurant in accordance with the Franchise Agreement. You must offer and sell all Menu Items that we periodically specify for Restaurants, and you may not offer or sell any products or services that we have not approved or that we have specifically not approved. This includes Menu Items developed by us leveraging proprietary recipes, ingredients, and preparation methods. Any deviation from the Menu Items must be approved in writing by us. We may regulate product pricing to the degree the law allows, including restriction on the use of coupons/discounts and participation in company discount programs.

You must offer and sell approved Menu Items only at the Premises and in the manner we have authorized. Our System Standards may regulate required and/or authorized Menu Items and approved products and services, pricing, unauthorized and prohibited food products, beverages, and services, purchase, storage, preparation, handling, and packaging procedures and techniques for Menu Items and approved products and services, and other products and supplies so that your Restaurant operates at full capacity. There are no limits on our right to periodically change required and/or authorized Menu Items and approved products and services. You must promptly implement these changes and must discontinue selling any products or services that we at any time decide to disapprove in writing. You may conduct business only with customers at your Restaurant or in connection with off-site catering and delivery services as we direct from time to time. We do not otherwise impose any restrictions regarding the customers with whom you may conduct business.

You may recommend substitutes or adjustments to the established Menu Items, but any deviation (in whole or in part) must be tested and approved in writing by us.

As part of our innovation efforts, we may conduct market tests and research on new Menu Items and other products, and you must participate in those tests and research as requested. This includes preparing a reasonable quantity of test items/ingredients, engaging in test marketing as directed, and providing timely reports and reasonable information to evaluate efficacy. We will maintain unlimited rights to change types of approved Menu Items and products as necessary to evolve the *Naz's Halal Food* brand and Menu Items and best meet customer demand. Our System Standards may regulate participation in and requirements for customer loyalty programs and similar programs for Restaurants under terms and conditions we periodically specify. You must participate in the manner we specify in any group loyalty or other programs that we periodically establish.

**Item 17.**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the	Franchise Agreement:	10 years from the Effective Date of your Franchise

PROVISION	SECTION IN AGREEMENT	SUMMARY
franchise term	Section 2.A	Agreement.
	Development Agreement: Section 2.A	The term of the Development Agreement depends on your development obligations
b. Renewal or extension of the term	Franchise Agreement: Section 14	If you are in full compliance with the Franchise Agreement, we may grant one successive term of ten years (or, if shorter, until the expiration or termination of your right to possess the Premises).
	Development Agreement: N/A	Not applicable.
c. Requirements for franchisee to renew or extend	Franchise Agreement: Section 14	You must give at least 90 days' but not more than 12 months' notice; be in full compliance with the Franchise Agreement and System Standards; not be in breach of any agreement with us or our affiliates; satisfy all monetary obligations owed to us or our affiliates; have the right to remain in possession of the Franchise premises; pay our successor franchise fee; remodel, update, or redesign your Restaurant according to our then-current System Standards (regardless of cost); execute a then-current Franchise Agreement and general release (unless prohibited by law); and comply with current qualifications and training requirements. The then-current Franchise Agreement may contain terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements. We must be offering Franchises within the state of the Franchise when you give your renewal notice.
	Development Agreement: N/A	Not applicable.
d. Termination by franchisee	Franchise Agreement: Section 15.A	If you and your owners are fully complying with the Franchise Agreement and we materially fail to comply with the Franchise Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us, or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Franchise Agreement effective an additional 30 days after you deliver to us written notice of termination.
	Development Agreement: Section 6.A	If you and your owners are fully complying with the Development Agreement and we materially fail to comply with the Development Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us, or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Development

PROVISION	SECTION IN AGREEMENT	SUMMARY
		Agreement effective an additional 30 days delivery to us of written notice of termination.
e. Termination by franchisor without cause	Franchise Agreement: N/A	We may not terminate the Franchise Agreement without cause.
	Development Agreement: N/A	We may not terminate the Development Agreement without cause.
f. Termination by franchisor with cause	Franchise Agreement: Section 15.B	We may terminate only if you or your owners commit one of several violations. Under cross-default provisions, we may also terminate the Franchise Agreement if you or your approved affiliate fails to comply with any provision of any other agreements with us or our affiliates (including a Development Agreement) and does not cure such failure within the applicable cure period.
	Development Agreement: Section 6.B	We may terminate your development rights only if you or your owners commit one of several violations. Under cross-default provision, we can also terminate the Development Agreement if you or your approved affiliate fails to comply with any provision of any other agreements with us or our affiliates (including a Franchise Agreement) and does not cure such failure within the applicable cure period.
g. "Cause" defined – curable defaults	Franchise Agreement: Section 15.B	We will have cause to terminate your Franchise Agreement for the following defaults if we give you notice and the following opportunity to cure the default: (i) 21 days to cure the Required Trainees' inability to complete the Initial Training Program; (ii) 72 hours to cure any violation of law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Restaurant; (iii) 10 days to cure failure to maintain required insurance; (iv) five (5) days to cure monetary defaults to us, our affiliates, or any third-party; (v) 15 days to cure failed quality assurance audit; and (vi) 30 days for failure to comply with any provision of the Franchise Agreement that is not specifically called out in section (h), below. Subject to state law.
	Development Agreement: Section 6.B	We will have cause to terminate your Development Agreement if we give you notice and an opportunity to cure the default. You will have 30 days to cure any default of the Development Agreement that is not specifically listed in (h), below. Subject to state law.
h. "Cause" defined – non-curable defaults	Franchise Agreement: Section 15.B	Non-curable defaults under the Franchise Agreement include material misrepresentations or omissions in acquiring the Franchise or otherwise; failure to sign a Lease for an acceptable site for the Premises or open the Franchise within the specified time periods; unauthorized closure, failure to

PROVISION	SECTION IN AGREEMENT	SUMMARY
		operate the Franchise for more than three (3) consecutive calendar days, or other abandonment; you (or your owner's) conviction of a felony; dishonest or unethical conduct; engaging in conduct which adversely affects the reputation of Restaurants, the System, or the Marks; unauthorized Transfer; loss of the right to occupy the Premises; unauthorized use or disclosure of the Operations Manual or other Confidential Information; failure to pay taxes; understating Gross Sales three (3) times or more during the Term; repeated defaults (even if cured); assignment for the benefit of creditors, appointment of a trustee or receiver, or other insolvency events; failure to comply with anti-terrorism laws; health and safety risks; and failure to timely cure any default(s) under the Franchise Agreement, Development Agreement, or any other agreements with us or our affiliates. Subject to state law.
	Development Agreement: Section 6.B	Non-curable defaults under the Development Agreement include material misrepresentations or omissions; failure to comply with the Development Schedule or development obligations; unapproved transfers; repeated defaults (even if cured); insolvency by reason of inability to pay obligations or an assignment for the benefit of creditors, filing a petition of bankruptcy, or seeking a reorganization liquidation, dissolution, or composition or other settlement with creditors under any law that is not dismissed within 30 days of filing; failure to comply with anti-terrorism laws; conviction of a felony or any criminal act that is likely to adversely affect the goodwill of the Restaurants or the System; engaging in conduct which adversely affects the reputation of Restaurants, the System, or the Marks; and failure to comply with other agreements with us or our affiliates and do not correct such failure within the applicable cure period, if any. Subject to state law.
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement: Section 16	Upon termination or non-renewal of your Franchise Agreement, you must: (i) pay outstanding amounts; (ii) close your Restaurant for business; (iii) cease using Marks; (iv) cease to identify yourself or your Restaurant as a franchised location; (v) return to us or destroy (as we require) all items, forms, and materials containing any Mark or otherwise identifying or relating to the Franchise as a Restaurant; (vi) remove all signage, unless we are buying your Restaurant; (vii) cease using Contact Identifiers and Online Presences; (viii) comply with de-identification and all other System Standards; (ix) cease using the Confidential Information; and (x) comply with non-competition and non-solicitation provisions. You must also sell us your Restaurant if we exercise our purchase option. You must provide us with

PROVISION	SECTION IN AGREEMENT	SUMMARY
		evidence of your compliance with these obligations within 30 days of the termination of the Franchise Agreement. You must also pay Lost Revenue Damages if we terminate the Franchise Agreement because of your breach, or if you terminate without cause.
	Development Agreement: Section 7	Under the Development Agreement, you must: (i) cease to directly or indirectly exercise or attempt to exercise any of the rights granted to you under the Development Agreement; (ii) immediately return any Confidential Information provided or loaned to you by us; (iii) comply with all obligations that either expressly survive or by their nature are intended to survive the expiration or termination of the Development Agreement; and (iv) refrain from interfering or attempting to interfere with our or our affiliates' relationships with any vendors, franchisees or consultants or engage in any other activity which might injure the goodwill of the Marks or the System.
j. Assignment of contract by franchisor	Franchise Agreement: Section 13.A	No restriction on our right to assign. We may assign without your prior approval.
	Development Agreement: Section 5.A	No restriction on our right to assign. We may assign without your prior approval.
k. "Transfer" by franchisee -definition	Franchise Agreement: Section 13.B	The sale, assignment, transfer, conveyance, give-away, pledge, mortgage, or other disposition of or encumbrance any direct or indirect interest in the Franchise Agreement (including, without limitation, any or all of your rights or obligations under it), your Restaurant or its assets (other than in the ordinary course of business), your right to possession of the Premises, or any direct or indirect ownership interest in you (regardless of its size), and/or transfer, surrender, or lose the possession, control, or management of your Restaurant, without our prior written approval. Any Transfer without our prior written approval is a material breach of the Franchise Agreement and has no effect.
	Development Agreement: Section 5.B	The sale, assignment, transfer, conveyance, give-away, pledge, mortgage, or other disposition of or encumbrance any direct or indirect interest in the Development Agreement, the Development Rights, or any direct or indirect ownership interest in you (regardless of its size), and/or transfer, surrender, or lose the possession, control, or management of your Restaurant, without our prior written approval. Any Transfer without our prior written approval is a material breach of the Development Agreement and has no effect.

PROVISION	SECTION IN AGREEMENT	SUMMARY
l. Franchisor's approval of transfer by franchisee	Franchise Agreement: Sections 13.B and 13.C	Franchise Agreement, direct or indirect ownership of you, and assets of your Restaurant may not be assigned or encumbered without our prior written consent.
	Development Agreement: Sections 5.B and 5.C	Development Rights may not be assigned or encumbered without our prior written consent.
m. Conditions for franchisor approval of transfer	Franchise Agreement: Section 13.C	<p>You (and your owners, if applicable) must: provide all information and documents we request regarding, and requested our consent for, the Transfer and the proposed transferee and its owners or affiliates; provide us executed versions of any relevant documents to affect the Transfer, and all other information we request about the proposed Transfer; ensure such Transfer meets all of our requirements; sign a general release, in a form satisfactory to us, and a non-competition covenant; be in full compliance with our System Standards and Franchise Agreement, with no periods of default for 60 days before the transfer request and during the period between the Transfer request and the Transfer's proposed effective date; provide notices or approvals relating to the proposed Transfer (including any landlord notices or consents) to us; pay (or cause to be paid to us) a Transfer fee in the amount of \$20,000 (reduced to \$10,000 for transfer to existing franchisee); and provide evidence we reasonably request to show that appropriate measures have been taken to affect the Transfer as it relates to the Franchise's operations, including by transferring all necessary and appropriate business licenses, insurance policies, leases, and material agreements, or obtaining new business licenses, insurance policies and material agreements.</p> <p>Transferee (and transferee's owners, if applicable) must: provide all information and documents we request regarding, and requested our consent for, the Transfer and the proposed transferee and its owners or affiliates; remodel and/or refurbish the Restaurant in accordance with our then-current System Standards; sign our then-current form of franchise agreement and related documents for the balance of the Term; and ensure all persons required to complete training under the transferee's franchise agreement satisfactorily complete our training program, and pay all costs and expenses we incur to provide the training program to such persons.</p>
	Development Agreement: Section 5.C	You (and your owners and guarantors, if applicable) must: be in full compliance with our System Standards and Development Agreement (and/or Guaranty), with no periods of default for 60 days before the transfer request and during

PROVISION	SECTION IN AGREEMENT	SUMMARY
		<p>the period between the Transfer request and the Transferer's proposed effective date; provide all information and documents we request regarding the Transfer and the proposed transferee and its owners or affiliates; provide us with executed versions of any relevant documents to effect the Transfer, and all other information we request about the proposed Transfer; sign a general release, in a form satisfactory to us, and a non-competition agreement; pay all amounts owed to us, our affiliates, and third-party vendors; submit all required reports and statements under the Development Agreement; and pay (or cause to be paid to us) a Transfer Fee.</p> <p>Transferee (and transferee's owners, if applicable) must: provide all information and documents we request regarding the Transfer and the proposed transferee and its owners or affiliates; and sign our then-current form of multi-unit development agreement and related documents.</p>
<p>n. Franchisor's right of first refusal to acquire franchisee's business</p>	<p>Franchise Agreement: Section 13.G</p>	<p>If you receive or make an offer to sell or transfer an interest, direct or indirect, in the Franchise Agreement, your Restaurant, or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items (k) through (m) of this Table. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you must tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.</p>
	<p>Development Agreement: Section 5.F</p>	<p>If you receive or make an offer to sell or transfer an interest, direct or indirect, in the Development Agreement, your Development Rights, or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items (k) through (m) of this Table. If you do not complete</p>

PROVISION	SECTION IN AGREEMENT	SUMMARY
		the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you must tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement: Section 16.B	Upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement by you without cause or by us (each a "Termination Event"), we may purchase the assets of your Restaurant for the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of your Restaurant as a going concern) ("Liquidation Value"), and assume the lease for your Restaurant upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement as a result of a Termination Event. In the case of a Termination Event, we have 30 days from the Termination Event to provide you with written notice of our election to purchase your Restaurant.
	Development Agreement: N/A	Not applicable.
p. Death or disability	Franchise Agreement: Section 13.D	If you are a natural person or your Managing Owner, in either case, dies or becomes disabled, then, upon such death or disability, the executor, administrator or other personal representative of such person must promptly notify us in writing and must transfer your or their interests in the Franchise Agreement and in your Restaurant to a third party approved by us, within a reasonable period of time, not to exceed nine (9) months following the date of death or disability. Such transfers, including by will or by inheritance, will be subject to the same terms and conditions as <i>inter vivos</i> Transfers and will be subject to our right of first refusal and provisions (k) through (o) of this Item 17. If your Restaurant is not then managed by a trained Designated Manager, the executor, administrator or other personal representative must, within a reasonable period of time, not to exceed 15 days from the date of death or disability, appoint a qualified manager to operate your Restaurant. If it has not already done so, the Designated Manager will be required to complete our Initial Training Program at your expense.

PROVISION	SECTION IN AGREEMENT	SUMMARY
		The term “disability” means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent such person from performing the obligations set forth under the Franchise Agreement.
	Development Agreement: N/A	Not applicable.
q. Non-competition covenants during the term of the franchise	Franchise Agreement: Section 8	<p>You, your owners, or any of your or their immediate family members, must not (i) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph); (ii) perform services for or provide benefits to, in any capacity, a Competitive Business, wherever located or operating; (iii) divert or attempt to divert any actual or potential business or customer of your Restaurant to a Competitive Business; (iv) interfere or attempt to interfere with our or our affiliates’ relationships with any Vendors, franchisees, or consultants; or (v) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.</p> <p>A “Competitive Business” means a business (other than an authorized Restaurant) that: (1) that offers or sells menu items using halal ingredients, or other middle-eastern inspired cuisine or (2) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing.</p>
	Development Agreement: N/A	Not Applicable.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: Section 16.A	For two (2) years beginning on the effective date of termination or expiration, you, your owners, or any of your or their immediate family members, will not have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (i) at the Premises, (ii) within a 10-mile radius of the Premises; or (iii) within a 10-mile radius of any other Restaurant in operation or under construction on the effective date of the termination or expiration of the Franchise Agreement. You may not interfere with

PROVISION	SECTION IN AGREEMENT	SUMMARY
		Vendor/consultant relationships nor engage in activities that would harm our Marks or Franchise System.
	Development Agreement: N/A	Not Applicable.
s. Modification of the agreement	Franchise Agreement: Section 19.B	Subject to our right to modify the Operations Manual and System Standards, no modification except by a written agreement signed by our and your duly authorized officers.
	Development Agreement: Section 10.A	Subject to our right to modify the System Standards, no modification except by a written agreement signed by our and your duly authorized officers.
t. Integration / merger clause	Franchise Agreement: Section 19.G	Only the written terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representation or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. However, nothing in the Franchise Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.
	Development Agreement: Section 10.F	Only the written terms of the Development Agreement and other related written agreements are binding (subject to state law). Any representation or promises outside of the Disclosure Document and Development Agreement may not be enforceable. However, nothing in the Development Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.
u. Dispute resolution by arbitration or mediation	Franchise Agreement: Section 18.A	We and you must arbitrate all disputes at a location in or within 50 miles of our or our successor's or assign's current principal place of business (currently, New York, New York) (subject to state law).
	Development Agreement: Section 9.A	We and you must arbitrate all disputes at a location in or within 50 miles of our or our successor's or assign's current principal place of business (currently, New York, New York) (subject to state law).
v. Choice of forum	Franchise Agreement: Section 18.B	Subject to applicable state law and our arbitration requirement, litigation must take place in the court nearest to our current corporate headquarters (currently New York, New York).
	Development Agreement: Section 9.C	Subject to applicable state law and our arbitration requirement, litigation must take place in the court nearest to our current corporate headquarters (currently New York, New York).
w. Choice of law	Franchise Agreement: Section 18.A	Subject to applicable state law, the Franchise Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of New

PROVISION	SECTION IN AGREEMENT	SUMMARY
		York, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently, and (2) the enforceability of those provisions of the Franchise Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Restaurant is located.
	Development Agreement: Section 9.B	Subject to applicable state law, the Development Agreement, the Development Area, and all claims arising from the relationship between us and you will be governed by the laws of the State of New York, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently, and (2) the enforceability of those provisions of the Development Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Development Area is located.

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit I.

**Item 18.**  
**PUBLIC FIGURES**

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

**Item 19.**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its company / affiliated and unaffiliated third party owned outlets and licensee 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.

**Definitions**

As used in this Item 19, the following terms have the meanings given them below:

- “Gross Sales” means the regular advertised price of all goods and services sold at, from, or in connection with the operation of the Restaurant (whether or not in compliance with the Franchise Agreement), regardless of if or the manner in which the price was paid by the purchaser of such products or services, but excluding (1) sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, and (2) the amount of any documented refunds and credits the Restaurant in good faith gives to customers and its employees. Revenue from the purchase or redemption of gift certificates, gift cards or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds received to replace revenue that was lost from the interruption of the Restaurant due to a casualty or other event covered by business interruption or similar insurance coverage. This definition is the same definition for “Gross Sales” that is used in the Franchise Agreement and that will serve as the basis for your calculation of royalty and certain other fees.
- ~~“Unaffiliated Third-Party Licensee Restaurants”~~ means outlets that ~~are operating by an unaffiliated third party~~ under a license agreement with our affiliate.
- “2024 Measurement Period” means the 52-week period beginning January 1, 2024 and ending December 31, 2024.

### **Data Sets and Methodology**

We have used historical financial information to compile the information contained in this Item 19. As of December 31, 2024, there were 43 Restaurants, of which 30 are owned by licensees under a license agreement with our ~~unaffiliated third parties (the “Unaffiliated Third-Party (the “Licensee Restaurants”)~~ and 13 are owned, in whole or in part, by our affiliates (the “Company Restaurants”). Of the 30 ~~Unaffiliated Third-Party Licensee~~ Restaurants, 9 were excluded from the data set below because they opened during the 2024 calendar year and did not operate for the entire 2024 Measurement Period. Similarly, 1 Company Restaurant did not operate the entire 2024 Measurement Period, and thus, was excluded from the data set below. The remaining 21 ~~Unaffiliated Third-Party Licensee~~ Restaurants together with the 12 Company Restaurants make up the “Complete Set” of Restaurants that operated during the entirety of the 2024 Measurement Period. We do not anticipate that the characteristics of the Restaurants included in this Item 19 will materially differ from Restaurants operated by new franchisees.

In each instance in which we show an average of a category, we calculated the average by adding the total amount of that same category for the 2024 Measurement Period as reported by all Restaurants in the data set, then divided those numbers by the number of Restaurants in the data set. In each instance in which we show an average, we also show the range of the data points and the median data point. The range is the space between the lowest and highest points in the data set. The median is the middle data point; that is, the data point in the center of all data points. Where the number of data points is an even number, there is no middle data point, so the median is the average of the two middle data points.

### **~~Unaffiliated Third-Party Licensee~~ Restaurants (21 Total)**<sup>1</sup>

The chart below provides, for the 21 ~~Unaffiliated Third-Party Licensee~~ Restaurants, the average Gross Sales for the 2024 Measurement Period.

<b>Average</b>	\$1,630,436
<b>Number/ Percentage That Met or Exceeded the Average</b>	11 / 52%
<b>Median</b>	\$1,658,092
<b>Range</b>	\$439,666 to \$3,220,835

<sup>1</sup> One ~~Unaffiliated Third Party Licensee~~ Restaurant operated for a portion of the 2024 Measurement Period as a Company Restaurant, and was sold to ~~an unaffiliated third party~~ [a licensee](#) in April 2024.

### **Company Restaurants (12 Total)**

The chart below provides, for the 12 Company Restaurants, the average Gross Sales for the 2024 Measurement Period.

<b>Average</b>	\$1,813,180
<b>Number/Percentage That Met or Exceeded the Average</b>	4 / 33%
<b>Median</b>	\$1,578,416
<b>Range</b>	\$921,309 to \$3,422,312

### **Unaffiliated Third Party Licensee and Company Restaurants (33 Total)**

The chart below provides, for 33 ~~Unaffiliated Third Party Licensee~~ and Company Restaurants, the average Gross Sales for the 2024 Measurement Period.

<b>Average</b>	\$1,696,888
<b>Number/Percentage That Met or Exceeded the Average</b>	14 / 42%
<b>Median</b>	\$1,617,050
<b>Range</b>	\$439,666 to \$3,422,312

**Some Restaurants have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 our Chief Financial Officer, Mohammad Nasir Mashriqi, at [naz@nazshalal.com](mailto:naz@nazshalal.com) (phone: (516) 615-2504, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20.**  
**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**  
**SYSTEMWIDE OUTLET SUMMARY**  
**FOR YEARS 2022 TO 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised <sup>1</sup>	2022	<del>0</del> <u>1</u>	<del>0</del> <u>9</u>	<del>0</del> <u>+8</u>
	2023	<del>0</del> <u>9</u>	<del>0</del> <u>20</u>	<del>0</del> <u>+11</u>
	2024	<del>0</del> <u>20</u>	<del>0</del> <u>30</u>	<del>0</del> <u>+10</u>
Company-Owned <sub>2</sub>	2022	5	<del>13</del> <u>14</u>	<del>+8</del> <u>+9</u>
	2023	<del>13</del> <u>14</u>	<del>14</del> <u>15</u>	+1
	2024	<del>14</del> <u>15</u>	13	<del>-1</del> <u>-2</u>
<b>Total</b>	<b>2022</b>	<del>5</del> <u>6</u>	<del>13</del> <u>23</u>	<del>+8</del> <u>+17</u>
	<b>2023</b>	<del>13</del> <u>23</u>	<del>14</del> <u>35</u>	<del>+1</del> <u>+12</u>
	<b>2024</b>	<del>14</del> <u>35</u>	<del>13</del> <u>43</u>	<del>-1</del> <u>+8</u>

- ~~As of December 31, 2024, there were 30 restaurants in the United States~~These outlets operating under a license agreement with our affiliate, ~~Naz's Halal Inc., which were entered into before we began offering franchises for the Naz's Halal Food brand.~~
- These ~~company-owned~~ outlets are owned wholly or in-part by our affiliates.
- The numbers in tables 1 to 4 of Item 20 are for the fiscal years that ended as of December 31, 2022, 2023, and 2024.

**TABLE NO. 2**  
**TRANSFERS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN FRANCHISOR OR AN AFFILIATE)**  
**FOR YEARS 2022 TO 2024**

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
<b>Totals</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

**TABLE NO. 3  
STATUS OF FRANCHISED OUTLETS  
FOR YEARS 2022 TO 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
<del>Totals</del> <a href="#">California</a>	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
<del>2022</del> <a href="#">Delaware</a>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<a href="#">Florida</a>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
<a href="#">Maryland</a>	2022	1	5	0	0	0	0	6
	2023	6	5	0	0	0	0	11
	2024	11	5	0	0	0	0	16
<a href="#">New Jersey</a>	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<a href="#">New York</a>	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
<a href="#">Rhode Island</a>	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<a href="#">Virginia</a>	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	2	0	0	0	0	4
<b>Totals</b>	<b>2022</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
	<b>2023</b>	<b>9</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>
	<b>2024</b>	<b>20</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>

1. [These outlets operate under a license agreement with our affiliate.](#)

**TABLE NO. 4  
STATUS OF COMPANY-OWNED OUTLETS  
FOR YEARS 2022 TO 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Delaware	2022	0	1	0	0	0	1
	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2
Kentucky	2022	0	<del>0</del> <u>1</u>	0	0	0	<del>0</del> <u>1</u>
	2023	<del>0</del> <u>1</u>	0	0	0	0	<del>0</del> <u>1</u>
	2024	<del>0</del> <u>1</u>	<del>1</del> <u>0</u>	0	0	0	1
Maryland	2022	0	2	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
New Jersey	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	0	0	1	0	0
New York	2022	5	3	0	0	0	8
	2023	8	2	0	3	0	7
	2024	7	0	0	0	1	6
Pennsylvania	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	5	<del>8</del> <u>9</u>	0	0	0	<del>13</del> <u>14</u>
	2023	<del>13</del> <u>14</u>	4	0	3	0	<del>14</del> <u>15</u>
	2024	<del>14</del> <u>15</u>	<del>1</del> <u>0</u>	0	1	1	13

1. These ~~company-owned~~ outlets are owned wholly or in-part by our affiliates.

**TABLE NO. 5  
PROJECTED OPENINGS AS OF DECEMBER 31, 2024  
FOR THE 2025 FISCAL YEAR**

State	Franchise Agreements Signed But Not Opened <sup>1</sup>	Projected New Franchised Outlets in the 2025 Fiscal Year	Projected New Company-Owned Outlets in the 2025 Fiscal Year
California	<del>0</del> <u>2</u>	2	0
Florida	0	0	1
Illinois	0	0	3

State	Franchise Agreements Signed But Not Opened <sup>1</sup>	Projected New Franchised Outlets in the 2025 Fiscal Year	Projected New Company-Owned Outlets in the 2025 Fiscal Year
Maryland	<del>0</del> 5	5	0
Pennsylvania	0	2	0
Virginia	<del>0</del> 3	3	0
<b>Totals</b>	<del>0</del> 10	<b>12</b>	<b>4</b>

<sup>1</sup> [These outlets signed a license agreement with our affiliate.](#)

Exhibit F-1 contains a list of the names, addresses and telephone numbers of our current franchisees as of December 31, 2024; and Exhibit F-2 contains a list of the names and last known address and telephone number of each franchisee who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

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

As of the date this Disclosure Document was issued, there were no trademark-specific franchisee organizations that were created, sponsored, or endorsed by us and there were no trademark-specific franchisee organizations that requested to be included in this Disclosure Document.

## **Item 21.** **FINANCIAL STATEMENTS**

We were formed on January 30, 2025, and therefore, we are unable to provide three years of financial statements. Attached to this Disclosure Document as Exhibit ~~FE~~ is our audited opening balance sheet as March 28, 2025. Our fiscal year end is December 31.

**Item 22.**  
**CONTRACTS**

The following contracts are attached as exhibits to this Disclosure Document:

<u>Exhibit B</u>	Franchise Agreement
<u>Exhibit C</u>	Area Development Agreement
<u>Exhibit G</u>	Sample General Release
<u>Exhibit H</u>	Form of Lease Addendum

**Item 23.**  
**RECEIPTS**

Exhibit J contains detachable documents acknowledging your receipt of this Disclosure Document. Please sign and date each receipt and return one copy to us. Keep the other copy along with this Disclosure Document.

**EXHIBIT A**

**LIST OF STATE AGENCIES / AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT A**

**STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

**CALIFORNIA**

Department of Financial Protection &  
Innovation:  
Toll Free: 1 (866) 275-2677

***Los Angeles***

Suite 750  
320 West 4<sup>th</sup> Street  
Los Angeles, California 90013  
(213) 576-7500

***Sacramento***

2101 Arena Blvd.  
Sacramento, California 95834  
(916) 445-7205

***San Diego***

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 610-2093

***San Francisco***

One Sansome Street, Suite 600  
San Francisco, California 94104  
(415) 972-8559

**HAWAII**

(state administrator)

Business Registration Division  
Securities Compliance Branch  
Department of Commerce  
and Consumer Affairs  
P.O. Box 40  
Honolulu, Hawaii 96810  
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the State of  
Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2744

**ILLINOIS**

Franchise Bureau  
Office of the Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

**INDIANA**

(state administrator)

Indiana Secretary of State  
Securities Division, E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

(agent for service of process)

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

**MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner  
at the Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

**MICHIGAN**

(state administrator)

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48909  
(517) 373-7117

(agent for service of process)

Michigan Department of Commerce,  
Corporations and Securities Bureau  
P.O. Box 30054  
6546 Mercantile Way  
Lansing, Michigan 48909

**MINNESOTA**

(state administrator)

Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

(agent for service of process)

Commissioner of Commerce  
Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

**NEW YORK**

(state administrator)

NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8236 Phone  
(212) 416-6042 Fax

(agent for service of process)

Attention: New York Secretary of State  
New York Department of State  
One Commerce Plaza,  
99 Washington Avenue, 6th Floor  
Albany, NY 12231-0001  
(518) 473-2492

**NORTH DAKOTA**

(state administrator)

North Dakota [Insurance & Securities Department](#)  
600 East Boulevard Avenue  
~~State Capitol – Fourteenth Floor – Dept 414~~  
Bismarck, North Dakota 58505-0510  
(701) ~~328-4712~~[328-2910](tel:328-2910)

(agent for service of process)

~~Securities~~[Insurance](#) Commissioner  
600 East Boulevard Avenue  
~~State Capitol – Fourteenth Floor – Dept 414~~  
Bismarck, North Dakota 58505-0510  
(701) ~~328-4712~~[328-2910](tel:328-2910)

**OREGON**

Department of Business Services  
Division of Finance & Corporate Securities  
350 Winter Street, NE, Room 410  
Salem, Oregon 97310-3881  
(503) 378-4387

**RHODE ISLAND**

Department of Business Regulation  
Division of Securities  
John O. Pastore Complex  
Building 69-1  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9645

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

**VIRGINIA**

(state administrator)

State Corporation Commission  
Division of Securities  
and Retail Franchising  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219  
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission  
1300 East Main Street, First Floor  
Richmond, Virginia 23219  
(804) 371-9733

**WASHINGTON**

(state administrator)

Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

(agent for service of process)  
Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road, S.W.  
Tumwater, Washington 98501-6456  
**WISCONSIN**

(state administrator)

Securities and Franchise Registration  
Wisconsin Department of Financial Institutions  
4022 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-1064

(agent for service of process)

Office of the Secretary  
Wisconsin Department of Financial Institutions  
P.O. Box 8861  
Madison, Wisconsin 53708-8861  
(608) 261-9555

**EXHIBIT B**  
**FRANCHISE AGREEMENT**

**NAZ'S FRANCHISING, LLC**  
**FRANCHISE AGREEMENT**

**Franchisee:** \_\_\_\_\_

**Restaurant Address:** \_\_\_\_\_



**NAZ'S FRANCHISING, LLC  
FRANCHISE AGREEMENT**

**DATA SHEET**

1. **Effective Date of Agreement:** \_\_\_\_\_

2. **Franchisee:**

Name:	
Address:	
Attention:	
Email Address:	
Phone:	
Type of Entity:	
Date of Formation:	
State of Formation:	

3. **Franchise Owners.**

Name	Address	Email Address	Type of Interest	Percentage Held
Managing Owner:				

4. **Initial Designated Manager** [Section 1.C]: \_\_\_\_\_

5. **Protected Territory** [Section 2.B]: (check one):

the area within a circle having the main entrance to the Restaurant as its center and a radius of \_\_\_\_\_ miles; or

the area described as follows: \_\_\_\_\_  
\_\_\_\_\_ ; or

the area shown on the following map:

[insert map]

6. **Restaurant Premises** [Section 3.A]: \_\_\_\_\_  
—

7. **Certain Other Fees** [Section 4 and Section 10]:

(a) **Initial Franchise Fee** (check one):  \$40,000  Other \$ \_\_\_\_\_

(b) **Royalty Fee** (check one):  6% of Gross Sales  Other \_\_\_\_\_%

(c) **Brand Fund Contribution** (check one)  2% of Gross Sales  Other \_\_\_\_\_%

8. **Acknowledgement and Acceptance of Agreement.** By signing below, you represent and warrant to us that the information contained in this Data Sheet is true and correct and accurately reflects your understanding of the information contained in it. The parties, intending to be legally bound, accept and agree that this Data Sheet and the accompanying Franchise Agreement Terms and Conditions (together, the “**Agreement**”) describe their respective rights and obligations, and each agrees to be bound thereto and to perform as set forth therein.

**NAZ’S FRANCHISING, LLC,**  
a New York limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## TABLE OF CONTENTS

	<u>Page</u>
1. Preambles.....	1
A. Background.....	1
B. Business Entity.....	1
C. Managing Owner; Designated Manager.....	2
2. The Franchise.....	2
A. Grant.....	2
B. Agreement Regarding Activities in Your Territory.....	2
3. Development and Opening of Your Restaurant.....	4
A. Locating and Securing Possession of the Premises.....	4
B. Development and Opening of Your Restaurant.....	4
C. Liquidity and Financing.....	4
4. Certain Fees.....	5
A. Initial Franchise Fee.....	5
B. Royalty Fee.....	5
C. Definition of “Gross Sales”.....	5
D. Late Payments and Reporting.....	5
E. Application of Payments; Set-Offs.....	6
F. Method of Payment.....	6
5. Training and Assistance.....	6
A. Initial Training.....	6
B. Training of Employees.....	7
C. Additional Training and Guidance.....	7
D. Operations Manual.....	7
6. Intellectual Property.....	8
A. Ownership and Goodwill.....	8
B. Limitations on Your Use of Intellectual Property.....	8
C. Notification of Infringements and Claims.....	8
D. Discontinuance of Use of Marks.....	8
E. Non-Disparagement.....	9
7. Confidential Information.....	9
A. Background.....	9
B. Exceptions to Limitations.....	11
8. Competition and Interference During Term.....	11
A. Covenants.....	11
B. Competitive Business Defined.....	12
9. Restaurant Operations and System Standards.....	12
A. Condition and Appearance of Your Restaurant.....	12
B. Use of Designated Computer System.....	12
C. Products and Services Your Restaurant Offers.....	13
D. Management of Your Restaurant.....	13
E. Approved Vendors.....	14
F. Compliance with Laws and Good Business Practices.....	14
G. Insurance.....	15
H. Pricing.....	15
I. Contact Information and Listings.....	15
J. Compliance with System Standards.....	15
K. data privacy and information Security.....	17
L. Employees, Agents and Independent Contractors.....	17
10. Marketing.....	18
A. Grand Opening Advertising.....	18

	B.	Brand Fund.....	18
	C.	Local Advertising Expenditures.....	19
	D.	Local Advertising Cooperative.....	20
	E.	System Websites & Online Presences.....	20
11.		Records, Reports, and Financial Statements.....	21
12.		Inspections and Audits.....	22
	A.	Our Right to Inspect Your Restaurant.....	22
	B.	Our Right to Audit.....	22
13.		Transfer.....	23
	A.	By Us.....	23
	B.	By You or Your Owners.....	23
	C.	Conditions for Approval of Transfer.....	23
	D.	Your Death or Disability.....	25
	E.	Effect of Consent to Transfer.....	25
	F.	Public or Private Offering.....	25
	G.	Our Right of First Refusal.....	25
14.		Expiration of the Agreement.....	26
	A.	Your Right to Acquire a Successor Franchise.....	26
	B.	Grant of a Successor Franchise.....	27
15.		Termination of Agreement.....	27
	A.	By You.....	27
	B.	By Us.....	27
	C.	Interim Operations.....	29
16.		Our and Your Rights and Obligations Upon Termination or Expiration of the Agreement.....	30
	A.	Your Obligations.....	30
	B.	Our Right to Purchase Your Restaurant.....	32
	C.	Lost Revenue Damages.....	33
	D.	Continuing Obligations.....	33
17.		Relationship of the Parties/Indemnification.....	34
	A.	Independent Contractors.....	34
	B.	No Liability To Or for Acts of Other Party.....	34
	C.	Indemnification.....	34
18.		Enforcement.....	35
	A.	Arbitration.....	35
	B.	Consent to Jurisdiction.....	37
	C.	Waiver of Punitive Damages, Jury Trial and Class action.....	37
	D.	Injunctive Relief.....	37
	E.	Costs and Attorneys' Fees.....	37
	F.	Limitations of Claims.....	37
19.		Miscellaneous.....	38
	A.	Security Interest.....	38
	B.	Binding Effect.....	38
	C.	Rights of Parties are Cumulative.....	38
	D.	Severability and Substitution of Valid Provisions.....	38
	E.	Waiver of Obligations.....	39
	F.	The Exercise of our Judgment.....	39
	G.	Construction.....	40
	H.	Notices and Payments.....	40
	I.	Counterparts; Copies.....	41
	J.	Safety.....	41
	K.	Prohibited Parties.....	41

ATTACHMENT A	Guaranty and Assumption of Obligations
ATTACHMENT B	Representations and Acknowledgement Statement
ATTACHMENT C	State Specific Riders



## FRANCHISE AGREEMENT TERMS AND CONDITIONS

The following Franchise Agreement Terms and Conditions (these “**Terms**”) form an integral part of the Agreement (as defined on the attached Data Sheet) between Naz’s Franchising, LLC, a New York limited liability company having its principal address at 146 New Bridge, 2<sup>nd</sup> Floor, East Suite, Hicksville, New York 11801 (“**us**”), and the party signing the attached Data Sheet as the “Franchisee” (“**you**”).

### 1. PREAMBLES.

#### A. BACKGROUND.

Our Affiliates currently operate, and we grant franchises for the right to own and operate, restaurants that are currently identified by the federally registered trademark Naz’s Halal Food<sup>®</sup> (together, with such other trademarks, service marks, and other commercial symbols we periodically designate, the “**Marks**”) and that offer a variety of menu items, featuring rice platters, gyros, burgers, sandwiches, wings, salads, and sides, prepared in accordance with Halal standards and specifications (each a “**Restaurant**”). Restaurants are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, menus, and other specifications, each of which we may replace, further develop, or otherwise modify or discontinue from time to time (collectively, the “**System**”).

Based on your own investigation and diligence, you have requested that we grant you the right to develop, own and operate a Restaurant, using the Marks and System (the “**Franchise**”) and, to support your request, you and, as applicable, your owners have provided us with certain information about you and their background, experience, skills, financial condition, and resources (collectively, the “**Application Materials**”). In reliance on, among other things, the Application Materials, we are willing to grant you the Franchise as reflected in the Agreement.

#### B. BUSINESS ENTITY.

If you are not a natural person, you agree, represent and warrant to us that: (1) you were validly formed and are and will maintain, throughout the Term (defined below), your existence and good standing under the laws of the state of your formation and remain qualified to do business in the state in which you operate your Restaurant; (2) the information on the attached Data Sheet is complete and accurate as of the Effective Date; (3) the only business that you will own or operate during the Term will be your Restaurant and, if applicable, other Restaurants that you operate pursuant to other franchise agreements with us; (4) at our request, you will furnish us with copies of all documents regarding your formation, existence, standing, and governance; and (5) each of your owners that has direct or indirect ownership interests in you will sign and deliver to us our then-standard form of Guaranty and Assumption of Obligations (the “**Guaranty**”). Our current form of Guaranty appears as Attachment A to the Agreement. The non-owner spouse of each owner will be required to sign the guaranty merely to acknowledge the owner’s execution of the guaranty and the impact it may have on marital assets.

C. **MANAGING OWNER; DESIGNATED MANAGER.**

If you are a legal entity, one of your owners who is a natural person with at least a 25% ownership interest in you, that we approve must, at all times, act as your “**Managing Owner.**” Your Managing Owner is designated on the attached Data Sheet. You agree that your Managing Owner will be authorized, on your behalf, to deal with us in all matters that arise in respect of the Agreement. We will be entitled to rely on the decisions of your Managing Owner without being obligated to seek approval or input from your other owners. You must also designate one of your employees (who may also be your Managing Owner) to serve as the “**Designated Manager**” of your Restaurant in accordance with Section 9.D below. We may establish conditions for approving any such Designated Manager in our discretion, which may include the completion of training, confirmation that it will have no competitive businesses activities, and/or execution of a non-disclosure agreement (that we approve or designate) or other covenants we require. Your Designated Manager must supervise the management and day-to-day operations of your Restaurant on a full-time basis and continuously exert best efforts to promote and enhance your Restaurant and the goodwill associated with the Marks. At least one (1) trained manager must remain on-site at all times during the Restaurant’s operating hours.

You may not change the Managing Owner or Designated Manager without our prior written consent. You must promptly notify us in writing if your Managing Owner or Designated Manager cannot continue or no longer qualifies to serve as such. During any period in which no Designated Manager is approved (including because the Designated Manager resigns or otherwise indicates to us or you that he or she wishes to cease acting as your Designated Manager, or we disapprove of your Designated Manager for any reason), you (or if you are conducting business as a legal entity, your Managing Owner) must supervise the day-to-day operations of your Restaurant. Your Restaurant must always be under the direct on-site supervision of one or more persons who we have approved.

2. **THE FRANCHISE.**

A. **GRANT.**

We hereby grant you the Franchise to develop, own and operate a Restaurant solely at the “**Premises**” identified on the attached Data Sheet or that we subsequently approve as described in Section 3.A below (we refer to that Restaurant herein as “**your Restaurant**”), for a term beginning on the Effective Date and, unless sooner terminated as provided herein, expiring at the close of regular business on the day preceding the tenth (10<sup>th</sup>) anniversary of the Effective Date (the “**Term**”). You agree to perform your obligations faithfully, honestly, and diligently under the Agreement and use your best efforts to promote your Restaurant and the Naz’s Halal Food® brand. You agree not to conduct the business of your Restaurant at any location other than the Premises and to use the Premises only for your Restaurant. Once your Restaurant opens for business, you agree to continuously operate it in accordance with the Agreement for the duration of the Term.

B. **AGREEMENT REGARDING ACTIVITIES IN YOUR TERRITORY.**

You agree that, however determined and designated on the attached Data Sheet, any Non-Traditional Locations that operate during the Term and are located within the Territory are deemed to be excluded from the Territory unless we indicate otherwise on the Data Sheet or when we determine the Territory pursuant to Section 3.A below. As used herein, a “**Non-Traditional Location**” is a physical location that (1) is part of a larger venue or facility, (2) is not generally and easily accessible to the general public, or (3) whose operating hours are limited to those imposed by the owner or operator of the venue in which it sits (for example, military bases, shopping malls,

hotels, school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, trucks, casinos, sports or entertainment venues or stadiums, and retail shop locations being sublet under a lease to a master concessionaire).

We agree that subject to your compliance with the Agreement and except for Non-Traditional Locations, we will not, during the Term, operate or authorize anyone else to operate a Restaurant physically located in the Territory.

You acknowledge that our agreement regarding your Territory applies only to the operation of a Restaurant as defined in the Agreement. You acknowledge and agree that other Restaurants, food aggregators, or third party delivery service providers may deliver to customers located within your Territory. We reserve for ourselves and our Affiliates all rights that are not expressly granted to you in the Agreement and the right to do all things that we do not expressly agree in those agreements not to do, in each case, without compensation to you, without regard to proximity to your Restaurant, and on such terms and conditions as we deem appropriate. For example, and without limitation, we and our Affiliates may, ourselves or through authorized third parties:

- (1) own and operate, and license others to own and operate, Restaurants in Non-Traditional Locations anywhere in the world, including within your Protected Territory;
- (2) own and operate, and license others to own and operate, Restaurants using the System and the Marks on such terms and conditions we deem appropriate outside of your Protected Territory;
- (3) develop or become associated with other businesses, including other Halal-based food concepts and systems, and/or award franchises under such other concepts, provided that, as applicable, such businesses are not identified by the Naz's Halal Food® trademark (although they may, in our discretion, use and incorporate certain other elements of the System and System Standards (defined in Section 5.D));
- (4) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to the Naz's Halal Food® brand, (ii) allow the other businesses to operate as part of or to use the elements of the System, and/or (iii) permit the other businesses to continue to operate under another name;
- (5) solicit customers, advertise, and authorize others to advertise, and promote sales of Restaurants anywhere, including within the Protected Territory, and fill customer orders; and
- (6) market and sell, and grant to others the right to market and sell, through alternative channels of distribution (for example, through e-commerce and product lines in other businesses), any product or service identified by the Marks or any other trademarks, whether or not authorized for sale at Restaurants and whether similar to or different than products or services authorized for sale at Restaurants.

3. **DEVELOPMENT AND OPENING OF YOUR RESTAURANT.**

A. **LOCATING AND SECURING POSSESSION OF THE PREMISES.**

You are entirely responsible, at your expense, for doing everything necessary to develop and open your Restaurant in accordance with the Agreement, including, subject to our prior written acceptance, locating, selecting, and securing possession of the Premises from which the Restaurant will operate. If we have approved your proposed Premises when the Agreement is signed, the Premises is identified on the attached Data Sheet. Otherwise, you must, within 120 days after the Effective Date, locate and obtain our approval of the Premises. You must provide any information that we request to aid in our evaluation of your proposed Premises. We reserve the right to define your Territory at the time the Premises is identified and approved by us in accordance with this Section.

You must secure possession of the Premises within 90 days following our approval, by signing a lease, sublease or other agreement that allows you to develop and operate the Restaurant at the Premises for the entire Term (the “**Lease**”). You may not, however, sign the Lease until you have received our written approval of its terms. As a condition to our acceptance of the Lease, we may require the Lease to include certain provisions that we periodically require to protect and maintain the Naz’s Halal Food® brand and System and to protect our interests in the Premises and the continuity of the brand at the Premises. If we accept the Lease, we will do so for our own purposes. You should obtain the advice of your own professional advisors before signing it.

If, after we approve your Premises, you request our approval to relocate the Premises of your Restaurant, we may require that you pay us a re-location fee of \$7,500. This fee will not be assessed if your request is denied.

B. **DEVELOPMENT AND OPENING OF YOUR RESTAURANT.**

We will provide you our then-current prototypical plans showing the standard layout and placement specifications for all required equipment, the Computer System (defined below), furniture, fixtures and signs (all of the foregoing being referred to, collectively, as the “**Operating Assets**”). You must, by the earlier of (i) 270 days after you sign the Lease, or (ii) 12 months after the Effective Date, complete the development and open the Restaurant in accordance with the Agreement, the System, and applicable laws, including adapting our prototypical plans; acquiring and installing the Operating Assets; constructing the Restaurant to our approval, using vendors we approve as described below, in accordance with the approved detailed construction plans and specifications and space plans for your Restaurant; retaining and paying all architects and contractors; securing all required operating permits, licenses, and insurance; and retaining and training all employees.

You may not open the Restaurant for business until we have confirmed, in writing, that you have completed all conditions required under the Agreement to our satisfaction. Subject to your compliance with applicable laws, you must open the Restaurant for regular business not later than five (5) days following our written confirmation of those items.

C. **LIQUIDITY AND FINANCING.**

We have granted the Franchise to you based, in part, on your representations to us regarding, and our assessment of, your liquidity as of the Effective Date. You will ensure that, throughout the Term, you will maintain, to our reasonable satisfaction, sufficient liquidity to meet your obligations under the Agreement.

You acknowledge and agree that, if at any time you or your Affiliates propose to obtain any financing with respect to the Premises, the development or operation of your Restaurant, or any Operating Assets in which any of such items are pledged as collateral to secure your performance in connection with such financing (each a “**Financing**”), the Financing is a Transfer subject to our approval and all other conditions set forth in Sections 13.B and 13.C of the Agreement. Our consent to any Financing may be conditioned upon the inclusion in the loan and security agreements of various terms and conditions that are acceptable to us.

Subject to this Section 3.C, and unless we approve otherwise, in writing, you must apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed non-recourse grants, loans, and/or bailouts for which you qualify and that are made available to small businesses for economic stimulus.

4. **CERTAIN FEES.**

A. **INITIAL FRANCHISE FEE.**

You agree to pay us, on your execution of the Agreement, a nonrecurring and nonrefundable initial franchise fee in the amount specified on the Data Sheet.

B. **ROYALTY FEE.**

Throughout the Term, you agree to pay us a royalty fee (the “**Royalty Fee**”) in the amount specified on the Data Sheet. Royalty Fees will be payable weekly, on or before the day of the week we specify from time to time, based on the Gross Sales generated during the preceding week (currently, each Accounting Period (defined in Section 11(1))).

C. **DEFINITION OF “GROSS SALES”.**

As used in the Agreement, the term “**Gross Sales**” means the regular advertised price of all goods and services sold at, from, or in connection with the operation of your Restaurant (whether or not in compliance with the Franchise Agreement), regardless of if or the manner in which the price was paid by the purchaser of such products or services, but excluding (1) sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, and (2) the amount of any documented refunds and credits your Restaurant in good faith gives to customers and your employees. Revenue from the purchase or redemption of gift certificates, gift cards or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Restaurant due to a casualty or other event covered by business interruption or similar insurance coverage.

D. **LATE PAYMENTS AND REPORTING.**

We will charge a service fee of \$50 per day if any payment is returned, rejected, or reversed due to insufficient funds, payment stop, or any other reason, or if there are insufficient funds in the business account you designate to cover our withdrawals. This Section 4.D is not our agreement to accept any payments after their due date or our commitment to extend credit to, or otherwise finance the operation of, your Restaurant.

If you fail to timely report Gross Sales, we may debit your account for 110% of the average of the last three (3) Royalty Fees and Brand Fund (as defined in Section 10.B) contributions that we debited. If the amounts that we debit from your account under this paragraph are less than the

amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your account for the balance on the day we specify. If such amounts are greater than what you actually owe, we will credit the excess against the amounts we otherwise would debit from your account during the following week.

E. **APPLICATION OF PAYMENTS; SET-OFFS.**

Despite any designation you make, we may apply any of your payments to any amounts you owe us or our Affiliates. We may reduce any amounts we or our Affiliates owe you by any amounts you owe us or our Affiliates. You may not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under the Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under the Agreement.

F. **METHOD OF PAYMENT.**

You agree to pay any amounts you owe us or our Affiliates by any means we periodically specify whenever we deem appropriate. Currently, you must authorize us to debit your designated bank account for all such amounts (the “**EFT Authorization**”) and agree to sign and deliver to us any documents we and your bank require for such EFT Authorization. Your EFT Authorization shall remain in full force and effect throughout the Term and for 30 days following its expiration or termination.

5. **TRAINING AND ASSISTANCE.**

A. **INITIAL TRAINING.**

At least 60 days before opening your first Restaurant to the public, at least two (2) Required Trainees must have completed, to our satisfaction, our initial training program (the “**Initial Training Program**”). The “**Required Trainees**” are your Managing Owner and either your Designated Manager or, if the Designated Manager and Managing Owner are the same person, one other manager-level employee of your Restaurant. In addition to your Required Trainees, you may invite one additional management-level employee to attend the Initial Training Program. Any Required Trainee who has not signed a Guaranty must sign our then-current form of confidentiality agreement (subject to applicable laws) prior to attending the Initial Training Program.

Timing of completion, scheduling, location, content, length and format of our Initial Training Program are at our discretion, and we reserve the right to require that all of your attendees attend and participate at the same time. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending the Initial Training Program or any other training program on your behalf or at your request.

For your first Restaurant, we will not charge a fee for the Required Trainees’ participation in the Initial Training Program. After that, we may require you to conduct the Initial Training Program for your Required Trainees who have not previously completed the program, and all Required Trainees must complete the program to our satisfaction. We may charge a reasonable fee if any replacement Required Trainee or any persons other than the Required Trainees attend the Initial Training Program.

**B. TRAINING OF EMPLOYEES.**

You will be responsible for the proper training of your employees. You must ensure that everyone you employ successfully completes the training program, is properly trained, and is qualified to perform his or her duties at the Restaurant in accordance with the System and System Standards.

**C. ADDITIONAL TRAINING AND GUIDANCE.**

If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then applicable fee, including per diem charges and travel and living expenses. You understand that any specific ongoing training or advice we provide does not create an obligation for us to continue to provide this specific training or advice, all of which we may discontinue and modify periodically.

If this is your or your Affiliates' first Restaurant, we will send a training team to your Restaurant to assist with the grand opening (the identity, composition, and length of stay of which will be in our discretion), at no additional cost to you. If this is your or your Affiliates' second or subsequent Restaurant, and we determine that it is in your and the Naz's Halal Food® brand's interests to send a training and opening team to assist with the opening of your Restaurant, you will be required to reimburse us the costs and expenses incurred by the training and opening team we send to provide that support, including the costs of travel, lodging, meals and a per diem to cover the teams' salary. Our trainer(s) will determine the amount of time and the kind of support they provide under this paragraph.

We will require your Required Trainees to attend an annual franchisee conference and additional, periodic or refresher training courses at such times and locations that we designate. We reserve the right to charge you a reasonable fee for these programs and any training materials that we provide in connection with such training, which may be imposed whether or not your Required Trainees attend such program. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending an annual conference or participating in other training programs. You are responsible for those arrangements. You agree to give us reasonable assistance in training other Restaurant franchisees, and we will reimburse you for your reasonable out-of-pocket expenses in providing such assistance at our request.

We may periodically advise and guide you regarding various aspects of the operation of your Restaurant and System Standards. We will determine the location, frequency, content, and method of delivering all such advice and guidance. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then applicable fee, including per diem charges and travel and living expenses.

**D. OPERATIONS MANUAL.**

During the Term, we will provide you with electronic access to our manual for the operation of Restaurants (the "**Operations Manual**"). We will determine the content of the Operations Manual, the frequency in which it may be updated, and the manner and format in which it is delivered or made available to you. The Operations Manual may contain mandatory specifications, standards, operating procedures and rules that we periodically prescribe for operating Restaurants ("**System Standards**"), and you agree to comply with those standards and requirements. The Operations Manual may also contain other specifications, standards and policies that we may periodically suggest, and information on your other obligations under the Agreement, which we may

modify to reflect any changes. Adoption of those items in the operation of your Restaurant will be at your discretion.

The Operations Manual and any passwords and access credentials are part of our Confidential Information (as defined below) and must be protected against improper use and disclosure. As such, you may use it only in the operation of your Restaurant in accordance with the Agreement and protect it from improper use and disclosure as described in Section 7 below. You are responsible for any loss, destruction, damage, or unauthorized access or use of your copy of the Operations Manual.

## 6. **INTELLECTUAL PROPERTY.**

### A. **OWNERSHIP AND GOODWILL.**

We have the right to grant you the license to use the Marks and the System. Your right to use the Marks and the System is derived solely from the Agreement and limited to you operating your Restaurant at the Premises according to the Agreement and all System Standards. Your unauthorized use of the Marks or the System is a breach of the Agreement and infringes our and our Affiliates' rights in the Marks and the System. Your use of the Marks and the System and any goodwill created by that use are exclusively for our and our Affiliates' benefit, and the Agreement does not confer any goodwill or other interests in the Marks or the System upon you (other than the right to use them strictly as described in the Agreement). You agree not to, at any time during or after the Term, contest or assist any other person in contesting the validity of our and our Affiliates' rights to the Marks or the System.

### B. **LIMITATIONS ON YOUR USE OF INTELLECTUAL PROPERTY.**

You agree to use the Marks we periodically designate as the sole identification of your Restaurant and to identify yourself as the licensee of the Marks and the independent owner of the Restaurant in the manner we prescribe. You may not use any Mark (1) as part of any business entity name, (2) with any modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any website, domain name, email address, social media account, user name, other online presence or presence on any electronic, virtual or digital medium of any kind ("**Online Presence**"), except as set forth in the Operations Manual or otherwise in writing from time to time, (5) in connection with any advertisement of any prospective transfer that would require our approval under Section 13, or (6) in any other manner that we have not expressly authorized in writing. You agree to give the notices of trademark and service mark ownership and registrations that we specify and to maintain, solely during the Term, any fictitious or assumed name registrations required under applicable law.

### C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You must notify us immediately of any apparent infringement of or challenge to your use of any Mark or the System, or of any person's claim of any rights to or in any Mark or the System (each an "**Infringement Matter**"), and not to communicate with any person other than us or our Affiliates, our attorneys, and your attorneys, regarding any such Infringement Matter. We and our Affiliates may take the action we or they deem appropriate (including no action) and control exclusively any litigation, administrative actions, or other legal proceedings arising from any Infringement Matter, and you agree to sign any documents and take any other reasonable action that we believe to be necessary or advisable to protect and maintain our and our Affiliates' interests in

any such proceeding or otherwise to protect and maintain our and their interests in the Marks and the System.

**D. DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable, in our opinion, to modify or discontinue using any Mark used by Restaurants or to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses of complying with our directions in that regard or for any loss of revenue due to any modified or discontinued Mark. We may exercise these rights at any time and for any reason, and you waive any claims, demands or damages arising therefrom.

**E. NON-DISPARAGEMENT.**

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, agents, employees, representatives, attorneys, spouses, Affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our Affiliates, any of our or our Affiliates' directors, officers, employees, representatives, current and former franchisees, the Naz's Halal Food® brand, the System, any Restaurant (including your Restaurant), any business using the Marks, any other brand or concept of us or our Affiliates, or which would subject the Naz's Halal Food® brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of the Marks or the System. Notwithstanding anything to the contrary, in no event will you be prohibited from providing truthful testimony in connection with a legal proceeding or governmental investigation. In addition, nothing in the Agreement shall prohibit you from reporting a suspected violation of law to the appropriate governmental agency or authority.

**7. CONFIDENTIAL INFORMATION.**

**A. BACKGROUND**

In connection with your franchise under the Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the System and operation of Restaurants (the “**Confidential Information**”), including: (a) the Operations Manual and its contents; (b) growth and development plans, strategies, and forecasts related to the System; (c) site selection criteria; (d) training and operations materials; (e) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, market research, customer data, knowledge, and experience used in developing, promoting and operating Restaurants and the products they offer and sell; (f) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies; (g) any software or other technology which is proprietary to us, our affiliates, or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other materials generated by, the software or other technology; and (h) knowledge of the operating results and financial performance of Restaurants (including your Restaurant).

All Confidential Information will be owned by us or our Affiliates (other than Restricted Data, as defined in Section 9.K). You acknowledge and agree that: (i) you will not acquire any interest in any of our Confidential Information, other than the right to use it as we specify in operating your Restaurant during the Term, and (ii) our Confidential Information is proprietary, includes our trade secrets, and is disclosed to you on the condition that you will protect it. You

acknowledge that any unauthorized use or disclosure of our Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and/or our Affiliates. You (and if you are conducting business as an Entity, each of your owners) therefore agree that during and after the Term you will, and will cause each of your respective current and former spouses, immediate family members, owners, officers, directors, employees, representatives, Affiliates, successors and assigns to:

- (1) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of your Restaurant in accordance with the Agreement, and not for any other purpose of any kind;
- (2) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions;
- (3) keep confidential and not disclose or distribute our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating your Restaurant in accordance with the Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;
- (4) not make unauthorized copies of any of our Confidential Information;
- (5) adopt and maintain administrative, physical and technical safeguards to prevent unauthorized use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights and controls in such Confidential Information, in each case that are no less protective or beneficial to us than the terms of the Agreement (and we reserve the right to designate or approve the form of confidentiality agreement that you use); and
- (6) at our request, destroy or return any of the Confidential Information.

We are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our Affiliates have no liability to you and your Affiliates for any errors or omissions from the Confidential Information.

As between us and you, we are the sole owner of all right, title, and interest in and to the System and any Confidential Information. All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "**Innovations**") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you agree to execute, verify, and deliver such documents and perform such other acts (including appearances as a

witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of the Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by you.

**B. EXCEPTIONS TO LIMITATIONS.**

The restrictions on your disclosure and use of the Confidential Information will not apply to the: (i) disclosure or use of information, processes, or techniques which are lawfully known and used in the food service industry or by the public (as long as the availability is not because of a violation of applicable law or an obligation to us or our Affiliates by you), provided that you have first given us written notice of your intended disclosure and/or use; (ii) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially; and (iii) disclosure of your Restaurant's operating results and financial performance to your existing and prospective lenders, and, provided they are bound by confidentiality obligations, to potential investors in you or purchasers of your Restaurant.

**8. COMPETITION AND INTERFERENCE DURING TERM.**

**A. COVENANTS.**

We have granted you the Franchise in consideration of and reliance upon your agreement that you, your owners, and your and your owners' immediate family members (each a "**Restricted Person**") will not engage in activities that are competitive with us and any Restaurants. You therefore agree that, during the Term, neither you nor any other Restricted Person will:

- (1) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);
- (2) perform services for or provide benefits to, in any capacity, a Competitive Business, wherever located or operating;
- (3) divert or attempt to divert any actual or potential business or customer of your Restaurant to a Competitive Business;
- (4) interfere or attempt to interfere with our or our Affiliates' relationships with any customers, vendors, lenders, or franchisees; or

(5) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

You agree to obtain similar covenants directly from other Restricted Persons and your Designated Managers. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights. Nothing contained herein shall be deemed a waiver of our right to terminate pursuant to Section 15.B of the Agreement.

**B. COMPETITIVE BUSINESS DEFINED.**

The term “**Competitive Business**” means any restaurant, food service or other business (other than a Restaurant or other restaurant business that you operate pursuant to a valid franchise agreement with us or our Affiliates): (1) that offers or sells menu items using halal ingredients, or other middle-eastern inspired cuisine or (2) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing.

**9. RESTAURANT OPERATIONS AND SYSTEM STANDARDS.**

**A. CONDITION AND APPEARANCE OF YOUR RESTAURANT.**

You agree to place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we periodically approve. You further agree to maintain the condition and appearance of your Restaurant, its Operating Assets and the Premises in accordance with the System Standards and, consistent with the image of Restaurants, as an efficiently operated business offering high quality products and services and observing the highest cleanliness and efficient, courteous service. Toward that end, you agree, without limitation and at your expense, to: (a) clean, repaint, redecorate, repair, and maintain the interior and exterior of the Premises at intervals that we prescribe; (b) maintain, repair or, at our discretion, replace damaged, worn-out or obsolete Operating Assets at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced); and (c) renovate, refurbish, remodel, or replace the real and personal property and equipment used in operating the Restaurant when reasonably required to comply with our System Standards. If we change our System Standards, we will give you a reasonable period of time within which to comply with such changes.

**B. USE OF DESIGNATED COMPUTER SYSTEM.**

You must, at your expense, obtain, maintain and use in your Restaurant the integrated computer hardware and software, including an integrated computer-based order-entry system and point-of-sale system that we periodically specify from time to time in the Operations Manual (the “**Computer System**”). You also agree to maintain a functioning e-mail address and all specified points of high-speed internet connection. We may modify specifications for, and components of, the Computer System, which might require you to acquire new or modified computer hardware or software and obtain service and support for the Computer System. You must at all times during the Term ensure that your Computer System, as modified, meets our System Standards and functions properly.

You may be required to license, and sign a software license agreement regarding, certain proprietary software as part of our requirements for the Computer System. We and our Affiliates may charge you an initial and recurring fee for any proprietary software or technology that we or our Affiliates license to you and for other maintenance, support, and technology development services

that we or our Affiliates provide (a “**Technology Fee**”). We may also require that you pay us for software and other technology that you receive through us from third-party providers. You will have sole and complete responsibility for the manner in which your Computer System interfaces at our specified levels of connection speed with our and any third party’s computer system and any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The then-current Technology Fee can be found in the Operations Manual and may change at any time up to \$500 per month, with no more than a \$100 per month increase per year.

We will have unlimited, remote access to your Computer System and independent access to the information generated and stored therein. There are no contractual limitations on our and our Affiliates’ right to access or use this information and data. We may require you to provide us with all passwords, access keys, and other security devices as necessary to permit our remote access.

You must incur the costs of obtaining the Computer System (or additions and modifications) and required service or support, payable to us and/or our Affiliates through the Technology Fee. It is your responsibility to implement and pay for all changes, modifications, maintenance, and upgrades associated with the Computer System, and we have no obligation to reimburse you for any costs detailed in this Section 9.B unless otherwise noted. We have no obligation to provide maintenance, repairs, upgrades, or updates to system. If proprietary software is developed and provided to you, we may amend your obligations. Within sixty (60) days after you receive notice from us, you must obtain the Computer System components that we designate and ensure that your Computer System, as modified, is functioning properly. We may elect to require updates or upgrades to any component of these systems, and there will be no limitations on such requests.

**C. PRODUCTS AND SERVICES YOUR RESTAURANT OFFERS.**

You agree that you (1) will offer and sell from your Restaurant all of the products and services, and in the manner, that we periodically specify (which may include sourcing products which comply with halal standards and certifications); (2) will not offer or sell at or from your Restaurant, the Premises or any other location any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove. You must immediately bring your Restaurant into compliance with our System Standards for such products or services, including by purchasing or leasing any necessary Operating Assets, making any required changes to signage and advertising materials, and updating your Computers System to include any software, hardware or other equipment necessary to offer such products services through an online and/or automated system. If, at any time, we require or permit you to offer off-site products or services, we reserve the right to limit the geographic area in which you may offer such products or services, and we may periodically modify that geographic area, in our sole discretion.

**D. MANAGEMENT OF YOUR RESTAURANT.**

The day-to-day operation of your Restaurant must at all times be supervised by your Designated Manager that: (i) is designated by you to assume primary responsibility, and has authority, for the day-to-day management and operation of the Restaurant; (ii) will devote full-time and best efforts to the supervision and management of the Restaurant; (iii) satisfies our educational and business experience criteria for managers of Restaurant, as set forth in the Operations Manual or otherwise; and (iv) has satisfactorily completed our Initial Training Program and any other training

programs we may periodically require. You are solely responsible for hiring and determining the terms of employment for your Designated Manager.

You must inform us in writing of the identity of your Designated Manager and any replacements. If a Designated Manager ceases active employment at the Restaurant or no longer satisfies the qualifications of a Designated Manager in accordance with this Section, you must promptly notify us and designate a qualified replacement within 30 days of the cessation of such former manager's employment at the Restaurant. You are responsible for ensuring proper interim management and continued operations of the Restaurant until the replacement Designated Manager is designated and trained as required by the Agreement.

E. **APPROVED VENDORS.**

You agree to use the manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as “**vendors**”) that we specify or approve for all aspects of the development and operation of your Restaurant for which such vendors provide goods or services. We also reserve the right to develop, issue specifications for, and approve all items used in the development and operation of Restaurants approve or designate the terms and distribution methods for any goods or services. We may, at our option, arrange with designated vendors to collect or have our Affiliates collect fees and expenses associated with products and services they provide to you and, in turn, pay the vendor on your behalf for such products or services. If we elect to do so, you agree that we or our Affiliates may auto-debit your bank account for such amounts in the same manner and using the same authorization that you grant us with respect to payment of Royalty Fees and other fees. We and any of our Affiliates may be a vendor, or otherwise party to these transactions, and may derive revenue or profit from such transactions and use such revenue or profit without restriction.

If you would like us to consider approving a vendor that is not then approved by us, you must submit a written request before purchasing any items or services from that vendor. We will make all determinations about whether to approve an alternative Vendor or product based on our then-current criteria, which may change periodically. We are not required to respond to your request, and any actions we take in response to your request will be at our sole and unfettered discretion, including the assessment of a fee to compensate us for the time and resources we spend in evaluating the proposed vendor. If we approve your request, we may later revoke it if we determine it is in the interests of the brand to do so.

F. **COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.**

You must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the operation of your Restaurant and operate your Restaurant in full compliance with all applicable laws, ordinances, and regulations, including food and safety laws, construction and accessibility laws, and data protection and PCI compliance standards. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders, or regulations, and specifically acknowledge and agree that your indemnification responsibilities under Section 17.C apply to any claims alleging that you or your Restaurant have violated any such laws, orders, or regulations.

You agree to comply and assist us in our compliance efforts, as applicable, with any and all laws and regulations. Without limiting the foregoing, you agree to comply with our website privacy policy, as it may be amended periodically. You further agree to comply with any requests to return or

delete customer's personal information, whether requested by us or directly by the customer, as required by applicable data sharing and privacy laws.

Your Restaurant must adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct in all dealings with customers, suppliers, us, and the public. Promptly upon receipt, you agree to provide us a copy of any and all notices you receive from any person, entity or governmental authority claiming that you (or your affiliates or representatives) have violated any laws, regulations, permits, licenses, agreements or other committed any other breach, default or violation in connection with your Restaurant, including any default notices from any landlord or supplier, any violation notices from a health or safety regulatory board, and any customer complaints alleging violations or law, or which may otherwise adversely affect your operation or financial condition or that of your Restaurant.

#### G. **INSURANCE.**

You must, at your expense, comply with the requirements regarding insurance coverages that we describe in our Operations Manual from time to time. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. No insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or Affiliates under Section 17.C or otherwise.

Our insurance requirements represent only the minimum coverage that we deem acceptable to protect our interests and are not representations or warranties of any kind that such coverage is sufficient to comply with applicable law or protect your interests or those of your Restaurant. We make no representation that the coverage will be sufficient for your Restaurant or your purposes. It is your sole responsibility to make that determination and to acquire any additional coverages you believe are necessary to protect those interests, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

#### H. **PRICING.**

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by your Restaurant, including restriction on the use of coupons/discounts and participation in company discount programs. If we impose such a maximum or minimum price, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

I. **CONTACT INFORMATION AND LISTINGS.**

You agree that each telephone number, directory listing, and any other type of contact information used by or that identifies or is associated with your Restaurant (any “**Contact Identifiers**”) will be used solely to identify your Restaurant in accordance with the Agreement. You acknowledge and agree that, as between us and you, we have the sole rights to, and interest in, all Contact Identifiers and also all Online Presences. You hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider and all listing agencies to transfer such Contact Identifiers to us.

J. **COMPLIANCE WITH SYSTEM STANDARDS.**

You agree at all times to operate and maintain your Restaurant according to each and every System Standard, as we periodically modify and supplement them. Though we retain the right to establish and periodically modify System Standards, you retain the right and sole responsibility for the day-to-day management and operation of your Restaurant and the implementation and maintenance of System Standards at your Restaurant. System Standards may regulate any aspect of the operation and maintenance of your Restaurant, including, but not limited to, any one or more of the following:

- (1) sales, marketing, advertising and promotional programs and materials and media used in these programs;
- (2) staffing levels for your Restaurant and employee qualifications, training, dress and appearance (although employee selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions are your sole responsibility);
- (3) use and display of the Marks;
- (4) days and hours of operation;
- (5) methods of payment that your Restaurant may accept from customers;
- (6) participation in market research and product and service testing programs;
- (7) policies for the registration, use, content, or management of Online Presences, or other technology systems, solutions, or products;
- (8) participation in gift card programs or loyalty programs;
- (9) menus, including product offerings, appearance, and inclusion of nutrition information;
- (10) bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition;
- (11) participation in quality assurance and customer satisfaction programs;

(12) types, amounts, terms and conditions of insurance coverage required for your Restaurant, including criteria for your insurance carriers;

(13) participation in third-party delivery programs;

(14) participating in, sponsoring, or affiliating with charitable organizations, and/or any internal or external programs relating to environmental, social, or governance objectives; and

(13) any other aspects of operating and maintaining your Restaurant that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Restaurants.

Our modification of System Standards, which may accommodate regional or local variations, may obligate you to invest additional capital in your Restaurant and incur higher operating costs. At our discretion, we may require you to make certain modifications to the manner of operation of your Restaurant, including without limitation, modifying the hours of operation, changing the manner in which products or services shall be delivered to customers, limiting or changing the products or services that you shall provide to customers, and creating and displaying temporary signage, all of which may be required on a regional or local basis as necessary to address certain public health concerns. These modifications do not need to be implemented throughout the System, and in certain situations, could only affect your Restaurant, and could include requiring temporary closure. We will determine the scope and duration of such modifications.

#### K. DATA PRIVACY AND INFORMATION SECURITY.

You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, billing and payment information, biometric or health data, and/or government-issued identification numbers (“**Personal Information**”). You may gain access to such Personal Information from us, our Affiliates, our vendors, and/or your own operations. You acknowledge and agree that all Personal Information (other than Restricted Data, defined below) is our Confidential Information and is subject to the protections in Section 7. Moreover, you agree to comply with our website privacy policy, as it may be amended periodically, pertaining to any Online Presence or use or access to any System Website (as defined in Section 10.E below); you further agree to comply with any requests to return or delete consumer Personal Information, whether requested by us or directly by the consumer, as required by applicable data sharing and privacy laws.

During and after the Term, you (and if you are conducting business as an Entity, each of your owners) agree to, and to cause your respective current and former employees, representatives, Affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes of practice issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws, regulations, and orders relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other person to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach. We reserve the right to conduct a data security and privacy audit of any of your Restaurant and your Computer Systems at any time, from time to time, to ensure that you are complying with our requirements.

Notwithstanding anything to the contrary in the Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the “**Restricted Data**”): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your Affiliates, or your Restaurant; (b) such other Personal Information as we from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which we do not have access. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes of practice issued by industry or regulatory agencies applicable to such Restricted Data.

L. **EMPLOYEES, AGENTS AND INDEPENDENT CONTRACTORS.**

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you hire to assist in the operation of your Restaurant. You agree that any employee, agent or independent contractor that you hire will be your employee, agent, or independent contractor, and not our employee, agent, or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Restaurant in compliance with federal, state, and local employment laws.

10. **MARKETING.**

A. **GRAND OPENING ADVERTISING.**

You must, at your expense and on the dates we designate, before and after your Restaurant opens, conduct a grand opening marketing program for your Restaurant that complies with the requirements set forth in the Operations Manual. The amount you will be required to spend on your grand opening marketing program will depend on various factors, but we will not require you to spend more than \$10,000. The amount you spend on grand opening advertising will not count towards your other required marketing expenditures under this Section 10 or the Marketing Expenditure Cap (defined below).

B. **BRAND FUND.**

We have established a marketing fund to be used to promote awareness of the Naz’s Halal Food® brand and Restaurants generally (the “**Brand Fund**”). You agree to contribute to the Brand Fund in amounts we periodically specify and payable in the same manner as the Royalty Fee. We reserve the right, at any time and on notice to you, to change the amount you must contribute to the Brand Fund, but we cannot require that your required Brand Fund contribution, Local Advertising Requirement pursuant to Section 10.C below, and required contribution to a Local Advertising

Cooperative exceed five percent (5%) of your Restaurant's Gross Sales ("**Marketing Expenditure Cap**").

We or our Affiliates or other designees will direct all programs that the Brand Fund funds or finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Fund may pay for preparing and producing materials and electronic or digital media in any form or format that we periodically designate, including but not limited to: administrating online advertising strategies, including maintaining a System Website or mobile apps; administering regional and multi-regional marketing and advertising programs; implementing a loyalty program; and supporting public relations, market research, product development, and other advertising, promotion, and marketing activities. In our discretion, we may sell you copies of certain materials at the Brand Fund's or our direct cost of producing them, plus any related shipping, handling, and storage charges.

We are not required to segregate Brand Fund contributions from our other funds, but we will account for the Brand Fund separately from our other funds and not use the Brand Fund for any of our general operating expenses. However, we may use the Brand Fund to reimburse us or our Affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs.

The Brand Fund will not be our asset. We will hold all Brand Fund contributions for the benefit of the contributors and use contributions for the purposes described in this Section 10.B. We do not owe any fiduciary obligation to you for administering the Brand Fund or any other reason. The Brand Fund may, in our discretion, spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use all interest earned on the Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and, once prepared, give you the statement for the most recently completed fiscal year upon your written request. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate and, if we do, that entity will have all rights and duties specified in this Section 10.B.

We need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by Restaurants operating in that geographic area or that any Restaurant benefits from Brand Fund activities either directly or in proportion to its Brand Fund contributions. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 10.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce your contributions to the Brand Fund, and upon 30 days' prior notice to you, suspend Brand Fund operations for one or more periods of any length and/or terminate (and if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will, at

our option, either spend all unspent monies at our discretion, until such amounts are exhausted, or distribute the funds in the Brand Fund to the contributing Restaurant owners in a manner we deem fair and equitable.

### C. LOCAL ADVERTISING EXPENDITURES.

In addition to your obligations under Section 10.A and Section 10.B above and beginning after you complete your grand opening advertising pursuant to Section 10.A, you must spend, monthly, two percent (2%) of the prior month's Gross Sales to locally advertise and promote your Restaurant (the "**Local Advertising Requirement**"). However, subject to the Marketing Expenditure Cap, we have the right, at any time and on notice to you, to change the amount of your Local Advertising Requirement. You must list and advertise your Restaurant with the online directories we periodically prescribe and establish any other Online Presence we require or authorize, each in accordance with our System Standards. If other Restaurants are located within the directory's distribution area, we may require you to participate in a collective advertisement with them and to pay your share of that collective advertisement. Within 30 days after the end of each calendar quarter, you agree to send us, on our request and in the manner that we prescribe, an accounting of your expenditures required under this Section during the preceding calendar quarter. If you do not meet your Local Advertising Requirement, we will collect the difference and allocate it towards the Brand Fund.

All materials you use to promote your Restaurant must be materials that we have provided or made available to you or that we otherwise approve, in writing, prior to your use. All such materials that you create must be completely clear, factual, ethical and not misleading and must conform to our marketing and advertising policies that we periodically prescribe. You must submit to us, for our approval, samples of marketing materials you intend to use at least 10 days prior to your proposed use. If you do not receive our written approval of the materials within 10 days of your submission, they are deemed to be disapproved. We may, in our discretion, withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the System's best interests.

We reserve the right, at any time, to issue you a notice that the amounts required to be spent by you under this Section 10.C shall, instead, be paid to us or our designee. If we exercise this option, we will then spend such amounts, in accordance with local marketing guidelines and programs that we periodically develop, to advertise and promote the Restaurant on your behalf. We may instead, in our discretion, contribute any such amounts to the Brand Fund or to a Local Advertising Cooperative in accordance with and as required under Section 10.D, below. We may also elect, on one or more occasions and without prejudice to our rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on your behalf and, instead, to require you to conduct such marketing activities yourself in accordance with this Section 10.C.

### D. LOCAL ADVERTISING COOPERATIVE.

When there are multiple Restaurants operating in the same geographical area (as we define), we may establish or direct the establishment of a local advertising cooperative ("**Local Advertising Cooperative**"), the purpose of which is, with our approval, to administer coordinated advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising Cooperative covers. The Local Advertising Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine. We may change, dissolve and merge Local Advertising Cooperatives. You agree to sign any documents we require to become a member of a

Local Advertising Cooperative and, subject to the Marketing Expenditure Cap, to contribute to and participate in the designated Local Advertising Cooperative.

E. **SYSTEM WEBSITES & ONLINE PRESENCES.**

We may establish, develop and update Online Presences to advertise, market, and promote Restaurants, the products and services that they offer and sell, or the Restaurant franchise opportunity (each a “**System Website**”). We may, but are not obligated to, provide you with a webpage or other Online Presence that references your Restaurant on any System Website, upon which, you must: (i) provide us the information and materials we request to develop, update, and modify the information about your Restaurant; and (ii) notify us whenever any information about your Restaurant is not accurate. You acknowledge that we have final approval rights over all information on any System Website.

If you default under the Agreement, we may, in addition to our other remedies, temporarily remove references to your Restaurant from any System Website until you fully cure the default, and our doing so will not be considered a termination of the Agreement. All advertising, marketing, and promotional materials that you develop for your Restaurant must contain notices of the System Website’s domain name in the manner we designate.

You may not, without our prior written consent, develop, maintain or authorize any Online Presence that mentions your Restaurant, links to any System Website, or displays any of the Marks. You may not, directly or indirectly, through any Online Presence, promote, advertise or sell any products or services without our prior written approval. If we approve the use of any such Online Presence in your Restaurant’s operations, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence. If we allow you to maintain an Online Presence for your Restaurant, you must prepare and link a privacy policy to such Online Presence. Your Online Presence’s privacy policy must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF A SYSTEM WEBSITE AND YOUR RESTAURANT’S PAGE, INCLUDING ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE SHALL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES (INCLUDING ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF THE SYSTEM WEBSITE OR YOUR RESTAURANT’S PAGE.

11. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You must establish and maintain at your own expense a bookkeeping, accounting, and record keeping system conforming to the requirements and formats we periodically prescribe. You agree to give us in the manner and format that we periodically prescribe:

- (1) on or before the 5th day of each accounting period specified by us from time to time (currently, each week beginning on Monday and ending on Sunday) (each an “**Accounting Period**”), a report on the Gross Sales of your Restaurant during the preceding Accounting Period;
- (2) within 30 days after the end of each accounting month specified by us from time to time (each an “**Accounting Month**”), the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and your Restaurant covering the previous Accounting Month and the fiscal year to date;
- (3) within 90 days after the end of each fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for your Restaurant as of the end of that calendar year, prepared in accordance with generally accepted accounting principles or, at our option, international accounting standards and principles;
- (4) within 10 days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Restaurant and the Franchise; and
- (5) by January 15, April 15, July 15, and October 15 of each calendar year, reports on the status (including the outstanding balance, then-current payment amounts, and whether such loan is in good standing) of any loans outstanding as of the previous calendar quarter for which the Restaurant or any of the Operating Assets are used as collateral. You must also deliver to us, within five (5) days after your receipt, copies of any default notices you receive from any of such lenders. You agree that we or our Affiliates may contact your banks, other lenders, and vendors to obtain information regarding the status of loans of the type described herein and your accounts (including payment histories and any defaults), and you hereby authorize your bank, other lenders, and vendors to provide such information to us and our Affiliates.

We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the operation of your Restaurant. You agree to preserve and maintain all records in a secure location at your Restaurant for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

At our request, you will provide current financial information for your owners and guarantors sufficient to demonstrate their ability to satisfy their obligations under their individual Guarantees.

12. **INSPECTIONS AND AUDITS.**

A. **OUR RIGHT TO INSPECT YOUR RESTAURANT.**

We (or our designee) may at all times and without prior notice to you inspect and photograph, capture moving images, and observe your Restaurant and its operations for consecutive or intermittent periods we deem necessary; remove samples of any products and supplies; interview your personnel and customers; inspect your Computer System and its components; and inspect and copy any books, records, and documents relating to the operation of your Restaurant. You agree to fully cooperate with us. If we exercise any of these rights, we will not interfere unreasonably with the operation of your Restaurant. You agree to present to your customers the evaluation forms that we may prescribe and to participate and request your customers to participate in any surveys performed by or for us.

B. **OUR RIGHT TO AUDIT.**

We and our designated agents or representatives may at any time during your business hours, and without prior notice to you, examine the bookkeeping and accounting records related to your Restaurant, the sales and income tax records and returns, and such other records we deem necessary to determine your compliance with the Agreement. You agree to cooperate fully with us and our representatives and independent accountants in any examination, and you hereby appoint us as your attorney-in-fact to receive and inspect your confidential sales and other tax records and hereby authorize all tax authorities to provide such information to us for all tax periods during the Term. If any examination discloses an understatement of the Gross Sales, you agree to pay us, within 10 days after receiving the examination report, the Royalty Fees and Brand Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to timely furnish reports, supporting records, or other information as required, or if our examination reveals a Royalty Fee or Brand Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. You also agree to reimburse us or our Affiliates if we or our designated representatives were for any reason prevented from properly inspecting any or all of your Restaurant (including because you or your personnel refused entry to the Premises). These remedies are in addition to our other remedies and rights under the Agreement and applicable law.

13. **TRANSFER.**

A. **BY US.**

We have the right to delegate the performance of any portion or all of our rights and obligations under the Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. We maintain a staff to manage and operate the System and that staff members can change as employees come and go. You represent that you have not signed the Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with us in any capacity. We may change our ownership or form or assign the Agreement and any other agreement to a third party without restriction.

**B. BY YOU OR YOUR OWNERS.**

Your rights and duties under the Agreement are personal to you (or your owners if you are not a natural person), and we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any of your owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber any direct or indirect interest in the Agreement (including, without limitation, any or all of your rights or obligations under it), your Restaurant or its assets (other than in the ordinary course of business), your right to possession of the Premises, or any direct or indirect ownership interest in you (regardless of its size), and/or transfer, surrender, or lose the possession, control, or management of your Restaurant (each, a "Transfer"), without our prior written approval. Any Transfer without our prior written approval is a material breach of the Agreement and has no effect.

If you intend to list your Restaurant for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement and any advertising materials. You may not use any Mark in advertising the sale of your Restaurant or of any ownership in you without our prior written consent.

**C. CONDITIONS FOR APPROVAL OF TRANSFER.**

You may not engage in a Transfer of the Agreement before your Restaurant has opened for business. You also agree that you may not engage in a Transfer that results in the grant of a security interest in the Agreement or the Franchise. Otherwise, if you (and your owners) are in full compliance with the Agreement and the proposed transferee and its owners (if the transferee is not a natural person) meet our then-current qualifications for new franchisees then, subject to the other provisions of this Section 13, we will approve the Transfer if you satisfy the conditions we determine are necessary to protect the Naz's Halal Food® brand and System, which include the following:

(1) you and the proposed transferee and its owners (if the transferee is not a natural person) have provided all information and documents we request regarding, and requested our consent for, the Transfer and the proposed transferee and its owners or Affiliates;

(2) you have provided us executed versions of any relevant documents to affect the Transfer, and all other information we request about the proposed Transfer, and such Transfer meets all of our requirements. If you or your owners offer the transferee financing for any part of the purchase price, you and your owners hereby agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Restaurant are subordinate to the transferee's obligation to pay Royalty Fees, Brand Fund contributions, and other amounts due to us, our Affiliates, and third party vendors and otherwise to comply with the Agreement (or any applicable franchise agreement replacing the Agreement);

(3) the transferee agrees to upgrade, remodel and/or refurbish your Restaurant in accordance with our then-current System Standards;

(4) you (and your owners) and the transferee (and its owners) sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us,

including: (i) a release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against us and our affiliates and our and their owners, officers, directors, employees, and agents, and (ii) covenants that you and your transferring owners agree to satisfy all post-termination obligations under the Agreement;

(5) your Restaurant is being operated, and has been operated for the 60 days prior to the Transfer approval request, in all respects, in compliance with our System Standards, including, that all Operating Assets are in place and in good working order, all fees and other amounts owed to us, our Affiliates, and third-party vendors are paid in full, all required reports and statements have been submitted, and all operating deficiencies identified in pre-sale inspections have been corrected;

(6) all persons required to complete training under the transferee's franchise agreement satisfactorily complete our training program, and transferee has paid all costs and expenses we incur to provide the training program to such persons;

(7) all notices or approvals relating to the proposed Transfer (including any landlord notices or consents) have been given or obtained, as required, with copies provided to us;

(8) you have transferred, if transferrable, or the transferees have obtained, all required liquor licenses, business permits, certificates, and licenses required to operate the Restaurant;

(9) the transferee, at our request, signs our then-current form of franchise agreement and related documents for the balance of the Term, any and all of the provisions of which may differ materially from any and all of those contained in the Agreement;

(10) you pay or cause to be paid to us a Transfer fee in the amount of \$20,000 (or \$10,000, if transferring to an existing franchisee of the System);

(11) if you transfer to a new franchisee of a Restaurant then you will pay or cause to be paid to us \$1,500 per person for our initial training fees plus any other reasonable expenses; and

(12) you provide us the evidence we reasonably request to show that appropriate measures have been taken to affect the Transfer as it relates to your Restaurant's operations, including, by transferring all necessary and appropriate business licenses, insurance policies, leases, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Restaurant that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us, or we have made, regarding your Restaurant.

#### **D. YOUR DEATH OR DISABILITY.**

If you or your Managing Owner dies or becomes disabled, then, upon such death or disability, the executor, administrator or other personal representative of such person must promptly

notify us in writing and must transfer your or their interests in the Agreement and in your Restaurant to a third party approved by us, within a reasonable period of time, not to exceed nine (9) months following the date of death or disability. Such transfers, including by will or by inheritance, will be subject to the same terms and conditions as *inter vivos* Transfers and will be subject to our right of first refusal under Section 13.G. For purposes of the Agreement, the term “**disability**” means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent such person from performing the obligations set forth in the Agreement.

If any of the foregoing in this Section 13.D occurs, and your Restaurant is not being managed by a sufficiently trained Designated Manager, the executor, administrator or other personal representative must, within a reasonable period of time, not to exceed 15 days from the date of death or disability, appoint a qualified manager to operate the Restaurant. If it has not already done so, the Designated Manager will be required to complete our Initial Training Program at your expense.

Pending the appointment of a new Designated Manager as provided herein, or if, in our judgment, the Restaurant is not being managed properly any time after your or your Managing Owner’s death or disability, we have the right, but not the obligation, to operate your Restaurant on an interim basis, or to appoint a third-party to operate your Restaurant as described further in Section 15.C of the Agreement.

**E. EFFECT OF CONSENT TO TRANSFER.**

Our consent to a Transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Restaurant or transferee’s prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance by you and the transferee with the Agreement.

**F. PUBLIC OR PRIVATE OFFERING.**

Written information used to raise or secure funds can reflect upon us and the System. You agree to submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus, or similar offering memorandum. Should we object to any reference to us or our Affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn. You may not engage in a public offering of securities without our prior written consent.

**G. OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) desire to engage in a Transfer, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in the Agreement and your Restaurant. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be couched entirely as a dollar amount, and we may require the proposed buyer submit with its offer a reasonable earnest money deposit acceptable to us. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within 30 days after we receive an exact copy of the bona fide offer and all relevant information we request, we may, by written notice delivered to you or your selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. We

may substitute cash for any form of payment proposed in the offer as acceptable consideration. If we exercise our right of first refusal, we will have 30 days from the date we notified you of our intended purchase to prepare for closing. You and your owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and you and your selling owner(s) (and your and their immediate family members) must comply with the obligations regarding Competitive Businesses, as described in Section 16.D below, as though the Agreement had expired on the date of the purchase. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 13.G.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the Transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 13.B and 13.C above. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

14. **EXPIRATION OF THE AGREEMENT.**

A. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

Subject to this Section 14, you may acquire up to one (1) successor Franchise of ten (10) years (or, if shorter, until the expiration or termination of your right to possess the Premises). If you desire to acquire a successor Franchise, then each of the following conditions must be met before and/or at the time of acquisition (as appropriate):

- (1) you must have given us written notice of your election to acquire a successor Franchise not less than 6 months nor more than 12 months before the end of the Term or first successor term, as applicable;
- (2) you must have taken, at your expense, all steps identified by us to bring the Restaurant into full compliance with the then-current System Standards (regardless of cost);
- (3) you must be, and must have been throughout the Term or first successor term, as applicable, in compliance with your obligations under the Agreement, and during that same period, you and your Affiliates must have been in compliance with your or their obligations under any other agreements with us;
- (4) you must satisfy all monetary obligations owed to us or our Affiliates;
- (5) you must present satisfactory evidence that you have the right to remain in possession of the Premises for the operation of the Restaurant for the duration of the successor term;
- (6) you must comply with our current qualifications and training requirements;

(7) you and your owners must execute our then-current form of franchise agreement, which will supersede the Agreement in all respects, and the terms of which may differ from the terms of the Agreement, including a higher Royalty Fee and Brand Fund contribution or expenditure requirement (you will not, however, be required to pay to us an initial franchise fee, but you must pay a successor Franchise fee of \$5,000);

(8) you and your owners must have executed and delivered to us a general release (in a form prescribed by us) of all claims against us and our Affiliates, and each of our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees, in their corporate and individual capacities, including claims arising under the Agreement or under federal, state or local laws, rules, regulations or orders; and

(9) we are then granting Franchises for Restaurants in the state in which your Restaurant is located.

**B. GRANT OF A SUCCESSOR FRANCHISE.**

We will respond, in writing, within 90 days after we receive your notice under Section 14.A(1) with our decision to grant you a successor Franchise and listing any deficiencies that must be corrected or to not grant a successor Franchise with reasons for our decision. If our decision is to grant you a successor Franchise, our willingness to do so will also be subject to your continued compliance with all of the terms and conditions of the Agreement through the date of its expiration. Failure by you or your owners to sign such agreements and releases necessary for the successor Franchise and to deliver them to us, along with payment of the applicable fee, for acceptance and signature within the earlier of 60 days after their delivery to you or the expiration of the Term will be deemed an election not to acquire a successor Franchise.

**15. TERMINATION OF AGREEMENT.**

**A. BY YOU.**

If you and your owners are fully complying with the Agreement and we materially fail to comply with the Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us; or if we cannot correct the failure within 30 days, and we fail to give you, within 30 days after, your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of the Agreement other than according to this Section 15.A. will be deemed a termination without cause and a breach of the Agreement.

**B. BY US.**

We may terminate the Agreement, effective upon delivery of written notice to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in the Application Materials or otherwise in acquiring the Franchise or operating your Restaurant;

(2) you do not sign a Lease for an acceptable site for the Premises or open the Restaurant within the time periods specified under Section 3;

(3) we determine any Required Trainees are not capable or qualified to satisfactorily complete the Initial Training Program, and you do not replace them with persons who are able to, and do, successfully complete the Initial Training Program within 21 days following our written notice to you;

(4) you (i) close your Restaurant for business or inform us of your intention to cease operation of your Restaurant, (ii) fail to actively operate your Restaurant for three (3) or more consecutive days, or (iii) otherwise abandon or appear to have abandoned your rights under the Agreement;

(5) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;

(6) you fail to maintain the insurance we require and do not correct the failure within 10 days after we deliver written notice of that failure to you;

(7) you (or any of your owners) engage in any conduct which, in our opinion, adversely affects the reputation of your or any other Restaurant, the System, or the goodwill associated with the Marks;

(8) you (or any of your owners) make or attempt to make a Transfer without complying with the requirements of Section 13;

(9) you lose the right to occupy the Premises;

(10) you (or any of your owners) knowingly make any unauthorized use or disclosure of any Confidential Information, including the Operations Manual;

(11) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Restaurant and fail to correct such violation within 72 hours after you receive notice from us or any other party;

(12) you fail to pay us or our Affiliates any amounts due and do not correct the failure within five (5) days after written notice of that failure has been delivered or fail to pay any third-party obligations owed in connection with your ownership or operation of the Restaurant and do not correct such failure within any cure periods permitted by the person or entity to whom such obligations are owed;

(13) you fail to pay when due any federal or state taxes due on or in connection with the operation of your Restaurant, unless you are in good faith contesting your liability for those taxes;

(14) you understate the Gross Sales three (3) times or more during the Term;

(15) you (or any of your owners) (a) fail on three (3) or more separate occasions within any consecutive 24-month period to comply with any provision of the Agreement or (b) fail on two (2) or more separate occasions within any consecutive 12-month period to comply with the same obligation under the Agreement; in either case, whether or not we

notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(16) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Restaurant is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Restaurant is not vacated within 30 days following the order's entry;

(17) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(18) you create or allow to exist any condition in connection with your operation of the Restaurant, at any location, which we reasonably determine to present a health or safety concern;

(19) you fail to pass a quality assurance audit, and do not cure such failure within 15 days after we deliver written notice of the failure to you;

(20) you (or any of your owners) fail to comply with any other provision of the Agreement or any System Standard, and do not correct the failure within 30 days after we deliver written notice of the failure to you; or

(21) you or an Affiliate fails to comply with any other agreement with us or our Affiliate and do not correct such failure within the applicable cure period, if any.

### C. **INTERIM OPERATIONS.**

We have the right but not the obligation to enter the Premises and operate the Restaurant on an interim basis, or to appoint a third party to operate the Restaurant on an interim basis, if: (1) you abandon or fail to actively operate your Restaurant for more than two consecutive days of operation; or (2) the Agreement expires or is terminated and we are transitioning your Restaurant operations to us or another person we designate, or determining whether to do so.

If we elect to operate your Restaurant on any interim basis, you must cooperate with us and our designees, continue to support the operations of the Restaurant, and comply with all of our instructions and System Standards, including making available any and all books, records, and accounts. You understand and acknowledge that during any such interim period, you are still the owner of the Restaurant, and you continue to bear sole liability for any and all accounts payable, obligations, and/or contracts, including all obligations under the Lease and all obligations to your vendors and employees and contractors, unless and until we expressly assume them in connection with the purchase of the Restaurant under Section 16.B. You understand that we are not required to use your employees, vendors, or contractors to operate the Restaurant. You also agree that we may elect to cease such interim operations of the Restaurant at any time with notice to you.

If we operate your Restaurant on any interim basis, we will collect the Gross Sales of your Restaurant in an account we designate, which may be your business account and/or the business

account of us or one of our affiliates or designees. We will account for and deduct from such Gross Sales all operating expenses of your Restaurant, including: (a) any applicable Royalty Fees, Brand Fund Contributions, and other amounts due to us or our affiliates, and (b) any and all of our and our affiliates' and our designees' costs and expenses arising from such interim operations, which you hereby agree that you will reimburse in full as an operating expense of your Restaurant. Any and all Gross Sales that exceed the expenses of your Restaurant during the period of interim operations, as we determine and calculate, will be retained by us in full and will become our property, as consideration for the interim operations that we are providing under this Section. If the Gross Sales derived from operations of your Restaurant is less than the amount of the associated expenses during the time of any interim operations, you are solely directly responsible for the balance of all such expenses and costs, including reimbursement of our and our affiliates' and designee's costs and expenses, and payment of any Royalty Fees, Brand Fund Contributions, and other amounts due to us or our affiliates. We may collect any amounts owed to us, our affiliates, or designees directly from any collected Gross Sales, and/or pay over such amounts to us, our affiliates, or designees in any manner we see fit.

Our decision to operate the Restaurant on an interim basis will not affect our right to terminate the Agreement under Section 15.B. Your indemnification obligations set forth under Section 17.C will continue to apply during any period that we or our designee operate the Restaurant on an interim basis.

16. **OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THE AGREEMENT.**

A. **YOUR OBLIGATIONS.**

Upon the expiration or termination of the Agreement, you and, as applicable, your owners and all such other persons or entities who are bound under the terms of the Agreement must immediately do the following:

- (1) pay us all Royalty Fees, Brand Fund contributions, interest, and all other amounts owed to us (and our Affiliates) which then are unpaid;
- (2) close the Restaurant for business to customers and cease to directly or indirectly sell any products and services of any kind and in any manner from the Premises unless we direct you otherwise in connection with our exercise of our option to operate your Restaurant on an interim basis under Section 15.C above or to purchase pursuant to Section 16.B below;
- (3) cease all direct or indirect use of any Mark, any colorable imitation of a Mark, other indicia of a Restaurant, any trade name, trademark, service mark, trade dress, or other commercial symbol that indicates or suggests a connection or association with us or the System, in any manner or for any purpose (except in connection with other Restaurants you operate in compliance with other franchise agreements with us);
- (4) cease to directly or indirectly identify yourself or your Restaurant as a current or former Restaurant or as one of our current or former franchisees (except in connection with other Restaurants you operate in compliance with other franchise agreements with us)

and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(5) return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to the Restaurant as a Naz's Halal Food-branded business;

(6) if we do not exercise our option to purchase your Restaurant under Section 16.B below, promptly and at your own expense, make the alterations we specify in the Operations Manual (or otherwise) to distinguish the Premises and building clearly from its former appearance and from other Restaurants, including by removing all materials bearing the Marks and removing from both the interior and exterior of the Premises all materials and components of our trade dress as we determine to be necessary in order to prevent public confusion and in order to comply with the non-competition provisions set forth in paragraph (10) below;

(7) cease using or operating with any Contact Identifiers or Online Presence related to your Restaurant or the Marks, and take any action as may be required to disable such Contact Identifier or Online Presence, or transfer exclusive control and access of such Contact Identifier or Online Presence to us or our designee, as we determine in our sole discretion;

(8) comply with all other System Standards we periodically establish (and all applicable laws) in connection with the closure and de-identification of your Restaurant, including as it relates to disposing of Personal Information, in any form, in your possession or the possession of any of your employees;

(9) cease using any Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us or destroy (as we require) all copies of the Operations Manual and any other confidential materials that we have loaned you;

(10) for two years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 16.A(10) begin to comply with their obligations hereunder, whichever is later, neither you nor any of other Restricted Persons will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (i) at the Premises, (ii) within a 10-mile radius of the Premises; or (iii) within a 10-mile radius of any other Restaurant in operation or under construction on the later of the effective date of the termination or expiration of the Agreement or the date on which all persons restricted by this Section 16.A(10) begin to comply with such obligations. If any Restricted Person refuses voluntarily to comply with those obligations, the two-year period set forth in this Section 16.A(10) for that person will commence with the entry of a court order enforcing that provision. You and your owners expressly acknowledge that you and they possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing

the covenants made in this Section 16.A(10) will not deprive you or them of personal goodwill or ability to earn a living; and

(11) you and your owners, your or your owners' Affiliates, or the officers, directors, managers, or immediate family members of any of the foregoing, will refrain from interfering or attempting to interfere with our or our Affiliates' relationships with any vendors or franchisees, or engage in any other activity which might injure the goodwill of the Marks or the System.

Within 30 days after the expiration or termination of the Agreement, you must give us evidence satisfactory to us of your compliance with these obligations. If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Restaurant. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

#### **B. OUR RIGHT TO PURCHASE YOUR RESTAURANT.**

In addition to any other rights to purchase we have, we have the right to purchase your Restaurant, as described in this Section 16.B (the "**Purchase Option**"), upon the expiration of the Agreement without the grant of a successor Franchise (except where a successor Franchise was not granted because we are not then offering Franchises), our termination of the Agreement under Section 15.B, or your termination of the Agreement without cause (each of the foregoing, a "**Termination Event**"). We will have 30 days after a Termination Event to notify you in writing of our election to exercise the Purchase Option. We have the unrestricted right to assign the Purchase Option in our discretion. The purchase price for your Restaurant will be the fair market value of the tangible assets ("**Fair Market Value**"). If you dispute our calculation of the Fair Market Value, we will appoint one independent accredited appraiser, within 15 days after we receive all relevant financial and other information necessary to calculate the Fair Market Value, who will calculate the Fair Market Value based on the criteria above. You and we will share equally the appraiser's fees and expenses. The appraiser must complete its calculation within 30 days after its appointment. The appraiser's calculation of the Fair Market Value will be the purchase price. Closing of the purchase will take place, as described below, on a date we select which is within 90 days after determination of the Fair Market Value ("**Closing**")

During the 30 days after a Termination Event and (if we elect to exercise the Purchase Option) through the Closing we shall have the right to (i) assume (or to designate a third party to assume) operations of your Restaurant, or (ii) require you to close the Restaurant. In either case, you shall maintain in force all insurance policies and business licenses required pursuant to the Agreement through the closing date, unless we do not exercise the Purchase Option prior to the expiration of the 30 days after a Termination Event. If we elect to assume operations (or to designate a third party to do so), you acknowledge and agree that any and all revenue of the Restaurant during such period will belong to us. Prior to Closing, you agree to cooperate with us in conducting due diligence, including providing us with access to your business and financial records, relevant contracts and all other information relevant to the Restaurant. At the closing, we (or our assignee) will pay the purchase price in cash. You agree to execute and deliver to us (or our assignee):

(1) an asset purchase agreement and all related agreements, in form and substance acceptable to us and in which you provide all customary warranties and representations, including representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise;

(2) a bill of sale transferring good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid to you;

(3) an assignment of all the licenses and permits for your Restaurant which may be assigned or transferred;

(4) an assignment of the Lease; and

(5) an agreement, in form and substance satisfactory to us, voluntarily terminating the Agreement under which you and your owners agree to comply with all post-term obligations intended to survive termination or expiration of the Agreement and sign a general release of any and all claims you and your owners have against us and our shareholders, officers, directors, employees, agents, successors, and assigns.

### C. **LOST REVENUE DAMAGES.**

If we terminate the Agreement because of your breach or if you terminate the Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalty Fees and Brand Fund contributions through the remainder of the Term. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the “**Lost Revenue Damages**”), is an amount equal to the net present value of the Royalty Fees and Brand Fund contributions that would have become due had the Agreement not been terminated, from the last date of regular operations of your Restaurant to the earlier of: (a) 24 full calendar months following the last date of regular operations of your Restaurant, or (b) the originally scheduled expiration of the Term (the “**Measurement Period**”). For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) Royalty Fee and Brand fund contribution percentage, multiplied by (3) the average monthly Gross Sales of your Restaurant during the 36 full calendar months immediately preceding the last date of regular operations of your Restaurant; provided, that if as of the last date of regular operations of your Restaurant, your Restaurant has not been operating for at least 36 months, the average monthly Gross Sales of all Restaurants operating under the Marks during the 36 months immediately preceding the last date of regular operations of your Restaurant.

You agree to pay us Lost Revenue Damages, as calculated in accordance with this Section, within 15 days after the Agreement expires or is terminated, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach or wrongful termination of the Agreement.

**D. CONTINUING OBLIGATIONS.**

All of our and your (and your owners') obligations which expressly or by their nature survive the Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, and indemnification.

**17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**A. INDEPENDENT CONTRACTORS.**

The Agreement does not create a fiduciary relationship between you and us. You and we are and will be independent contractors, and nothing in the Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, vendors, public officials, your personnel, and others as the owner of your Restaurant under a franchise we have granted and to place notices of independent ownership on the business cards, advertising, and other materials we periodically require.

You also acknowledge that you will have a contractual relationship only with us and may look only to us to perform under the Agreement. None of our Affiliates is a party to the Agreement and has no obligations under it. However, you and we agree that our Affiliate who is the owner of the Marks will be a third-party beneficiary of those provisions in the Agreement relating to use of the Marks, with the independent right to enforce such provisions against you and to seek damages from you for your failure to comply with those provisions.

**B. NO LIABILITY TO OR FOR ACTS OF OTHER PARTY.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Restaurant or the business you conduct under the Agreement. We will have no liability for your obligations to pay any third parties, including any product vendors. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Restaurant, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any such taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us, and, at our election, a reasonable administrative fee (not to exceed 10%) of the amount of such payment.

**C. INDEMNIFICATION.**

You agree to indemnify, defend, and hold harmless us, our Affiliates, and each of our and their respective affiliates, owners, directors, managers, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of: (i) the development and operation of your Restaurant, (ii) the business you conduct under the Agreement, (iii) your breach of the Agreement, and/or (iv) instituted by your employees, or by others that arise from your employment practices, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator. For purposes of

this indemnification, “**claims**” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced.

Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding the Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section. Any Indemnified Party may demand that you advance funds to such Indemnified Party to pay for any claims that are indemnifiable under this Section, and you will advance such funds promptly upon demand; provided, however, that if (and only to the limited extent that) any such claim is ultimately determined not to be indemnifiable under this Section in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator, such Indemnified Party must reimburse any portion of such funds that are attributable to such non-indemnifiable claims.

18. **ENFORCEMENT.**

A. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us or any of our Affiliates, and our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) the Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates); (2) our relationship with you; (3) the scope or validity of the Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “**AAA**”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of our or, as applicable, our successors or assign’s then current principal place of business (currently, New York City, New York). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our Affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration

brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and any of our Affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, Affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreement.

We and you agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreement.

Any provisions of the Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, the Agreement, the Franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of New York, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without

reference to this Section, and (2) the enforceability of those provisions of the Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Restaurant is located.

**B. CONSENT TO JURISDICTION.**

Subject to the obligation to arbitrate under Section 18.A above and the provisions below, you and your owners agree that all actions arising under the Agreement or otherwise as a result of the relationship between you and us must be commenced in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, New York City, New York), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

**C. WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTION.**

Except for your obligation to indemnify us for third party claims under Section 17.C, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action or proceeding brought by either of us.

We and you agree that any proceeding between us under or relating to the Agreement will be conducted on an individual basis and that any proceeding between us and any of our Affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you or your owners, guarantors, Affiliates, and employees, on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent.

**D. INJUNCTIVE RELIEF.**

Nothing in the Agreement, including the provisions of Section 18.A, bars our right to obtain specific performance of the provisions of the Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

**E. COSTS AND ATTORNEYS' FEES.**

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

F. **LIMITATIONS OF CLAIMS.**

You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. Unless prohibited by applicable law, except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to the Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced in accordance with the Agreement within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our Affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our Affiliates and you or your owners.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of the Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of the Agreement.

19. **MISCELLANEOUS.**

A. **SECURITY INTEREST.**

You hereby collaterally assign to us the Lease and grant us a security interest in all of the Operating Assets and all other assets of your Restaurant, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of your Restaurant and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under the Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under the Agreement and at law. If an approved third-party lender requires that we subordinate our security interest in the assets of your Restaurant as a condition to lending you working capital for the construction or operation of your Restaurant, we will agree to subordinate pursuant to terms and conditions determined by us. The Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

B. **BINDING EFFECT.**

The Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, the Agreement may not be modified except by a written agreement signed by our and your duly authorized officers.

C. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under the Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under the Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

**D. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary in the Agreement, each section, paragraph, term, and provision of the Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of the Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than the Agreement requires of the Agreement's termination or of our refusal to enter into a successor Franchise agreement, or some other action that the Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of the Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of the Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of the Agreement, as though it were separately articulated in and made a part of the Agreement.

**E. WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under the Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option the Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate the Agreement before its term expires) because of any custom or practice at variance with the Agreement's terms; our or your failure, refusal, or neglect to exercise any right under the Agreement or to insist upon the other's compliance with the Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other System Restaurants; the existence of franchise agreements for other Restaurants which contain provisions different from those contained in the Agreement; or our acceptance of any payments due from you after any breach of the Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

**The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia,**

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

F. **THE EXERCISE OF OUR JUDGMENT.**

We have the right to operate, develop, and change the System in any manner that is not specifically prohibited by the Agreement. Whenever we have reserved in the Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in the Agreement, make our decision or exercise our rights in our sole and unfettered discretion.

G. **CONSTRUCTION.**

The preambles and exhibits are a part of the Agreement, which together with the attached Data Sheet, constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of the Agreement, the franchise relationship, or your Restaurant (any understandings or agreements reached, or any representations made, before the Agreement are superseded by the Agreement). Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. Any policies that we periodically adopt and implement to guide us in our decision-making are subject to change, are not a part of the Agreement, and are not binding on us. Except as provided in Section 17.C, nothing in the Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to the Agreement.

Except where the Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in the Agreement to “we,” “us,” and “our” include any of our Affiliates with whom you deal. The term “Affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies. “Including” means “including, without limitation.”

If two or more persons are at any time the owners of the Franchise and your Restaurant, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of the Agreement and your Restaurant or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), the Agreement, the Franchise, or your Restaurant and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to an “ownership interest” in you or one of your owners (if you are not a natural person) mean the percent

of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. Your “Restaurant” includes all of the assets of the Restaurant you operate under the Agreement, including its revenue and the Lease.

**H. NOTICES AND PAYMENTS.**

All written notices, reports, and payments permitted or required to be delivered by the Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actually delivered, or as follows: (i) at the time delivered via computer transmission and, in the case of the Royalty Fees, Brand Fund contributions, and other amounts due, at the time we actually receive electronic payment, (ii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery or (iii) three (3) business days after placement in United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Notices must be sent to the party to be notified at its address shown on the attached Data Sheet, as applicable, or the most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of the Premises. Notices to us must be sent to the Attention: Naz Mashriqi, with a copy (which shall not constitute notice) to Legal Department. Any notice that we send to you by electronic means will be deemed delivered if it is delivered to the email address of the Managing Owner listed on Data Sheet or any other email address your Managing Owner has notified us of, and/or any branded email address we issue your Managing Owner that is associated with a System Website.

**I. COUNTERPARTS; COPIES.**

The Agreement and its Attachments may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

**J. SAFETY.**

We will not be required to send any of our representatives to your Restaurant to provide any assistance or services if, in our sole determination, it is unsafe to do so. Such determination by us will not relieve you from your obligations under the Agreement (including, without limitation, to pay monies owed) and will not serve as a basis for your termination of the Agreement.

**K. PROHIBITED PARTIES.**

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your owners, employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department’s List of Specially Designated Nationals; (b) the U.S. Commerce Department’s Denied Persons List, Unverified

List, Entity List, or General Orders; (c) the U.S. State Department’s Debarred List or Nonproliferation Sanctions; or (d) the Annex to U.S. Executive Order 13224.

- 2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you and your owners are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you or your owners to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all of your owners, employees, agents, representatives, and any other person or entity associated with you not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

**IN WITNESS WHEREOF**, the parties have executed and delivered the Agreement on the dates noted below, to be effective as of the Effective Date.

**NAZ’S FRANCHISING, LLC**,  
a New York limited liability company

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**[Name]**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENT A**  
**TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the “**Agreement**”) on this date by **Naz’s Franchising, LLC**, a New York limited liability company (“**us,**” “**we,**” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that \_\_\_\_\_ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, each Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Franchisee under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchisee arising as a result of the Guarantor’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor’s spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 18 (Enforcement) of the Agreement, including Section 18.A (Arbitration), Section 18.B (Consent to Jurisdiction) and Section 18.E (Costs and Attorneys’ Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this

Guaranty and any disputes between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor’s performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse’s own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its Affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor’s account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____

**ATTACHMENT B  
TO FRANCHISE AGREEMENT**

†Attachment A - 2

**DO NOT COMPLETE OR SIGN THIS ATTACHMENT IF YOU ARE A RESIDENT OF, OR YOUR BUSINESS WILL BE OPERATED IN, OR THE FRANCHISE GRANTED IS SUBJECT TO THE FRANCHISE REGISTRATION OR DISCLOSURE LAWS IN ANY OF THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, OR WISCONSIN.**

**REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT**

The purpose of this Statement is to demonstrate to **NAZ’S HALAL FOOD, LLC**, a New York limited liability company (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the development and/or franchise rights (“Franchisee”), (a) fully understands that the purchase of a Naz’s Halal Food franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) with which you were provided prior to signing the Agreement in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

<p>I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the marketplace generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.</p>	<p>INITIAL:</p>
<p>I acknowledge that I have had the opportunity to personally and carefully review the FDD and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.</p>	<p>INITIAL:</p>
<p>Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.</p>	<p>INITIAL:</p>
<p>My decision to purchase the Franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.</p>	<p>INITIAL:</p>

<p>I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.</p>	<p>INITIAL:</p>
<p>PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.</p> <p>Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No (Initial Here: ____)</p> <p>If you selected “Yes,” please describe the information you received on the lines below:</p> <hr/>	<p>INITIAL:</p>

Sign: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: Individually, and for and on behalf of  
[Franchisee Name]

Sign: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: Individually, and for and on behalf of  
[Franchisee Name]

Sign: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: Individually, and for and on behalf of  
[Franchisee Name]

**ATTACHMENT C**  
**TO THE FRANCHISE AGREEMENT**

**STATE-SPECIFIC RIDERS**

The various state-specific terms listed below will apply to the Agreement and modify the terms to the Agreement, if (a) the jurisdictional requirements described for any particular state are satisfied, and (b) the transaction is not exempt from such laws. The provisions of multiple states may apply.

The following provision applies if you or the franchise granted hereby are subject to the franchise laws in **California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin**: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ILLINOIS**

**Jurisdictional Requirements.** The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in the State of Illinois or (b) the offer of the franchise is made or accepted in the State of Illinois, and, if (a) or (b) is satisfied, your franchised business is or will be operated in the State of Illinois.

1. Fee Deferral. Section 3A of the Agreement is amended by adding the following:

Payment of Initial Fees will be deferred until the Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

2. ~~1.~~ Limitation of Claims. Section 18F of the Agreement is amended by adding the following:

~~However, nothing contained in this~~ In conformance with section ~~shall constitute a~~ 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, ~~or provision~~ purporting to bind any person acquiring any franchise to waive compliance with ~~any provision of~~ the Illinois Franchise Disclosure Act or any other law of ~~the State of~~ Illinois, ~~to the extent applicable~~ is void.

3. ~~2.~~ Illinois Franchise Disclosure Act Provisions. The following language is added to the end of the Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

[See the last page of this Attachment C for your \*required\* signature.](#)

## **MARYLAND**

**Jurisdictional Requirements.** The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are a resident of the State of Maryland; or (b) your franchised business is or will be operated in the State of Maryland; or (c) the offer to sell you a franchise or the offer to buy a franchise from us was made in the State of Maryland.

1. [Fee Deferral.](#) Section 3A of the Agreement is amended by adding the following:

[Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we will defer collection of the initial franchise fee and other payments you owe us under this Agreement until we have completed all of our pre-opening obligations and your Restaurant opens for business.](#)

2. ~~1-~~ [Releases.](#) The following is added to the end of Sections 13C(4) and 14A(8) of the Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. ~~2-~~ [Insolvency.](#) The following is added to the end of Section 15B(16) of the Agreement:

This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. ~~3-~~ [Arbitration.](#) Section 18A of the Agreement is supplemented by adding the following to the end of the Section:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. ~~4-~~ [Consent to Jurisdiction.](#) Section 18B of the Agreement is supplemented by adding the following to the end of the Section:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. ~~5-~~ [Limitations of Claims.](#) The following is added to the end of Section 18F of the Agreement:

Attachment C

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. ~~6. Releases.~~ The Franchise Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

## MINNESOTA

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) your franchised business will be operated wholly or partly in Minnesota; and/or (b) you are either a resident of, domiciled in, or actually present in Minnesota.

1. Interest on Late Payments. The following language is added to the end of Section 4D of the Agreement:

Notwithstanding the foregoing, you and we acknowledge that under Minnesota Statute 604.113 your penalty for an insufficient funds check will be limited to \$30 per occurrence.

2. Releases. The following is added to the end of Sections 13C(4) and 14A(8) of the Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. Renewal and Termination. The following is added to the end of Sections 14 and 15 of the Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

4. Lost Revenue Damages. The following language is added to the end of Section 16C of the Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

5. Injunctive Relief. Section 18D of the Agreement is deleted and replaced with the following:

Notwithstanding the foregoing, a court will determine if a bond is required.

6. Limitations of Claims and Class Action Bar. The following is added to the end of Section 18F of the Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

7. Minnesota Law. Notwithstanding anything to the contrary contained in the Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

8. Intellectual Property. 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).

9. Dispute Resolution. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

10. Acknowledgements. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under 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 with the franchise.

## **NEW YORK**

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in, and your franchised business will be operated in, the State of New York; or (b) our offer to sell you a franchise is made from or your offer to buy a franchise from us accepted in the State of New York.

1. Releases. The following is added to the end of Sections 13C(4) and 14A(8) of the Agreement: Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

2. Choice of Forum and Choice of Law. The following sentence is added to the end of Section 18A and 18B of the Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law as amended, and the regulations issued thereunder.

3. Transfer. The following sentence is added to the end of Section 13A of the Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Agreement.

4. Termination. The following sentence is added to the end of Section 15A of the Agreement:

You also may terminate the Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. 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.

6. 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.

## NORTH DAKOTA

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in, and your franchised business will be operated in, the State of North Dakota; or (b) our offer to sell you a franchise is made from or your offer to buy a franchise from us accepted in the State of North Dakota.

1. Initial Franchise Fee. The following language is added to the send of Section 3A of the Agreement:

Based upon Franchisor's financial condition, the North Dakota Securities Department has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement.

2. ~~1.~~ Releases. The following is added to the end of Sections 13C(4) and 14A(8) of the Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. ~~2.~~ Covenant Not to Compete. The following is added to the end of Section 16A(10) of the Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. ~~3.-Lost Revenue Damages.~~ The following language is added to the end of Section 16C of the Agreement:

~~We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.~~

The State of North Dakota has determined that requiring a franchisee to consent to termination or liquidated damages in a franchise agreement is 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 consent to termination or liquidated damages is deleted.

5. ~~4.-Arbitration.~~ The following language is added to the end of Section 18A of the Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

6. ~~5.-Consent to Jurisdiction.~~ The following is added to the end of Section 18B of the Agreement:

~~Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.~~

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is 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.

7. ~~6.-Waiver of Punitive Damages and Jury Trial. To the extent required by the North Dakota Franchise Investment Law, The following is added to the end of~~ Section 18C of the ~~Franchise Agreement is deleted.:~~

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or the Supplemental Agreement requiring the 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, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

The State of North Dakota has determined that requiring a franchisee 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. ~~7.~~ Limitations of Claims and Class Action Bar. The following is added to the end of the first paragraph Section 18F of the Agreement:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

9. 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.

## **RHODE ISLAND**

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in, and your franchised business will be operated in, the State of Rhode Island; or (b) our offer to sell you a franchise is made from or your offer to buy a franchise from us accepted in the State of Rhode Island.

1. Governing Law. The following is added at the end of Section 18A 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. Consent to Jurisdiction. The following is added at the end of Section 18B of the Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

## WASHINGTON

## SOUTH DAKOTA

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) ~~our offer to sell you a franchise is directed into and received in the State of Washington; or (b)~~ you are a resident of ~~the State of Washington; or (c) your~~ South Dakota and the franchised business ~~is or that you will operate under the Agreement~~ will be located or operated, ~~wholly or partly, in the State of Washington~~ in South Dakota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in South Dakota.

1. Washington Law Fee Deferral. The following ~~paragraphs are~~ added to the end of Section 4A of the Agreement:

The South Dakota Department of Labor & Regulation’s Division of Securities requires us to defer payment of the initial franchise fee and other initial payments you owe us under this Agreement until we have completed all of our pre-opening obligations and your Restaurant opens for business.

- ~~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 may be 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 Judgment. 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. Nonsolicitation 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 executed and delivered this State-Specific Rider to be effective as of the effective date of the Franchise Agreement.

**NAZ'S FRANCHISING, LLC**,  
a New York limited liability company

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**

**AREA DEVELOPMENT AGREEMENT**

**NAZ'S FRANCHISING, LLC**  
**AREA DEVELOPMENT AGREEMENT**

**Developer:** \_\_\_\_\_

**Development Area:** \_\_\_\_\_



**NAZ'S FRANCHISING, LLC  
AREA DEVELOPMENT AGREEMENT  
DATA SHEET**

1. **Effective Date of Agreement:** \_\_\_\_\_

2. **Developer.**

Name:	
Address:	
Attention:	
Email Address:	
Phone:	
Type of Entity:	
Date of Formation:	
State of Formation:	

3. **Owners.**

Name	Address	Email Address	Type of Interest	Percentage Held
Managing Owner:				

4. **Development Fee.** \$ \_\_\_\_\_

5. **Development Area.**

The geographic area within \_\_\_\_\_, as depicted on the following map:

[insert map]

If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of the Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

**6. Development Schedule.**

#	Site Approved & Franchise Agreement Signed	Lease Approved & Executed	Restaurant Opened for Business
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____

**7. Acknowledgement and Acceptance of Agreement.** By signing below, you represent and warrant to us that the information contained in this Data Sheet is true and correct. The parties, intending to be legally bound, accept and agree that this Data Sheet and the accompanying Area Development Agreement Terms and Conditions (together, the “**Agreement**”) describe their respective rights and obligations, and each agrees to be bound thereto and to perform as set forth therein.

**NAZ’S FRANCHISING, LLC,**  
a New York limited liability company

**DEVELOPER:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

NAZ'S HALAL FOOD®

AREA DEVELOPMENT AGREEMENT TERMS AND CONDITIONS

TABLE OF CONTENTS

	<u>Page</u>
1. Preambles.....	1
A. Background.....	1
B. Business Entity.....	1
2. The Development Rights.....	2
A. Grant.....	2
B. Development Area and Reservation of Rights.....	2
C. Development Schedule.....	3
D. Locating Sites for Restaurants.....	3
E. Execution of Franchise Agreements.....	4
F. No License to the Marks.....	4
3. Development Fee.....	4
4. Records and Reporting Requirements.....	4
5. Transfer.....	5
A. By Us.....	5
B. By You or Your Owners.....	5
C. Conditions for Approval of Transfer.....	5
D. Effect of Consent to Transfer.....	6
E. Public or Private Offerings.....	6
F. Our Right of First Refusal.....	7
6. Termination of Agreement.....	7
A. By You.....	7
B. By Us.....	8
7. Rights and Obligations on Termination or Expiration of the Agreement.....	9
8. Relationship of the Parties/Indemnification.....	9
A. Independent Contractors.....	9
B. Indemnification.....	9
9. Enforcement.....	10
A. Arbitration.....	10
B. Governing Law.....	11
C. Consent to Jurisdiction.....	11
D. Waiver of Punitive Damages and Jury Trial.....	12
E. Injunctive Relief.....	12
F. Costs and Attorneys' Fees.....	12
G. Limitations of Claims.....	12
10. Miscellaneous.....	13
A. Binding Effect.....	13
B. Rights of Parties Are Cumulative.....	13
C. Severability and Substitution of Valid Provisions.....	13
D. Waiver of Obligations.....	13
E. The Exercise of Our Judgment.....	14

F.	Construction.....	14
G.	No Warranty or Representation.....	15
H.	Notices.....	15
I.	Counterparts.....	15
J.	Prohibited Parties.....	15

**ATTACHMENTS**

ATTACHMENT A	Guaranty and Assumption of Obligations
ATTACHMENT B	State Addenda



## AREA DEVELOPMENT AGREEMENT TERMS AND CONDITIONS

The following Area Development Agreement Terms and Conditions (these “**Terms**”) form an integral part of the Agreement between **NAZ’S FRANCHISING, LLC**, a New York limited liability company having its address at 146 New Bridge, 2nd Floor, East Suite, Hicksville, New York 11801 (“**us**”) and the party identified in and signing the attached Data Sheet as the “**Developer**” (“**you**”).

### 1. PREAMBLES.

#### A. BACKGROUND.

We grant franchises for the development, ownership and operation of businesses that are currently identified by the Naz’s Halal Food® trademark (together, with such other trademarks, service marks and commercial symbols we periodically designate, the “**Marks**”) and that offer a variety of menu items, featuring rice platters, gyros, burgers, sandwiches, wings, salads, and sides, prepared in accordance with Halal standards and specifications (each a “**Restaurant**”). Restaurants are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, and specifications, each of which we may replace, further develop, or otherwise modify or discontinue from time to time (collectively, the “**System**”).

Based on your own investigation and diligence, you have requested that we grant you the right to acquire multiple franchises for the development and operation of Restaurants (the “**Development Rights**”) and, to support your request, you and, as applicable, your owners have provided us with certain information about you and their background, experience, skills, financial condition and resources (collectively, the “**Application Materials**”). In reliance on, among other things, the Application Materials, we are willing to grant you the Development Rights as reflected in the Agreement.

#### B. BUSINESS ENTITY.

If you are not a natural person, you agree, represent and warrant to us that: (1) you were validly formed and are and will maintain, throughout the Term (defined below), your existence and good standing under the laws of the state of your formation and remain qualified to do business in the state(s) in which you operate your Restaurants; (2) the information on the attached Data Sheet is complete and accurate as of the Effective Date; (3) the only business that you will conduct will be that described in the Agreement; (4) at our request, you will furnish us with copies of all documents regarding your formation, existence, standing, and governance; and (5) each of your direct and indirect owners must personally guarantee your obligations under the Agreement and each Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete, and will sign and deliver to us our then-standard form of Guaranty and Assumption of Obligations (the “**Guaranty**”). Our current form of Guaranty appears as Attachment A to the Agreement. The non-owner spouse of each guarantor must also sign the Guaranty in the capacity and for the purposes reflected in the Guaranty.

If you are a legal entity, one of your owners that we approve must, at all times, act as your “**Managing Owner**.” Your Managing Owner is designated on the attached Data Sheet. You agree that your Managing Owner will be authorized, on your behalf, to deal with us in all matters that arise in respect of the Agreement. We will be entitled to rely on the decisions of your Managing Owner without being obligated to seek approvals or input from your other owners. You must promptly notify us in

writing if your Managing Owner cannot continue or no longer qualifies to serve as such and immediately request our approval of a replacement Managing Owner.

## 2. THE DEVELOPMENT RIGHTS.

### A. GRANT.

We hereby grant you the Development Rights, which must be exercised in strict compliance with the Agreement. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, will expire on the earlier of (1) the opening of the last Restaurant required to be open under the Development Schedule shown on the attached Data Sheet (the “**Development Schedule**”), or (2) the date by which the last such Restaurant is required to be open in satisfaction of the Development Schedule (the “**Term**”). You accept the grant of the Development Rights and agree to, at all times, faithfully, honestly, and diligently perform your obligations under the Agreement and fully exploit the Development Rights during the Term and throughout the entire Development Area identified on the attached Data Sheet (the “**Development Area**”). You must perform all of your obligations under the Agreement, and you may not subcontract or delegate any of those obligations to any third parties.

### B. DEVELOPMENT AREA AND RESERVATION OF RIGHTS.

The Development Rights may only be exercised for Restaurants to be located in the Development Area. You agree that any Non-Traditional Locations (defined below) that become available during the Term and are located within the Development Area are deemed to be excluded from the Development Area unless we indicate otherwise on the Data Sheet. As used herein, a “**Non-Traditional Location**” is a physical location that (1) is part of a larger venue or facility, (2) is not generally and easily accessible to the general public, or (3) whose operating hours are limited to those imposed by the owner or operator of the venue in which it sits (for example, military bases, shopping malls, hotels, school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, trucks, casinos, sports or entertainment venues or stadiums, and retail shop locations being sublet under a lease to a master concessionaire).

To maintain your rights under the Development Agreement you must comply with the Development Schedule and open the number of Restaurants stated in the Development Schedule on or before the deadlines provided thereunder. Failure to comply with the Terms of the Agreement (or any other agreement with us or our Affiliates) will be grounds for either a loss of territorial exclusivity or a termination of the Development Agreement. As long as you are in compliance with these Terms and except with respect to Non-Traditional Locations, we will not, during the Term, operate or grant the right to anyone else to operate a Restaurants within the Development Area, or grant Development Rights to anyone else to be exercised with your Development Area.

You acknowledge that our agreement regarding your Development Area applies only to the development of Restaurants. You will not receive an exclusive Development Area because we reserve the right, under certain circumstances, to have a physical presence in your Development Area. We reserve, for ourselves and our Affiliates, all other rights, and the right to do all things that we do not expressly agree in those agreements not to do, in each case, without compensation to you, without regard to proximity to your Restaurants or Development Area, and on such terms and conditions as we deem appropriate. For example, and without limitation, we and our Affiliates may, ourselves or through authorized third parties:

(1) own and operate, and license others to own and operate Restaurants in Non-Traditional Locations anywhere in the world, including within your Development Area, as applicable;

(2) own and operate, and license others to own and operate, Restaurants using the System and the Marks on such terms and conditions we deem appropriate outside of your Development Area, as applicable;

(3) develop or become associated with other businesses, including other halal food concepts and systems, and/or award franchises under such other concepts, provided that, if located in your Development Area, as applicable, such businesses are not identified by the Naz's Halal Food trademark (although they may, in our discretion, use and incorporate certain other elements of System and System Standards);

(4) acquire or be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to the Naz's Halal Food -brand, (ii) allow the other businesses to operate as part of or to use the elements of the System, and/or (iii) permit the other businesses to continue to operate under another name;

(5) solicit customers, advertise, and authorize others to advertise, and promote sales of Restaurants anywhere, including within the Development Area, and fill customer orders; and

(6) market and sell, and grant to others the right to market and sell anywhere (inside and outside your Development Area), products and services that are authorized for sale at Restaurants through alternative channels of distribution (for example, through e-commerce and product lines in other businesses) using the Marks or other trademarks and commercial symbols.

### C. DEVELOPMENT SCHEDULE.

You agree to deliver to us a fully executed lease (or otherwise secure possession of the site), and open and operate your Restaurants in the Development Area, each pursuant to a written franchise agreement and related agreements signed by us and you or your Affiliate that we approve (each a “**Franchise Agreement**”), each as necessary to satisfy the requirements of each deadline provided in the Development Schedule. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Restaurants specified in the Development Schedule. We are relying on your knowledge and expertise of the Development Area and your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under the Development Schedule.

#### **D. LOCATING SITES FOR RESTAURANTS.**

Despite any assistance we may provide, you are entirely responsible for locating and presenting to us proposed sites for the Restaurants in the Development Area as necessary to comply with the Development Schedule (each a “**Site**”). You agree to give us all information and materials we request to assess each proposed Site as well as your or your proposed Affiliate’s financial and operational ability to develop and operate a Restaurant at the proposed Site. We have the absolute right to reject any site or any Affiliate (a) that does not meet our criteria or (b) if you or your Affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to the Agreement or operating your or their Restaurants in compliance with the mandatory specifications, standards, operating procedures and rules that we periodically prescribe for operating Restaurants (the “**System Standards**”). We agree to use our reasonable efforts to review and evaluate your proposed Sites within 30 days after we receive all requested information and materials. If we accept a proposed Site, you or your approved Affiliate must sign a separate Franchise Agreement for the Site within 15 days after we provide you with an execution copy of the Franchise Agreement, failing which, we may withdraw our acceptance. Our approval of any proposed Site is entirely for our own purposes and, by approving your Site, we are not representing or guaranteeing that it will perform as you or we expect it to do. We are not responsible if the Site we recommend or approve fails to meet your expectations.

#### **E. EXECUTION OF FRANCHISE AGREEMENTS.**

When you sign the Development Agreement, you will also sign the Franchise Agreement and related documents for the 1<sup>st</sup> Restaurant you are obligated to acquire under the Agreement. By virtue of signing the 1<sup>st</sup> Franchise Agreement, you and your Affiliates must then open and operate the Restaurant referenced in that Franchise Agreement. For the 2<sup>nd</sup> and each subsequent Restaurant, you are obligated to acquire under the Development Schedule, you or your Affiliates must sign a then-current form of franchise agreement and related documents after we have accepted a Site, and prior to you signing a lease or otherwise securing possession of the Site. The terms of any future forms of franchise agreements may differ substantially from the terms contained in the form of Franchise Agreement we are using to grant Restaurants on the Effective Date. Each Franchise Agreement will govern the development and operation of Restaurants at the accepted Site identified therein.

Expiration or termination of the Development Rights does not impact the continued existence of any Franchise Agreements that are, as of such time, already fully executed unless, in the case of termination, the grounds for termination are also bases for termination under the Franchise Agreements.

#### **F. NO LICENSE TO THE MARKS.**

Notwithstanding any provision to the contrary under the Agreement, the Agreement does not grant you (or any of your Affiliates) any right to use the Marks. The right to use the Marks is granted only under franchise agreements. You (and your Affiliates) may not use any Mark as part of any corporate or trade name or as your (or their) primary business name or with any prefix, suffix or other modifying words, terms, designs, symbols or in any modified forms.

### **3. DEVELOPMENT FEE.**

In addition to paying the initial franchise fee due under the first Franchise Agreement referenced in Section 2.E, you must pay us, on your execution of the Agreement and in consideration of the grant of the Development Rights, a nonrecurring and nonrefundable Development Fee in the amount shown on the attached Data Sheet (the “**Development Fee**”). The Development Fee is fully earned by us when you and we sign the Agreement and is nonrefundable. We will credit the Development Fee, in \$15,000 increments, toward payment of the initial franchise fee that is due as the 2<sup>nd</sup> through 5<sup>th</sup> Restaurants

developed by you or your Affiliates and \$12,500 for the 6<sup>th</sup> and each subsequent Restaurant developed by you and your Affiliates, until the aggregate amount of these credits equals the Development Fee.

4. **RECORDS AND REPORTING REQUIREMENTS.**

You agree, during the Term, to maintain records regarding your activities in connection with the exercise of the Development Rights and to provide us with the following records and reports:

(1) within 10 days after the end of each month during the Term, you must send us a report of your business activities during that month, including information about your efforts to find sites for Restaurants in the Development Area and the status of development and projected opening for each Restaurant under development in the Development Area;

(2) within 30 days after the end of each calendar quarter, you must provide us with a balance sheet and profit and loss statement for you and your Affiliates covering that quarter and the year-to-date, and an updated balance sheet for each person or entity signing the Guaranty; and

(3) such other data, reports, information, financial statements, and supporting records as we reasonably request from time to time.

5. **TRANSFER.**

A. **BY US.**

We have the right to delegate the performance of any portion or all of our rights and obligations under the Agreement to third-party designees. You represent that you have not signed the Agreement in reliance on any particular person or entity remaining with us in any capacity. We may change our ownership or form or assign the Agreement and any other agreement to a third party without restriction.

B. **BY YOU OR YOUR OWNERS.**

Your rights and duties under the Agreement are personal to you (or your owners if you are an entity), and we have granted you the Development Rights in reliance upon our assessment of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any of your owners, nor any of your or their permitted successors or assigns, may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber the Agreement (or any direct or indirect interest in the Agreement), the Development Rights, or any direct or indirect ownership interest in you (regardless of its size), or transfer, surrender, or lose the possession, control, or management of any of your Restaurants (each, a "**Transfer**"), without our prior written consent. Any Transfer without our prior written approval is a material breach of the Agreement and has no effect.

If you intend to list your Development Rights for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement and any advertising materials. You may not use any Mark in advertising the transfer or sale of your Development Rights or of any ownership in you without our prior written consent.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

We may consider, and you will provide or assist us in compiling, any information we deem necessary or appropriate in connection with our assessment of a proposed Transfer. If we elect to approve a proposed Transfer, we may, at our discretion, condition our approval in any manner we deem necessary

and appropriate to protect the Naz's Halal Food® brand and our interests in the System and the Agreement, including any of the following (each of which you agree is reasonable):

- (1) you and any person or entity obligated under the Agreement or Guaranty must be in compliance with your or its obligations;
- (2) you and the proposed transferee and its owners (if the transferee is not a natural person) must provide all information and documents we request regarding the Transfer and the proposed transferee and its owners or Affiliates;
- (3) you must provide us with executed versions of any relevant documents to effect the Transfer, and all other information we request about the proposed Transfer;
- (4) if you or the transferor offer the transferee financing for any part of the purchase price, all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Development Rights must be subordinate to the transferee's obligation to pay all amounts due to us, our Affiliates, and third-party vendors and otherwise agree to comply with these Terms (or any applicable Franchise Agreement with us);
- (5) you (and your owner(s)) must sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents;
- (6) you (and your transferring owner(s)) (and your or their immediate family members) must sign a non-competition covenant in favor of us, commencing on the effective date of the Transfer and consistent with the post-term non-competition obligations contained in the most recent Franchise Agreement that you or your Affiliates have signed with us;
- (7) you must pay all amounts owed to us, our Affiliates, and third-party vendors and must have submitted all required reports and statements under these Terms and any Franchise Agreement with us;
- (8) you and your owners must not have violated any provision of these Terms or any other agreement with us or our Affiliates during both the 60-day period before you requested our consent to the Transfer and the period between your request and the effective date of the Transfer;
- (9) the transferee, at our request, must sign our then-current form of area development agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in the Agreement;
- (10) you must pay or cause to be paid to us a transfer fee equal to \$20,000 (which will be reduced to \$10,000 for transfer to an existing franchisee) for each undeveloped Restaurant in your Development Schedule; and
- (11) the Transfer of the Agreement must not be made separate and apart from the Transfer to the same transferee of all Franchise Agreements that were signed pursuant to the Agreement.

**D. EFFECT OF CONSENT TO TRANSFER.**

Our consent to a Transfer is not a representation of the fairness of the terms of any contract between you and the transferee or transferee's prospects of success, or a waiver of any claims we have

against you (or your owners) or of our right to demand full compliance by you and the transferee with the Agreement.

**E. PUBLIC OR PRIVATE OFFERINGS.**

Written information used to raise or secure funds can reflect upon us and the System. You agree to submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our Affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are addressed to our satisfaction or withdrawn. You may not engage in a public offering of securities without our prior written consent.

**F. OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) desire to engage in a Transfer, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in the Agreement and your Development Rights. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be couched entirely as a dollar amount, and we may require the proposed buyer submit with its offer a reasonable earnest money deposit acceptable to us. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within 30 days after we receive an exact copy of the bona fide offer and all relevant information we request, we may, by written notice delivered to you or your selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. We may substitute cash for any form of payment proposed in the offer as acceptable consideration. If we exercise our right of first refusal, we will have 30 days from the date we notified you of our intended purchase to prepare for closing. You and your owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and you and your selling owner(s) (and your and their immediate family members) must comply with the obligations regarding Competitive Businesses, as described in the Franchise Agreements executed pursuant to the Agreement, as though such Franchise Agreements had expired on the date of the purchase. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 5.F.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the Transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 5.B and 5.C above. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

**6. TERMINATION OF AGREEMENT.**

**A. BY YOU.**

If you and your owners are fully complying with the Agreement and we materially fail to comply with the Agreement and do not correct the failure within 30 days after you deliver written notice of the

material failure to us or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of the Agreement other than according to this Section 6.A. will be deemed a termination without cause and a breach of the Agreement.

**B. BY US.**

We may terminate your Development Rights, effective upon delivery of written notice to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in the Application Materials or otherwise;

(2) you fail to comply with the Development Schedule or fail to make progress in the development of Restaurants to indicate, in our determination, that you will not be able to satisfy your development obligations under the Agreement;

(3) you (or any of your owners) make or attempt to make a Transfer without complying with the requirements of Section 5;

(4) you (or any of your owners) (a) fail on three (3) or more separate occasions within any 24 consecutive-month period to comply with any provision of the Agreement or (b) fail on two (2) or more separate occasions within any twelve (12) consecutive month period to comply with the same obligation under the Agreement, in either case, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(5) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; any of your or your Affiliates' Restaurants are attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of your or your Affiliates' Restaurants are not vacated within 30 days following the order's entry;

(6) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(7) you (or any of your owners) fail to comply with any other provision of the Agreement and do not correct the failure within 30 days after we deliver written notice of the failure to you;

(8) you (or any of your owners) are convicted of a felony or any criminal act that is likely to adversely affect the goodwill of Restaurants or the System;

(9) you or a Guarantor or an Affiliate fails to comply with any other agreement with us or our Affiliate, including any Franchise Agreement, unless the failure is timely and completely cured within any cure period provided under the applicable agreement); or

(10) you (or any of your owners) engage in any conduct which, in our opinion, adversely affects the reputation of any Restaurants or the goodwill associated with the Marks.

**7. RIGHTS AND OBLIGATIONS ON TERMINATION OR EXPIRATION OF THE AGREEMENT.**

Upon the expiration or termination of the Agreement, you and, as applicable, your owners and all such other persons or entities who are bound under the terms of the Agreement must immediately upon the expiration or termination of the Agreement, cease to directly or indirectly exercise or attempt to exercise any of the rights granted to you under the Agreement, comply with all obligations that either expressly survive or by their nature are intended to survive the expiration or termination of the Agreement, and refrain from interfering or attempting to interfere with our or our Affiliates' relationships with any vendors, franchisees or consultants or engage in any other activity which might injure the goodwill of the Marks or the System.

All of our and your (and your owners') obligations which expressly or by their nature survive the Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to indemnification.

**8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**A. INDEPENDENT CONTRACTORS.**

The Agreement does not create a fiduciary relationship between you and us. You and we are and will be independent contractors, and nothing in the Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, vendors, public officials, your personnel, and others as the owner of your Restaurant(s) under a franchise we have granted and to place notices of independent ownership on the business cards, advertising, and other materials we periodically require.

You also acknowledge that you will have a contractual relationship only with us and may look only to us to perform under the Agreement. None of our Affiliates is a party to the Agreement and has no obligations under it. However, our Affiliate who is the owner of the Marks, you and we agree that such Affiliate will be a third-party beneficiary of those provisions in the Agreement relating to use of the Marks, with the independent right to enforce such provisions against you and to seek damages from you for your failure to comply with those provisions.

**B. INDEMNIFICATION.**

You agree to indemnify, defend, and hold harmless us, our Affiliates, and each of our and their respective Affiliates, managers, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of: (i) your Development Rights, (ii) the business you conduct under the Agreement, (iii) your breach of the Agreement, and/or (iv) instituted by your employees and/or by others that arise from your employment practices, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of

litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced.

Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding the Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section. Any Indemnified Party may demand that you advance funds to such Indemnified Party to pay for any claims that are indemnifiable under this Section, and you will advance such funds promptly upon demand; provided, however, that if (and only to the limited extent that) any such claim is ultimately determined not to be indemnifiable under this Section in a final, unappealable ruling issued by a court with competent jurisdiction or arbitrator, such Indemnified Party must reimburse any portion of such funds that are attributable to such non-indemnifiable claims.

## 9. ENFORCEMENT.

### A. ARBITRATION.

We and you agree that all controversies, disputes, or claims between us or any of our Affiliates, and our and their respective owners, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) the Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates); (2) our relationship with you; (3) the scope or validity of the Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standards, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor's or assign's then current principal place of business (currently, New York City, NY). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our Affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim

which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreement.

We and you agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreement.

Any provisions of these Terms below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

## **B. GOVERNING LAW.**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, the Agreement, the franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of New York, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of these Terms which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Development Area is located.

## **C. CONSENT TO JURISDICTION.**

Subject to the obligation to arbitrate under Section 9.A above and the provisions below, you and your owners agree that all actions arising under the Agreement or otherwise as a result of the relationship between you and us must be commenced in the court nearest to our or, as applicable, our successor's or

assign's then current principal place of business (currently, New York City, New York), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

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

Except for your obligation to indemnify us for third party claims under Section 8.B, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action or proceeding brought by either of us.

**E. INJUNCTIVE RELIEF.**

Nothing in the Agreement, including the provisions of Section 9.A, bars our right to obtain specific performance of the provisions of the Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

**F. COSTS AND ATTORNEYS' FEES.**

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

**G. LIMITATIONS OF CLAIMS.**

UNLESS PROHIBITED BY APPLICABLE LAW, EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THE AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THESE TERMS WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our Affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our Affiliates and you or your owners.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN

UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of the Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of the Agreement.

10. **MISCELLANEOUS.**

A. **BINDING EFFECT.**

The Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the System Standards, the Agreement may not be modified except by a written agreement signed by our and your duly-authorized officers.

B. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under the Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under the Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

C. **SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary in the Agreement, each section, paragraph, term, and provision of the Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of the Agreement, which will continue to have full force and effect and bind the parties.

If any applicable and binding law or rule of any jurisdiction requires more notice than the Agreement requires of the Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that the Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of the Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of the Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of the Agreement, as though it were separately articulated in and made a part of the Agreement.

D. **WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under the Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option the Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate the Agreement before its term expires) because of any custom or practice at variance with the Agreement's terms; our or your failure, refusal, or neglect to exercise any

right under the Agreement or to insist upon the other's compliance with the Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

**The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin:** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **E. THE EXERCISE OF OUR JUDGMENT.**

We have the right to operate, develop, and change the System in any manner that is not specifically prohibited by the Agreement. Whenever we have reserved in the Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in the Agreement, make our decision or exercise our rights in our sole and unfettered discretion.

#### **F. CONSTRUCTION.**

The preambles and exhibits are a part of the Agreement, which together with the attached Data Sheet constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of the Agreement, the franchise relationship, or your Development Rights (any understandings or agreements reached, or any representations made, before the Agreement are superseded by the Agreement). Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. Any policies that we periodically adopt and implement to guide us in our decision-making are subject to change, are not a part of the Agreement, and are not binding on us. Except as provided in Section 8.B, nothing in the Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to the Agreement.

Except where the Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in the Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under the Agreement, include any of our Affiliates with whom you deal. The term “Affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies. “Including” means “including, without limitation.”

If two or more persons are at any time the owners of the Development Rights, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or

otherwise) or voting rights in you (or a transferee of the Agreement and your Development Rights or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), the Agreement, Restaurants, or your Development Rights and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to an “ownership interest” in you or one of your owners (if not a natural person) mean the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

#### **G. NO WARRANTY OR REPRESENTATION.**

We and our agents, Affiliates, officers, directors, managers, owners, employees and other representatives have not made or given to you any warranties, representations, undertakings, commitments, covenants or guarantees respecting the subject matter of the Agreement except as expressly stated in the Agreement, and specifically without limiting the generality of the foregoing, you hereby acknowledge and agree that we and our agents, Affiliates, officers, directors, managers, owners, employees and other representatives have not made or given any warranty, representation, undertaking, commitment, covenant or guarantee in respect of sales or profit to be derived or costs or expenses to be incurred by you and that you are not relying upon any warranties, representations, undertakings, commitments, covenants or guarantees of us and our officers, directors, shareholders, employees and other representatives except as provided in the Agreement.

#### **H. NOTICES.**

All written notices, reports, and payments permitted or required to be delivered by the Agreement will be deemed to be delivered on the earlier of the date of actually delivered, or as follows: (i) at the time delivered via computer transmission, (ii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery or (iii) three (3) business days after placement in United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Notices must be sent to the party to be notified at its address shown on the attached Data Sheet, as applicable, or the most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of any of your Restaurants. Notices to us must be sent to the Attention: Naz Mashriqi, with a copy (which shall not constitute notice) to Legal Department. Any notice that we send to you by electronic means will be deemed delivered if it is delivered to the email address of the Managing Owner listed on Data Sheet or any other email address your Managing Owner has notified us of, and/or any branded email address we issue your Managing Owner that is associated with a system website.

#### **I. COUNTERPARTS.**

The Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

**J. PROHIBITED PARTIES.**

You hereby represent and warrant to us, as an express consideration for the rights granted hereby, that neither you nor any of your owners, employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals; (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders; (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions; or (d) the Annex to U.S. Executive Order 13224.
2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you and your owners are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you or your owners to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all of your owners, employees, agents, representatives, and any other person or entity associated with you not to, during the Term, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered the Agreement on the dates noted below, to be effective as of the Effective Date.

**NAZ’S FRANCHISING, LLC,**  
a New York limited liability company

**DEVELOPER:**  
**[Name]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENT A  
TO AREA DEVELOPMENT AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (as amended, modified, restated or supplemented from time to time, the “**Agreement**”) on this date by Naz’s Franchising, LLC (“**we**” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that \_\_\_\_\_ (“**Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for each and every provision in the Agreement that sets out an obligation of the Developer, including both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, each Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Developer under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Developer arising as a result of the Guarantor’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor’s spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 9 (Enforcement) of the Agreement, including Section 9.A (Arbitration), Section 9.C (Consent to Jurisdiction) and Section 9.F (Costs and Attorneys’ Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor’s performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to

Attachment A

the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its Affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____

**ATTACHMENT B**  
**TO THE AREA DEVELOPMENT AGREEMENT**

**STATE-SPECIFIC RIDERS**

The various state-specific terms listed below will apply to the Agreement and modify the terms to the Agreement, if (a) the jurisdictional requirements described for any particular state are satisfied, and (b) the transaction is not exempt from such laws. The provisions of multiple states may apply.

The following provision applies if you or the franchise granted hereby are subject to the franchise laws in **California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, ~~Washington~~, or Wisconsin**: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ILLINOIS**

**Jurisdictional Requirements.** The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in the State of Illinois or (b) the offer of the franchise is made or accepted in the State of Illinois, and, if (a) or (b) is satisfied, your franchised business is or will be operated in the State of Illinois.

1. Fee Deferral. Section 3 of the Agreement is amended by adding the following:

Payment of Development Fees will be deferred until the Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

2. ~~1.~~ Limitation of Claims. Section 9G of the Agreement is amended by adding the following:

~~However, nothing contained in this~~ In conformance with section ~~shall constitute a~~ 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, ~~or~~ or provision purporting to bind any person acquiring any franchise to waive compliance with ~~any provision of~~ the Illinois Franchise Disclosure Act or any other law of ~~the State of~~ Illinois, ~~to the extent applicable~~ is void.

3. ~~2.~~ Illinois Franchise Disclosure Act Provisions. The following language is added to the end of the Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

[See the last page of this Attachment B for your \*required\* signature.](#)

## **MARYLAND**

**Jurisdictional Requirements.** The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are a resident of the State of Maryland; or (b) your franchised business is or will be operated in the State of Maryland; or (c) the offer to sell you a franchise or the offer to buy a franchise from us was made in the State of Maryland.

1. [Fee Deferral.](#) Section 3 of the Agreement is amended by adding the following:

[Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we will defer collection of the development fee and other payments you owe us under this Agreement until the first Restaurant under this Agreement opens for business.](#)

2. ~~1.~~ [Releases.](#) The following is added to the end of Section 5C(5) of the Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. ~~2.~~ [Insolvency.](#) The following is added to the end of Section 6B(5) of the Agreement:

This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. ~~3.~~ [Arbitration.](#) Section 9A of the Agreement is supplemented by adding the following to the end of the Section:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. ~~4.~~ [Consent to Jurisdiction.](#) Section 9C of the Agreement is supplemented by adding the following to the end of the Section:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Attachment B

6. ~~5.~~ Limitations of Claims. The following is added to the end of Section 9G of the Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. Warranty or Representation. Section 10G of the Agreement is hereby deleted in its entirety and replaced with the following language “[Reserved”]

8. ~~6.~~ Releases. The ~~Franchise~~ Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

## MINNESOTA

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) your franchised business will be operated wholly or partly in Minnesota; and/or (b) you are either a resident of, domiciled in, or actually present in Minnesota.

1. Releases. The following is added to the end of Section 5C(5) of the Agreement:

Any release required as a condition of assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

2. Termination. The following is added to the end of Section 6B of the Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure).

3. Injunctive Relief. Section 9E of the Agreement is deleted and replaced with the following:

Notwithstanding the foregoing, a court will determine if a bond is required.

4. Limitations of Claims and Class Action Bar. The following is added to the end of Section 9G of the Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

5. Minnesota Law. Notwithstanding anything to the contrary contained in the Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

6. Dispute Resolution. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a

Attachment B

jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. Acknowledgements. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under 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 with the franchise.

## **NEW YORK**

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in, and your franchised business will be operated in, the State of New York; or (b) our offer to sell you a franchise is made from or your offer to buy a franchise from us accepted in the State of New York.

1. Releases. The following is added to the end of Section 5C(5) of the Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

2. Choice of Forum and Choice of Law. The following sentence is added to the end of Section 9B and 9C of the Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law as amended, and the regulations issued thereunder.

3. Transfer. The following sentence is added to the end of Section 5A of the Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Agreement.

4. Termination. The following sentence is added to the end of Section 6A of the Agreement:

You also may terminate the Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Franchise Questionnaires And Acknowledgements. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under 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.

6. 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.

## NORTH DAKOTA

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in, and your franchised business will be operated in, the State of North Dakota; or (b) our offer to sell you a franchise is made from or your offer to buy a franchise from us accepted in the State of North Dakota.

1. Development Fee. The following language is added to the send of Section 3A of the Agreement

Based upon Franchisor's financial condition, the North Dakota Securities Department has required a financial assurance. Therefore, all development fees and payments owed by Franchisee shall be deferred until the first Restaurant under the Development Agreement opens for business.

2. ~~1.~~ Releases. The following is added to the end of Section 5C(5) of the Agreement:

Any release required as a condition of assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. ~~2.~~ Arbitration. The following language is added to the end of Section 9A of the Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

4. ~~3.~~ Consent to Jurisdiction. The following is added to the end of Section 9C of the Agreement:

~~Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.~~

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is 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.

5. ~~4.~~ Waiver of Punitive Damages and Jury Trial. ~~To the extent required by the North Dakota Franchise Investment Law, The following is added to the end of Section 9D of the Franchise Agreement is deleted.:~~

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or the Supplemental Agreement requiring the 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, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

The State of North Dakota has determined that requiring a franchisee 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. ~~5-~~Limitations of Claims and Class Action Bar. The following is added to the end of the first paragraph Section 18G of the Agreement:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

7. 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.

## **RHODE ISLAND**

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) you are domiciled in, and your franchised business will be operated in, the State of Rhode Island; or (b) our offer to sell you a franchise is made from or your offer to buy a franchise from us accepted in the State of Rhode Island.

1. Governing Law. The following is added at the end of Section 9B 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. Consent to Jurisdiction. The following is added at the end of Section 9C of the Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

## WASHINGTON

## SOUTH DAKOTA

Jurisdictional Requirements. The following provisions are annexed to and form part of the Agreement if and only if, and in such case to the extent that: (a) ~~our offer to sell you a franchise is directed into and received in the State of Washington; or~~ (b) you are a resident of ~~the State of Washington; or~~ (c) your South Dakota and the franchised business is or that you will operate under the Agreement will be located or operated, ~~wholly or partly, in the State of Washington~~ in South Dakota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in South Dakota.

1. Washington Law Fee Deferral. The following ~~paragraphs are~~ is added to the end of Section 3 of the Agreement:

The South Dakota Department of Labor & Regulation’s Division of Securities requires us to defer payment of the development fee and other initial payments you owe us under this Agreement until the first Restaurant under this Agreement opens for business.

- ~~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~~

Attachment B

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 may be 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. Nonsolicitation 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 executed and delivered this State-Specific Rider to be effective as of the effective date of the Area Development Agreement.

**NAZ'S FRANCHISING, LLC**,  
a New York limited liability company

**DEVELOPER:**  
\_\_\_\_\_  
[Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT D**

**TABLE OF CONTENTS TO OPERATIONS MANUAL**

**Table of Contents**

<b>Chapter 1: General Information</b>	
.....	<b>1</b>
1. The Purpose of This Manual	.....2
2. How to Use This Manual	.....3
<b>Chapter 2: The Brand</b>	<b>4</b>
1. The Naz's <i>Halal Food</i> Story	.....5
2. Mission	.....6
3. Vision	.....7
4. Values	.....8
<b>Chapter 3: The Franchise Relationship</b>	<b>9</b>
1. The Naz's <i>Halal Food</i> Franchise Defined	.....10
2. Modifications of the System	.....11
3. The Franchisee/Franchisor Relationship	.....12
3.1. Independent Contractor	.....12
3.2. Independently Owned & Operated	.....12
3.3. You Are CEO of Your Business	.....12
3.4. Joint Employment & Vicarious Liability	.....13
4. Pricing & Accidental Price Fixing	.....14
4.1. Accidental Price Fixing	.....15
5. Our Responsibilities	.....16
5.1. Pre-opening Obligations to Franchisee	.....16
5.2. Pre-Opening Obligations to Area Developer	.....18
5.3. Assistance During the Operation of Your Restaurant - Franchisee	.....18
5.4. Assistance During Your Operations - Area Developer	.....19
6. Obligations by You - Franchisee	.....20
6.1. Participation in the Business	.....20
6.2. Training	.....21
6.3. Compliance	.....22
6.3.1. Naz's <i>Halal Food</i> Brand Standards	.....22
6.3.2. Site & Lease Requirements	.....22
6.3.3. Signage	.....23
6.3.4. Site Refresh	.....23
6.3.5. Compliance with the Law	.....23
6.3.6. PCI DSS Compliance	.....23
6.4. Payment of Fees & Taxes	.....24
6.5. Confidentiality	.....24
6.6. Local Marketing	.....24
6.7. Technology System	.....24
6.7.1. POS & Restaurant Operating Technology	.....25
6.7.2. App & Online Ordering	.....26
6.7.3. Learning Management System (LMS)	.....26
6.7.4. Intranet & Email	.....26
6.7.5. Online Presences, Listings, & Contact Information	.....26

6.7.6. Annual Franchisee Conference & Refresher Training.....27  
6.8. Loyalty Rewards & Gift Card Program .....28  
6.9. Approved Products & Services.....28

Version Number: 1.0

Version Date: March 2025

# Naz's Halal Food Franchising LLC

6.10. Catering & Delivery.....	28
6.11. Records & Reports.....	29
6.11.1. Gross Revenues Reporting.....	29
6.11.2. Monthly Reporting.....	29
6.11.3. Annual Reporting.....	29
6.11.4. Formats & Chart of Accounts.....	29
6.12. Audits & Inspections.....	29
6.12.1. Audits.....	29
6.12.2. Inspections.....	29
6.13. Insurance.....	29
6.13.1. Certificates of Insurance.....	30
6.13.2. Right to Secure Insurance on Your Behalf.....	30
7. Establishing Your Business Entity.....	31
7.1. Allowable Use of the Name.....	31
7.2. Tax Identification Numbers.....	31
<b>Chapter 4: Brand Operational Standards.....</b>	<b>33</b>
1. The Importance of Standards.....	34
2. Review & Enforcement.....	35
3. Food Standards.....	36
3.1. Certifications.....	36
3.2. Menu Standards.....	36
3.3. Recipes, Build Sheets, & Order Assembly.....	36
3.4. Target Production Times.....	36
4. General Operational Standards.....	37
4.1. Hours of Operations.....	37
4.2. Holiday Hours.....	37
4.3. Payments & Transactions.....	37
4.4. Dress & Appearance.....	37
4.4.1. Clothing.....	37
4.4.2. Appearance.....	38
4.4.3. Ordering Uniforms.....	39
5. Service & Hospitality Standards.....	40
5.1. Steps of Hospitality.....	40
5.1.1. Greeting.....	40
5.1.2. Taking the Order.....	40
5.1.3. Preparing the Order.....	40
5.1.4. Payments.....	40
5.1.5. Food Hand Off & Send Off.....	41
5.1.6. Table Clearing.....	41
5.1.7. Trays.....	41
5.2. Online Orders & Third-Party Delivery.....	41
5.3. Catering & Delivery.....	41
5.3.1. Catering & Delivery Menu Standards.....	41
5.3.2. Vehicle Standards.....	42
5.4. Customer Interaction & Resolution Standards.....	42
5.5. Other Service Standards.....	43
5.5.1. Requests for Information.....	43
5.5.2. Sensitive Subjects.....	43

5.5.3. Service Animals.....	44
5.5.4. Smoking, Vaping, Tobacco & Marijuana Use.....	44
6. Interior Facilities Standards.....	45
6.1. FF&E Requirements.....	45
6.2. Front Door.....	45
6.3. Windows.....	45
6.4. Floors.....	45
6.5. Mats.....	46
6.6. Lighting.....	46
6.7. Walls.....	46
6.8. Ceiling.....	46
6.9. Menu Boards.....	47
6.10. Plants & D6cor.....	47
6.11. Music & TV.....	47
6.12. Signs & Graphics.....	47
6.13. Trash Cans.....	48
6.14. Back Counter.....	48
6.15. Cash Register Area.....	48
6.16. Beverage Cooler.....	48
6.17. Dining Room.....	49
6.17.1. Tables, & Chairs.....	49
6.17.2. Highchairs & Boosters.....	49
6.18. To-Go Order Shelves.....	49
6.19. Restrooms.....	49
6.20. Holiday D6cor.....	50
7. Visible Kitchen Standards.....	51
8. Exterior Standards.....	52
8.1. General Cleanliness.....	52
8.2. Signs.....	52
8.3. Dining Area.....	52
8.4. Interior Lighting.....	52
8.5. Service Contracts.....	52
8.6. Service Contractors.....	53
9. Facilities Maintenance Standards.....	54
9.1. Interior.....	54
9.2. Kitchen Equipment.....	54
9.3. Cleaning System.....	54
9.4. SDS Sheets.....	55
10. Variances.....	56
10.1. What is a Variance?.....	56
10.2. Requesting a Variance.....	56
10.3. Requesting New Products & Items.....	56
<b>Chapter 5: Staffing Best Practices.....</b>	<b>58</b>
1. Overview & Disclaimerzzz.....	59
2. Laws & Requirements.....	61

3. Suggested Job Descriptions.....	62
3.1. Elements of a Job Description .....	62

Version Number: 1.0

Version Date: March 2025

Page iii

3.2. Recommended Positions & Responsibilities.....	62
3.2.1. Designated Manager.....	63
3.2.2. Manager.....	63
3.2.3. Shift Leader.....	64
3.2.4. Kitchen Leader.....	64
3.2.5. Line Cook.....	65
3.2.6. Cashier.....	66
4. Hiring Resources & Tools.....	67
5. Replacing Staff Best Practices.....	68
6. Confidentiality Agreements.....	69
<b>Chapter 6: Operations Best Practices.....</b>	<b>70</b>
1. What are Best Practices?.....	71
2. Quality Control & Food Costs.....	72
2.1. Quality Line Check Best Practices.....	72
2.2. Daily Cooling Log.....	72
3. Customer Service Best Practices.....	73
3.1. Accurate Order Taking.....	73
3.2. Courtesy & Engagement.....	73
3.3. Suggestive Sales.....	73
3.4. Customer Recovery.....	74
3.4.1. B.L.A.S.T. Method.....	74
3.4.2. Negative Feedback.....	75
4. BOH Best Practices.....	77
4.1. Cleanliness.....	77
4.2. The Line.....	77
4.3. Station Prep.....	77
4.4. FIFO.....	78
4.5. Sanitizer Checks.....	78
4.6. Equipment Checks.....	78
5. Production Planning.....	79
6. Daily Operations Best Practices.....	80
6.1. Checklists.....	80
6.1.1. Opening.....	80
6.1.2. Mid Shift.....	80
6.1.3. Closing.....	80
6.2. Back of House Best Practices.....	81
6.3. Lockout/Tagout.....	81
7. Restaurant Access Best Practices.....	82
<b>Chapter 7: Food Safety Best Practices.....</b>	<b>83</b>
1. Requirements.....	84
2. Health Regulations & Sanitation Standards.....	85
2.1. Pest Control.....	85
2.1.1. Rodent Infestation.....	85
2.1.2. Signs of Rodent "Feeding Stations".....	85
2.1.3. Evidence of Gnawing.....	85

2.2. Abatement.....	86
2.3. The Three Rs of Pest Control.....	86
2.4. Insect Infestation.....	87
2.4.1. Common Signs of Infestation.....	87
2.4.2. Abatement.....	87
3. Personal Hygiene.....	89
4. General Health.....	90
5. Foodborne Illness.....	91
6. Cross-Contamination.....	92
7. Time & Temperature.....	93
8. Food Safety Best Practices.....	94
9. Food Safety Hazards.....	95
9.1. Biological Hazards.....	95
9.2. Chemical Hazards.....	95
9.3. Physical Hazards.....	96
10. Food Borne Illness Management.....	97
10.1. Food History.....	97
10.2. Foreign Object in Food.....	97
10.3. Managing Complaints.....	97
11. Hazard Analysis & Critical Control Points (HACCP).....	100
<b>Chapter 8: Crisis Management.....</b>	<b>101</b>
1. Overview.....	102
2. Crisis Management.....	103
2.1. Crisis Plan.....	103
2.2. Talking to the Media.....	103
2.3. Triggers Checklist.....	104
2.4. Dealing with a Crisis.....	105
<b>Chapter 9: Management &amp; Administration Best Practices.....</b>	<b>107</b>
1. Overview.....	108
2. Key Performance Indicators.....	109
2.1. Profit Centers.....	109
2.2. Sales.....	109
2.2.1. Gross Sales.....	109
2.2.2. Year-over-Year Sales.....	110
2.2.3. Customer Count/Ticket.....	110
2.2.4. Average Check.....	110
2.2.5. Product Mix.....	110
2.3. Costs.....	111
2.3.1. Labor Costs.....	111
2.3.2. Food & Product Cost.....	111
2.3.3. Waste Logs.....	112
3. Managing the Numbers.....	113
3.1. Toast POS.....	113
3.2. Managing Labor Costs – Effective Scheduling.....	113
3.3. Creating a Schedule.....	114
4. Inventory Management.....	116
4.1. Receiving Deliveries.....	116

4.2. Returning Goods.....	117
4.3. Storage.....	117

5. Risk Management.....	118
5.1. Burglary & Vandalism.....	118
5.2. Theft & Robbery.....	118
5.3. Security Cameras.....	119
5.4. Security.....	120
5.5. Suggested Safety & Security Practices.....	120
6. Temporary Closures Best Practices.....	121
6.1. Public Safety Closures.....	121
6.2. Boil Water Notice.....	121
6.3. Sewage Backups.....	121
6.4. Communication with Franchisor.....	121
7. Data Security.....	122

**EXHIBIT E**  
**FINANCIAL STATEMENTS**

**NAZ'S FRANCHISING, LLC**  
**(A Limited Liability Company)**

**BALANCE SHEET**

**MARCH 28, 2025**

NAZ'S FRANCHISING, LLC  
(A Limited Liability Company)  
MARCH 28, 2025

Table of Contents

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statement</b>	
Balance sheet	3
Notes to financial statement	4 - 7

## INDEPENDENT AUDITOR'S REPORT

To the Member  
Naz's Franchising, LLC

### Opinion

We have audited the accompanying balance sheet of Naz's Franchising, LLC (a limited liability company) as of March 28, 2025, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Naz's Franchising, LLC as of March 28, 2025, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Naz's Franchising, LLC 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 statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

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

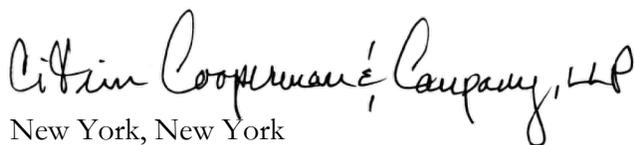
## Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment made by a reasonable user based on the financial statement.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Naz's Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Naz's Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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



Citrin Cooperman & Company, LLP

New York, New York

April 25, 2025

**NAZ'S FRANCHISING, LLC**  
**(A Limited Liability Company)**  
**BALANCE SHEET**  
**MARCH 28, 2025**

**ASSETS**

Cash	\$ <u>100,000</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>100,000</u></u></b>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities	\$ -
Commitments (Notes 4 and 5)	
Member's equity	<u>100,000</u>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b>\$ <u><u>100,000</u></u></b>

See accompanying notes to financial statement.

**NAZ'S FRANCHISING, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**MARCH 28, 2025**

**NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS**

Naz's Franchising, LLC (the "Company" or "Franchisor"), a wholly-owned subsidiary of Naz's Holdco, LLC (the "Parent"), was formed on January 30, 2025, as a New York limited liability company, to sell franchises pursuant to a license agreement dated April 22, 2025, between the Company and Naz's IP Holdings, LLC (the "Licensor"), an entity related through common ownership of the Parent. Pursuant to the Company's standard franchise agreement, franchisees will operate a restaurant under the "Naz's Halal Food" name and system that offers halal food and beverages based on proprietary recipes and ingredients. The Company has not had significant operations from the date of formation through April 25, 2025, the date on which the financial statement was available to be issued, and has not executed any franchise agreements as of that date.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of a balance sheet in conformity with U.S. GAAP 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 balance sheet. Actual results could differ from those estimates.

Revenue and cost recognition

The Company expects that it will derive substantially all its revenue from franchise agreements related to franchise fee revenue, royalty fees, transfer fees, technology fees and brand fund fees. No such franchise agreements have been executed by the Company as of the date this financial statement was available to be issued.

*Franchise fees, royalties and other franchise-related fees*

Contract consideration from franchisees is expected to consist primarily of initial or renewal franchise fees, sales-based royalties, sales-based brand fund fees, fixed-fee technology fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company intends to collect an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectable when the underlying franchise agreement is signed by the franchisee. Sales-based royalties and sales-based brand fund fees will be payable weekly, and fixed-fee technology fees will be payable monthly. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

**NAZ'S FRANCHISING, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**MARCH 28, 2025**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue and cost recognition (continued)

*Franchise fees, royalties and other franchise-related fees (continued)*

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities." The Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct, as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company will estimate the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities that are not brand specific will be recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties will be earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property will be recognized as franchisee sales occur and the royalty is deemed collectible.

*Brand fund*

The Company may maintain a brand fund which will be established to collect and administer funds contributed for use in marketing and promotional programs for franchise units. Brand fund fees will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand fund and therefore will recognize the revenues and expenses related to the brand fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the brand fund contribution represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

**NAZ'S FRANCHISING, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**MARCH 28, 2025**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue and cost recognition (continued)

*Brand fund (continued)*

If brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs will be accrued up to the amount of brand fund revenues recognized.

*Technology fees*

The Company will develop or license technology, as well as provide other maintenance, support, and technology development services to the franchisees. Technology fees will be collected from franchisees based on a fixed fee of up to \$500 per month.

*Other revenues*

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

*Incremental costs of obtaining a contract*

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortize them over the term of the franchise agreement.

Accounts receivable

Accounts receivable will be stated at the amount the Company expects to collect. The Company will maintain an allowance for credit losses to estimate expected lifetime credit losses that are based on historical experience, the aging of accounts receivable, consideration of current economic conditions and its expectations of future economic conditions. If the financial condition of the Company's franchisees was to deteriorate or other circumstances occur that result in an impairment of franchisees' ability to make payments, the Company will record additional allowances as needed. The Company will write off uncollectible receivables against the allowance when collection efforts have been exhausted.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statement does not include a provision or liability for federal or state income taxes.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at March 28, 2025.

**NAZ'S FRANCHISING, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**MARCH 28, 2025**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 25, 2025, the date on which this financial statement was available to be issued. Except as disclosed in Note 5, there were no other material subsequent events that required recognition or additional disclosure in this financial statement.

**NOTE 3. CONCENTRATION OF CREDIT RISK**

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

**NOTE 4. BRAND FUND**

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand fund fees up to 2% of franchisees' gross sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. There have been no contributions to the brand fund as of the date this financial statement was available to be issued.

**NOTE 5. RELATED-PARTY TRANSACTIONS**

License agreement

On April 22, 2025, the Company entered into a 99-year non-exclusive license agreement with the Licensor for the use of the registered name "Naz's Halal Food" (the "license agreement") in the United States of America. Pursuant to the license agreement, the Company acquired the right to sell "Naz's Halal Food" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. The Company will be obligated to pay the Licensor a license fee, as described in the license agreement.

**EXHIBIT F-1**  
**LIST OF FRANCHISEES**

**FRANCHISEES LICENSEES WHO WERE OPEN  
AS OF DECEMBER 31, 2024<sup>1</sup>**

	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Telephone Number</u>
<u>1.</u>	<a href="#">NHF CORONA INC</a>	<a href="#">1240 E Ontario Ave Ste 107</a>	<a href="#">Corona</a>	<a href="#">CA</a>	<a href="#">714-404-2826</a>
<u>2.</u>	<a href="#">NAZ HALAL NP LLC</a>	<a href="#">204 W Market St</a>	<a href="#">Wilmington</a>	<a href="#">DE</a>	<a href="#">631-786-6164</a>
<u>3.</u>	<a href="#">KEC STORES LLC</a>	<a href="#">1115 NE 9th Ave</a>	<a href="#">Fort Lauderdale</a>	<a href="#">FL</a>	<a href="#">631-827-0277</a>
<u>4.</u>	<a href="#">NAZS HALAL OF TAMPA INC</a>	<a href="#">1815 E Fowler Ave</a>	<a href="#">Tampa</a>	<a href="#">FL</a>	<a href="#">631-388-8989</a>
<u>5.</u>	<a href="#">NAZS HALAL WM LLC</a>	<a href="#">7972 Honey Go Blvd</a>	<a href="#">Baltimore</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>6.</u>	<a href="#">NAZ HALAL BEL AIR LLC</a>	<a href="#">550 Baltimore Pike</a>	<a href="#">Bel Air</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>7.</u>	<a href="#">NAZ HALAL WOODYARD LLC</a>	<a href="#">8909 Woodyard Rd</a>	<a href="#">Clinton</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>8.</u>	<a href="#">UNITED GREAT LLC</a>	<a href="#">15636 Old Columbia Pike</a>	<a href="#">Columbia</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>9.</u>	<a href="#">NAZ HALAL DENTON LLC</a>	<a href="#">33 Denton Plaza</a>	<a href="#">Denton</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>10.</u>	<a href="#">NAZ HALAL GAITHERSBURG LLC</a>	<a href="#">1413-A Merritt Blvd</a>	<a href="#">Dundalk</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>11.</u>	<a href="#">NAZ HALAL FREDERICK LLC</a>	<a href="#">1080 W Patrick St Unit 16</a>	<a href="#">Frederick</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>12.</u>	<a href="#">NAZ HALAL VILLAGE LLC</a>	<a href="#">522 N Frederick Ave</a>	<a href="#">Gaithersburg</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>13.</u>	<a href="#">NAZS HALAL FOOD MS LLC</a>	<a href="#">13025 Wisteria Dr</a>	<a href="#">Germantown</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>14.</u>	<a href="#">NAZ HALAL GB LLC</a>	<a href="#">7509 Ritchie Hwy</a>	<a href="#">Glen Burnie</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>15.</u>	<a href="#">NAZ HALAL OD LLC</a>	<a href="#">1147 Annapolis Rd</a>	<a href="#">Odenton</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>16.</u>	<a href="#">NAZ HALAL ROCKVILLE LLC</a>	<a href="#">1040 Rockville Pike</a>	<a href="#">Rockville</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>17.</u>	<a href="#">NAZS HALAL WOAK LLC</a>	<a href="#">11209 New Hampshire Ave</a>	<a href="#">Silver Spring</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>18.</u>	<a href="#">NAZ HALAL TP LLC</a>	<a href="#">7671 New Hampshire Ave</a>	<a href="#">Takoma Park</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>19.</u>	<a href="#">NAZ HALAL REISTERSTOWN LLC</a>	<a href="#">1252 Putty Hill Ave</a>	<a href="#">Towson</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>20.</u>	<a href="#">NAZ HALAL WALDORF LLC</a>	<a href="#">3716 Crain Hwy Unit 107</a>	<a href="#">Waldorf</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>21.</u>	<a href="#">HAMILTON NHF INC</a>	<a href="#">541 Route 33</a>	<a href="#">Trenton</a>	<a href="#">NJ</a>	<a href="#">718-708-9139</a>
<u>22.</u>	<a href="#">WESTBURY NAZS INC</a>	<a href="#">349 Old Country Rd</a>	<a href="#">Carle Place</a>	<a href="#">NY</a>	<a href="#">347-592-0911</a>
<u>23.</u>	<a href="#">NHF GLEN GOVE INC</a>	<a href="#">210 Glen St</a>	<a href="#">Glen Cove</a>	<a href="#">NY</a>	<a href="#">631-888-4857</a>
<u>24.</u>	<a href="#">RAYS PREP MEAL INC</a>	<a href="#">231 E Main St</a>	<a href="#">Patchogue</a>	<a href="#">NY</a>	<a href="#">516-540-8468</a> <a href="#">347-299-7016</a>

<u>25.</u>	<a href="#">NAZS HALAL OF CRANSTON INC</a>	<a href="#">636 Reservoir Ave</a>	<a href="#">Cranston</a>	<a href="#">RI</a>	<a href="#">631-388-8989</a>
<u>26.</u>	<a href="#">NAZS HALAL OF RI INC</a>	<a href="#">103 Newport Ave Ste 2</a>	<a href="#">Pawtucket</a>	<a href="#">RI</a>	<a href="#">631-388-8989</a>
<u>27.</u>	<a href="#">NAZ HALAL MANASSAS LLC</a>	<a href="#">10044 Market Circle</a>	<a href="#">Manassas</a>	<a href="#">VA</a>	<a href="#">631-786-6164</a>
<u>28.</u>	<a href="#">NAZ HALAL STERLING LLC</a>	<a href="#">40 Pidgeon Hill Dr</a>	<a href="#">Sterling</a>	<a href="#">VA</a>	<a href="#">631-786-6164</a>
<u>29.</u>	<a href="#">NAZ HALAL WB LLC</a>	<a href="#">14230 Smoketown Rd</a>	<a href="#">Woodbridge</a>	<a href="#">VA</a>	<a href="#">631-786-6164</a>
<u>30.</u>	<a href="#">NAZ HALAL FB LLC</a>	<a href="#">5769 Plank Rd</a>	<a href="#">Fredericksburg</a>	<a href="#">VA</a>	<a href="#">631-786-6164</a>

<sup>1</sup> These outlets operate under a license agreement with our affiliate.

~~None.~~  
**FRANCHISEES LICENSEES WHO SIGNED BUT NOT YET OPENED**  
**AS OF DECEMBER 31, 2024<sup>1</sup>**

	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Telephone Number</u>
<u>1</u>	<a href="#">RH FOODS LLC</a>	<a href="#">2139 N Tustin St. Unit 1</a>	<a href="#">Orange</a>	<a href="#">CA</a>	<a href="#">201-214-0516</a> <a href="#">949-285-6510</a>
<u>2</u>	<a href="#">SD NHF INC</a>	<a href="#">6334 EL Cajon Blvd</a>	<a href="#">San Diego</a>	<a href="#">CA</a>	<a href="#">732-520-9133</a> <a href="#">631-388-8989</a>
<u>3</u>	<a href="#">NAZ ANNAPOLIS LLC</a>	<a href="#">2510 Riva Rd.</a>	<a href="#">Annapolis</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>4</u>	<a href="#">NAZ HALAL WILKENS LLC</a>	<a href="#">4650 Wilkens Ave</a>	<a href="#">Baltimore</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>5</u>	<a href="#">NAZ HALAL COLUMBIA LLC</a>	<a href="#">10100 Twin Rivers RD</a>	<a href="#">Columbia</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>6</u>	<a href="#">NAZ HALAL WOODMORE LLC</a>	<a href="#">2250 Petrie Ln</a>	<a href="#">Glenarden</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>7</u>	<a href="#">NAZ HALAL REISTER&amp;MILL LLC</a>	<a href="#">11927 Reisterstown Rd</a>	<a href="#">Reisterstown</a>	<a href="#">MD</a>	<a href="#">631-786-6164</a>
<u>8</u>	<a href="#">NAZS HALAL CHANTILLY LLC</a>	<a href="#">13993 Metrotech Dr</a>	<a href="#">Chantilly</a>	<a href="#">VA</a>	<a href="#">631-786-6164</a>
<u>9</u>	<a href="#">NAZ HALAL SHORT PUMP LLC</a>	<a href="#">11430 West Broad St</a>	<a href="#">Glen Allen</a>	<a href="#">VA</a>	<a href="#">631-786-6164</a>
<u>1</u>	<a href="#">NAZ HALAL GUNSTON LLC</a>	<a href="#">7720 Gunston Plaza</a>	<a href="#">Lorton</a>	<a href="#">VA</a>	<a href="#">631-786-6164</a>

~~None.~~<sup>1</sup> These outlets operate under a license agreement with our affiliate.

**EXHIBIT F-2**

**LIST OF FORMER FRANCHISEES**

**Franchisees who Left the System  
In Fiscal year ended December 31, 2024**

Franchisees who left our system in our last fiscal year (i.e. termination, non-renewal, cancellation, transfer or otherwise ceased to do business) or have not communicated with us in the last 10 weeks:

**None.**

**EXHIBIT G**

**SAMPLE GENERAL RELEASE**

NAZ'S FRANCHISING, LLC

GRANT OF FRANCHISOR CONSENT AND RELEASE

Naz's Franchising, LLC ("we," "us," or "our") and the undersigned [franchisee/developer] ("you" or "your"), currently are parties to a certain that certain [franchise agreement/area development agreement] dated \_\_\_\_\_, 20\_\_\_\_ (the "Agreement"). You have asked us to take the following action or to agree to the following request: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_. We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, owners, managers, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Franchisor Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties, including without limitation, (1) arising out of or related to the Franchisor Parties' obligations under the Agreement, or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

IF THE FRANCHISE YOU OPERATE UNDER THE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

**SECTION 1542 ACKNOWLEDGMENT.** IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND

ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the franchise you operate under the Agreement is located in Maryland or if any of the Releasing Parties is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

~~If the franchise you operate under the Agreement is located in Washington or if any of the Releasing Parties is a resident of Washington, the following shall apply:~~

~~This General Release does not apply to any claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.~~

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties have executed and delivered the Agreement on the date stated below.

**NAZ'S FRANCHISING, LLC**  
a New York limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**FRANCHISEE:**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**(IF YOU ARE AN INDIVIDUAL AND  
NOT A LEGAL ENTITY; AND/OR ALL  
FRANCHISEE OWNERS):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

**EXHIBIT H**  
**LEASE ADDENDUM**

## LEASE ADDENDUM

This Lease Addendum (this “**Rider**”) and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached, by and between \_\_\_\_\_, as “Tenant,” and \_\_\_\_\_, as “Landlord” (the “**Lease**”), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

1. Relationship of Tenant and Franchisor. Landlord acknowledges that Tenant intends to operate a “Naz’s Halal Food” branded restaurant (the “Restaurant”) located at \_\_\_\_\_ (the “Premises”), and that Tenant's rights to operate a Naz’s Halal Food Restaurant and to use the trademarks, service marks and other proprietary symbols, signs, décor items, color schemes, graphics packages, trade dress and related components of Franchisor’s system are solely pursuant to a franchise agreement dated \_\_\_\_\_ (as amended, restated, modified and otherwise supplemented from time to time, the “**Franchise Agreement**”) by and between Tenant and Naz’s Franchising, LLC, a New York limited liability company (the “**Franchisor**”). Landlord acknowledges that Tenant’s operations at the Premises are independently owned and operated, and that Tenant is not an agent or employee of Franchisor and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Landlord has entered into this Rider with the full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any of its affiliates. Tenant is solely responsible for all obligations under the unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises.

2. Consent to Collateral Assignment to Franchisor; Disclaimer. Notwithstanding any provisions of the Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, and/or (ii) Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor) succeeding to Tenant's interest in the Lease by mutual agreement of Franchisor and Tenant, or as a result of Franchisor's exercise of rights remedies under such collateral assignment or as a result of Franchisor’s termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and/or (iii) Tenant’s, Franchisor’s and/or any other franchisee of Franchisor’s assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement, provide that Franchisor will provide Landlord with prior written notice of the assignment and assumption, which shall not be conditioned on Landlord’s consent. Landlord, Tenant and Franchisor agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor, unless otherwise agreed by Landlord. Landlord further agrees that all unexercised renewal or extension rights and other rights stated to be personal to Tenant under the Lease shall not be terminated in the event of any assignment referenced herein, but rather inure to the benefit of the applicable assignee.

3. Notice and Cure Rights to Franchisor. Prior to exercising any remedies under the Lease (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have fifteen (15) additional days to the established cure period as is given to Tenant under the Lease for such default; provided that, in no event shall Franchisor have a cure period of less than fifteen (15) days after Franchisor's receipt of such notice. Landlord agrees to accept cure tendered by Franchisor as if the same

was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows:

Naz's Franchising, LLC  
146 New Bridge, 2nd Floor, East Suite  
Hicksville, New York 11801

4. Assignment Rights of Franchisor and Affiliates. Notwithstanding anything to the contrary contained in the Lease or this Rider, Tenant shall have the right, at any time during the term of the Lease and any extensions or renewals thereof, to assign all of its right, title and interest in the Lease to Franchisor, to an affiliate of Franchisor, or to another Naz's Halal Food® franchisee, subject to the terms and condition described in paragraph 2 above regarding Landlord's notice. The assignment will be effective upon the assignee's providing Landlord written notice of its acceptance of the assignment (the "**Assignment Notice**"). Landlord will recognize the assignee as the lessee of the Premises effective as of the date of the Assignment Notice. No assignment shall be, and nothing contained herein or in any other document shall make Franchisor a party to the Lease, or a guarantor thereof, and shall not create any liability or obligation of Franchisor unless and until the Lease is assigned to, and accepted in writing by, Franchisor. Upon any assignment to Franchisor, the term "assignment" under the Lease shall specifically exclude any change of control, sale of substantially all assets or equity, or merger of any Franchisor. Furthermore, any Franchisor who takes assignment of the Lease shall be entitled to retain any excess rent. In the event that Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the assumes the Lease, whether pursuant to the terms of this Rider or otherwise consistent with the terms of the Lease, then, as of and following such date of Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor's) becoming "*Tenant*," none of the following shall constitute an assignment, transfer, or change of control requiring Landlord's consent under the Lease: (i) the transfer of equity interests among existing holders of equity interests in Tenant or any direct or indirect parent thereof, to or among family members, or to trusts for the benefit of any of such parties, (ii) the transfer of equity interests in Tenant or any direct or indirect parent thereof in connection with a public offering of equity interests, (iii) any transfer of equity interests in Tenant or any direct or indirect parent thereof, if Tenant or any direct or indirect parent of Tenant is a public company, (iv) any direct or indirect transfers, including any sale, of equity interests in Tenant or any affiliate thereof, or (v) any change in the members of the board of managers, directors, management or organization of Tenant or any affiliate thereof.

5. Radius and Relocation Clauses Ineffective. Notwithstanding any provision(s) to the contrary set forth in the Lease, in the event Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the "*Tenant*" entity under the Lease, whether pursuant to the terms of this Rider or otherwise consistent with the terms of the Lease, then, as of and following such date of Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor's) becoming "*Tenant*": (i) all "radius" restrictions or other limitations contained within the Lease limiting the operation of other locations/stores/units shall be of no further force or effect; and (ii) all rights of Landlord to directly or indirectly relocate the Premises shall be of no further force or effect.

6. Franchisor's Right to Enter. Landlord acknowledges that, under the Franchise Agreement, Franchisor or its appointee has the right to assume the management and operation of Tenant's business, on Tenant's behalf, under certain circumstances (including Tenant's abandonment, Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the Naz's Halal Food Restaurant). Landlord agrees that Franchisor or its appointee may enter upon the Premises for purposes of assuming the management and operation of the Naz's Halal Food Restaurant as provided in the Franchise Agreement and, if it chooses to do so, it will do so in the name of

Tenant and without assuming any direct liability under the Lease, unless Franchisor exercises such rights to assume the Lease as set forth in this Rider. Landlord acknowledges that, upon the expiration or earlier termination of this Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises for the purpose of removing all signs and other material bearing Franchisor's name or trademarks, service marks or other commercial symbols of Franchisor.

7. Fixtures and Signage. Any lien of Landlord in Tenant's trade fixtures, "trade dress," signage and other property at the Premises is hereby subordinated to Franchisor's interest in such items as described in the Franchise Agreement. On request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

8. Estoppel Certificate. Landlord shall from time to time, within thirty (30) days after written request by Franchisor, execute, acknowledge and deliver to Franchisor a written certification, in a form reasonably satisfactory to Franchisor: (i) that the Lease is unmodified and in full force and effect (or, if there has been any modification, stating the nature of such modification); (ii) as to the dates to which the rent and other charges arising under the Lease have been paid; (iii) as to the amount of any prepaid rent or any credit due to Tenant under the Lease, (iv) the date on which the term of the Lease commenced; (v) as to whether, to the best of its knowledge, information and belief of Landlord, Landlord or Tenant is then in default in performing any of its obligations under the Lease (and, if so, specifying the nature of each such default); and (vi) as to any other fact or condition reasonably requested by Franchisor.

9. Copies of Reports. Landlord agrees to provide copies of all revenue and other information and data in Landlord's possession related to the operation of Tenant's Naz's Halal Food Restaurant on a timely basis as Franchisor may request, during the term of the Lease.

10. Third-Party Beneficiary. For so long as Franchisor holds a collateral assignment of the Lease, Franchisor shall (and shall be deemed to) constitute a third-party beneficiary of the Lease (including, without limitation, this Rider) and, as a result thereof, have all rights (but not the obligation) to enforce the same.

11. Amendments. Tenant agrees that the Lease may not be terminated, modified or amended without Franchisor's prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor's prior written consent, which will not be unreasonably withheld. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments. Franchisor will have fifteen (15) days from receipt to respond to such requests. If Franchisor does not respond within such fifteen (15) day period, Franchisor shall be deemed to have denied such request.

12. Default Under Franchise Agreement. Any default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement.

13. Remaining Provisions Unaffected. Those parts of the Lease that are not expressly modified by this Rider remain in full force and effect.

14. Counterparts. This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Faxed signatures of this Rider shall constitute originals of the same.

**IN WITNESS WHEREOF**, the undersigned parties have executed this Rider, effective as of the date first above written.

**LANDLORD:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TENANT:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

*[Signature Page to Lease Addendum]*

**EXHIBIT I**  
**STATE ADDENDA**

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
NAZ'S FRANCHISING, LLC**

The following are additional disclosures for the Franchise Disclosure Document of Naz's Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise law applies to you.

**FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, ~~WASHINGTON~~, OR WISCONSIN.**

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

**CALIFORNIA**

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. NEITHER WE, OUR PARENT, PREDECESSOR OR AFFILIATE NOR ANY PERSON IN ITEM 2 OF THE FRANCHISE DISCLOSURE DOCUMENT IS SUBJECT TO ANY CURRENTLY EFFECTIVE ORDER OF ANY NATIONAL SECURITIES ASSOCIATION OR NATIONAL SECURITIES EXCHANGE, AS DEFINED IN THE SECURITIES EXCHANGE ACT OF 1934, 15 U.S.C.A SECTIONS 78A ET SEQ., SUSPENDING OR EXPELLING SUCH PERSONS FROM MEMBERSHIP IN THAT ASSOCIATION OR EXCHANGE.

4. OUR WEBSITE, [www.nazshalal.com](http://www.nazshalal.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

5. The following is added at the end of Item 1:

Franchisees located in California are required to comply with all applicable California labor laws, including labor laws that may apply to certain fast food restaurant industry employees. Specifically, California franchisees operating certain fast food restaurants must comply with

Part 4.5.5 (commencing with Section 1474) of Division 2 of the California Labor Code (codifying Assembly Bill No. 1228) which established the California Fast Food Council (“CFFC”) which has the authority to increase the hourly minimum wage subject to certain limitations, and to set forth requirements, limitations, and procedures for adopting and reviewing fast food restaurant health, safety, and employment standards in California.

6. The following paragraph is added at the end of Item 6:

The highest rate of interest allowed by California law is 10% annually.

7. The following paragraphs are added at the end of Item 17:

The Franchise Agreement and Area Development Agreement require you to sign a general release of claims upon renewal or transfer of the Franchise Agreement or Area Development Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contain a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A Section 101 et seq.).

The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then current principal place of business (currently New York City, New York) with the costs being borne as provided in the Franchise Agreement and Area Development Agreement. Prospective developers and franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement

and Area Development Agreement restricting venue to a forum outside the State of California.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement and Area Development Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Area Development Agreement require application of the laws of New York. This provision might not be enforceable under California law.

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

8. The following paragraph is added to the end of Item 19:

The financial performance representations do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your restaurant. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.

9. 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.

## **HAWAII**

1. THESE FRANCHISES WILL BE/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 OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR 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.

**DO NOT SIGN THE REPRESENTATIONS STATEMENT IF YOU ARE LOCATED, OR YOUR RESTAURANT WILL BE LOCATED IN HAWAII**

## **ILLINOIS**

[The following is added to the end of Items 5 and 7:](#)

[Payment of Initial and Development Fees will be deferred until the Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.](#)

The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

## **MARYLAND**

1. The following language is added at the end of Item 5:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and other payments you owe us under the franchise agreement shall be deferred until we have completed all of our pre-opening obligations and your Restaurant opens for business. In addition, all development fees and other payments you owe us under the development agreement shall be deferred until the first Restaurant under the development agreement opens for business.

2. ~~1.~~ The following language is added at the end of Item 17.

The Area Development Agreement and Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.) but we will enforce it to the extent enforceable.

3. ~~2.~~ The following is added to the end of Item 17(c) and Item 17(m):

However, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. ~~3.~~ The following language is added at the end of Item 17(v):

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

## MINNESOTA

1. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and Area Development Agreement and 180 days' notice for non-renewal of the Franchise Agreement and Area Development Agreement.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by Governing Law with respect to claims arising under Minn. Rule 2860.4400D.

~~Minn. Stat. See Minnesota Statutes, Section 80C.21 and Minn. Minnesota Rules 2860.4400J~~ 2860.4400(J) prohibits ~~us~~ the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the ~~Area Developer or F~~ franchisee to consent to liquidated damages, termination penalties or

judgment notes. In addition, nothing in the Franchise Disclosure Document, ~~Area Development Agreement or Franchise or Agreement(s)~~ can abrogate or reduce (1) any of ~~Area Developer's or the~~ Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, ~~or Area Developer's or~~ (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

~~Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by Governing Law with respect to claims arising under Minn. Rule 2860.4400D.~~

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).

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under 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 with the franchise.

## **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 A OR YOUR PUBLIC LIBRARY FOR RESOURCES ~~OF~~ FOR 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 ~~THAT~~ ANYTHING IN ~~THE~~ THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005.~~ THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR ~~WE~~ 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 ~~DEVELOPER OR~~ FRANCHISEE TO ACCEPT TERMS ~~WHICH~~ THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

~~With regard to us, our parent, predecessor or affiliate, the~~ Except as provided above, the following applies to the franchisor, its predecessor, a persons identified in Item 2, or an affiliate offering franchises under ~~our~~ 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~~ that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ~~10~~ ten years ~~period~~ immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, ~~antitrust~~ antifraud, or securities law; fraud; embezzlement; fraudulent conversion; or misappropriation of property; or unfair or deceptive practices; ~~or~~ 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 ~~Item 4~~ the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

~~Neither we, our affiliate, predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10 year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.~~

~~4. The following is added to Item 17:~~

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; ~~it being the intent of~~ this proviso intends that the ~~non-non~~waiver provisions of General Business Law Sections ~~687.4~~687(4) and ~~687.5~~687(5) be satisfied.

~~4.~~ 5. The following ~~is added to~~ language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”:

“You may terminate the Franchise Agreement on any grounds available by law.”.

~~6. The following is added to Item 17(j)~~

~~However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Area Development Agreement or Franchise Agreement.~~

~~5.~~ 7. 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”:

~~However, t~~The governing~~foregoing~~ choice of law ~~and choice of forum shall~~should not be considered a waiver of any right conferred upon ~~you by the provisions of 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.

## **NORTH DAKOTA**

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 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.

2. The following paragraph is added at the end of Items 5 and 7:

Based upon Franchisor's financial condition, the North Dakota Securities Department has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and other payments owed under the Development Agreement shall be deferred until the first Restaurant under the Development Agreement opens for business.

3. The following paragraph is added to the end of Item 6:

The State of North Dakota has determined that requiring a franchisee 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.

The State of North Dakota has determined that requiring a franchisee to consent to termination or liquidated damages in a franchise agreement is 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 consent to termination or liquidated damages is deleted.

4. ~~1.~~ The following is added to the end of Item 17(c) and Item 17(m):

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

5. ~~2.~~ The following is added to the end of Item 17(r):

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

6. ~~3.~~ The following is added to the end of Item 17(u):

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or the Supplemental Agreement requiring the 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, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted.

7. ~~4.~~ The following is added to the end of Item 17(v):

However, subject to your arbitration obligations, to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota.

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is 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.

8. ~~5.~~ Item 17(w) is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of New York shall apply.

## **RHODE ISLAND**

1. The following language is added to the end of Item 17(v) and 17(w):

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. To the extent required by applicable law Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

## **SOUTH DAKOTA**

1. The following language is added to the end of Items 5 and 7:

The South Dakota Department of Labor & Regulation's Division of Securities requires us to defer payment of all initial fees and other payments you owe us under

the franchise agreement until we have completed all of our pre-opening obligations and your Restaurant opens for business. In addition, all development fees and other payments you owe us under the development agreement shall be deferred until the first Restaurant under the development agreement opens for business.

## VIRGINIA

1. The following language is added to the end of Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Area Development Agreement or 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.

## 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 may be 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 Judgment. 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. Nonsolicitation 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.~~

**NEW YORK REPRESENTATIONS PAGE**

**FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.**

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	_____
Illinois	<del>Pending</del> <a href="#">September 15, 2025</a>
Indiana	<del>Pending</del> <a href="#">May 1, 2025, as amended September 24, 2025</a>
Maryland	<del>Pending</del> <a href="#">August 26, 2025</a>
Michigan	<del>Pending</del> <a href="#">May 5, 2025, as amended August 14, 2025</a>
Minnesota	<del>Pending</del> <a href="#">July 2, 2025, as amended</a>
New York	<del>Pending</del> <a href="#">September 23, 2025</a>
North Dakota	<del>Pending</del> <a href="#">May 1, 2025</a>
Rhode Island	<del>Pending</del> <a href="#">May 5, 2025, as amended</a>
South Dakota	<del>Pending</del> <a href="#">June 30, 2025, as amended August 14, 2025</a>
Virginia	<del>Pending</del> <a href="#">July 21, 2025, as amended</a>
<del>Washington</del>	<del>Pending</del>
Wisconsin	April 28, <a href="#">2025, as amended September 24, 2025</a>

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 J**

**RECEIPTS**

**ITEM 23  
RECEIPT**

This Disclosure Document summarizes certain provisions of the Area Development Agreement and Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Naz’s Franchising, LLC 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. Under Iowa law, Naz’s Franchising, LLC must give you this Disclosure Document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, Naz’s Franchising, LLC must provide this Disclosure Document at least 10 business 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. Under New York law, Naz’s Franchising, LLC must provide 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.

If Naz’s Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

**Issuance date: April 28, 2025, as amended August 14, 2025**

The Franchisor is Naz’s Franchising, LLC, located at 146 New Bridge, 2nd Floor, East Suite, Hicksville, New York 11801. Its telephone number is (516) 615–2504. The franchise seller who offered you a Naz’s Halal Food franchise is:

Mohammad Nasir Mashriqi  
Naz’s Franchising, LLC  
146 New Bridge, 2nd Floor, East Suite  
Hicksville, New York 11801  
(516) 615–2504

\_\_\_\_\_  
Naz’s Franchising, LLC  
146 New Bridge, 2nd Floor, East Suite  
Hicksville, New York 11801  
(516) 615–2504

\_\_\_\_\_  
Naz’s Franchising, LLC  
146 New Bridge, 2nd Floor, East  
Suite Hicksville, New York 11801  
(516) 615–2504

Naz’s Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated April 28, 2025, as amended August 14, 2025 that included the following Exhibits:

- |               |  |              |                            |
|---------------|--|--------------|----------------------------|
| Exhibit A:    | List of State Agencies / Agents for Service of Process | Exhibit F-2: | List of Former Franchisees |
| Exhibit B:    | Franchise Agreement                                    | Exhibit G:   | Sample General Release     |
| Exhibit C:    | Area Development Agreement                             | Exhibit H:   | Lease Addendum             |
| Exhibit D:    | Table of Contents to Operations Manual                 | Exhibit I:   | State Addenda              |
| Exhibit E:    | Financial Statements                                   | Exhibit J:   | Receipts                   |
| Exhibit F- 1: | List of Current Franchisees                            |              |                            |

**PROSPECTIVE FRANCHISEE:**

If a business entity:

If an individual:

\_\_\_\_\_

\_\_\_\_\_

Name of Business Entity

(Print Name): \_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Its: \_\_\_\_\_

(Print Name): \_\_\_\_\_

Dated: \_\_\_\_\_

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or e-mail, to Naz's Franchising, LLC, 146 New Bridge, 2nd Floor, East Suite, Hicksville, New York 11801; [Franchise@nazshalal.com](mailto:Franchise@nazshalal.com)

**ITEM 23  
RECEIPT**

This Disclosure Document summarizes certain provisions of the Area Development Agreement and Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Naz’s Franchising, LLC 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. Under Iowa law, Naz’s Franchising, LLC must give you this Disclosure Document at the earlier of the 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, Naz’s Franchising, LLC must provide this Disclosure Document at least 10 business 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. Under New York law, Naz’s Franchising, LLC must provide 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.

If Naz’s Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

**Issuance date: April 28, 2025, as amended August 14, 2025**

The Franchisor is Naz’s Franchising, LLC, located at 146 New Bridge, 2nd Floor, East Suite, Hicksville, New York 11801. Its telephone number is (516) 615–2504. The franchise seller who offered you a Naz’s Halal Food franchise is:

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Mohammad Nasir Mashriqi<br>Naz’s Franchising, LLC<br>146 New Bridge, 2nd Floor, East Suite<br>Hicksville, New York 11801<br>(516) 615–2504 | <input type="checkbox"/> _____<br>Naz’s Franchising, LLC<br>146 New Bridge, 2nd Floor, East Suite<br>Hicksville, New York 11801<br>(516) 615–2504 | <input type="checkbox"/> _____<br>Naz’s Franchising, LLC<br>146 New Bridge, 2nd Floor, East<br>Suite Hicksville, New York 11801<br>(516) 615–2504 |
|---|---|---|

Naz’s Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated April 28, 2025, as amended August 14, 2025 that included the following Exhibits:

- |   |   |
|---|---|
| Exhibit A: List of State Agencies / Agents for Service of Process | Exhibit F-2: List of Former Franchisees |
| Exhibit B: Franchise Agreement                                    | Exhibit G: Sample General Release       |
| Exhibit C: Area Development Agreement                             | Exhibit H: Lease Addendum               |
| Exhibit D: Table of Contents to Operations Manual                 | Exhibit I: State Addenda                |
| Exhibit E: Financial Statements                                   | Exhibit J: Receipts                     |
| Exhibit F- 1: List of Current Franchisees                         |   |

**PROSPECTIVE FRANCHISEE:**

If a business entity: \_\_\_\_\_

Name of Business Entity

By: \_\_\_\_\_

Its: \_\_\_\_\_

(Print Name): \_\_\_\_\_

Dated: \_\_\_\_\_

If an individual: \_\_\_\_\_

(Print Name): \_\_\_\_\_

Dated: \_\_\_\_\_

You may keep this copy of the receipt for your own records.