

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.

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.

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. 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*[®] (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.”

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

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Outlets in the 2025 Fiscal Year	Projected New Company-Owned Outlets in the 2025 Fiscal Year
California	0	2	0
Florida	0	0	1
Illinois	0	0	3
Maryland	0	5	0
Pennsylvania	0	2	0
Virginia	0	3	0
Totals	0	12	4

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:

Exhibit B Franchise Agreement

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:

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

However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person 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.

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

Attachment C

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

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:

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.

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.

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.

6. Waiver of Punitive Damages and Jury Trial. To the extent required by the North Dakota Franchise Investment Law, Section 18C of the Franchise Agreement is deleted.

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.

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.”

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) you are a resident of South Dakota and the franchised business that you will operate under the Agreement will be located or operated in South Dakota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in South Dakota.

1. Fee Deferral. The following is 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.](#)

WASHINGTON

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 franchised business is or will be located or operated, wholly or partly, in the State of Washington.

Washington Law. The following paragraphs are added to the end of the Agreement:

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.

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:](#)

[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.~~ **Limitation of Claims.** Section 9G of the Agreement is amended by adding the following:

However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person 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.

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.

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.

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.

Attachment B

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 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 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. **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.

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.

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.

4. **Waiver of Punitive Damages and Jury Trial.** To the extent required by the North Dakota Franchise Investment Law, Section 9D of the ~~Franchise~~ Agreement is deleted.

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.

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.”

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) you are a resident of South Dakota and the franchised business that you will operate under the Agreement will be located or operated in South Dakota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in South Dakota.

1. Fee Deferral. The following 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.

WASHINGTON

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 franchised business is or will be located or operated, wholly or partly, in the State of Washington.

Washington Law. The following paragraphs are added to the end of the Agreement:

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

Attachment B

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 the initial franchise fee and other payments you owe us under the franchise agreement will 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. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to 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. Sec. 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 A~~greement(s) can abrogate or reduce (1) any of ~~Area Developer's or the F~~franchisee's rights as provided for in Minnesota

Statutes, Chapter 80C, ~~or Area Developer's or (2) F~~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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE 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, 21ST FLOOR, NEW YORK, NEW YORK 10005.

WE MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE DEVELOPER OR FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With regard to us, our parent, predecessor or affiliate, the persons identified in Item 2, or an affiliate offering franchises under our 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

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