FRANCHISE DISCLOSURE DOCUMENT
Burgerim Group USA, Inc
a California corporation

16861 Ventura Boulevard, suite 303
Encino, CA 91436
818-650-8307
www burgerim com
info@iburgerim com

Burgerim
ALWAYS MORE THAN ONE

The franchise offered is for a fast casual burger restaurant operating under the name Burgerim A Burgerim restaurant offers lunch and dinner menus for dine-in, take-out or delivery, and operates using the franchisor s proprietary recipes, formulae, techniques, trade dress trademarks and logos

The total investment necessary to begin operation of a Burgerim franchise is $20~~1,900~~2,850 - $5~~39~~97,500 This includes $50,000 00 that must be paid to the franchisor and/or its affiliate, as appropriate

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

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact ~~Guy Marom~~Oren Loni at 16861 Ventura Boulevard, suite 303, Encino, CA 91436 Tel 818-650 8307 The terms of your contract will govern your franchise relationship Don't rely on the disclosure document alone to understand your contract Read all of your contract carefully Show your contract and this disclosure document to an advisor, like a lawyer or an accountant

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

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

Issuance Date <u>April 19, 2017</u>

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit I for information about the franchisor or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE IF ANY AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE AND LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

4 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN INTIAL INVESTMENT FROM $20~~1 900~~2,850 TO $~~3395~~253997,500 THIS AMOUNT EXCEED THE FRANCHISORS STOCKHOLDERS EQUITY AS OF ~~MARCH 31~~DECEMBER 31 2016 WHICH IS ($~~140 616 00~~111,532 00)

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

STATE EFFECTIVE DATES

The following states require that this 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 Disclosure Document is either registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

State	Effective Dates
California	11/16/2016
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	7/27/2016
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	12/8/2016
Washington	
Wisconsin	11/16/2016

~~California~~
~~Hawaii~~
~~Illinois~~
~~Indiana~~
~~Maryland~~
~~Michigan~~
~~Minnesota~~
~~New York~~
~~North Dakota~~
~~Rhode Island~~
~~South Dakota~~
~~Virginia~~
~~Washington~~
~~Wisconsin~~

This Disclosure Document is not required to be registered in the following states, but an exemption has been filed as required by the state's business opportunity laws and this Disclosure Document is effective as of the date specified below

State	Effective Dates
Florida	8/9/2016
Kentucky	
Nebraska	
Texas	12/14/2015
Utah	

~~California~~
~~Hawaii~~

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~~Illinois~~
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~~New York~~
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~~Rhode Island~~
~~South Dakota~~
~~Virginia~~
~~Washington~~
~~Wisconsin~~

~~This Disclosure Document is not required to be registered in the following states, but an exemption has been filed as required by the state's business opportunity laws and this Disclosure Document is effective as of the date specified below~~

~~Florida~~
~~Kentucky~~
~~Nebraska~~
~~Texas~~
~~Utah~~

This Disclosure Document is not required to be registered and an exemption is not required to be filed in the following states and this Disclosure Document is effective as of the Date of Issuance Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, Georgia, Idaho, Iowa, Kansas, Louisiana, Massachusetts, Mississippi, Missouri, Montana, Nevada New Hampshire, New Jersey, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Vermont, West Virginia and Wyoming

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EXHIBITS

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

The Franchisor

Burgerim Group USA, Inc (referred to in this Disclosure Document as "Burgerim," ' we," "us, or ' our' and where the context requires also includes our affiliates) was formed as a California corporation on October 14, 2014 Our principal place of business is 16861 Ventura Boulevard, suite 303, Encino, CA 91436 Tel 818-650-8307 and we do business under our corporate name and the Marks as described below In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as "you, "your," or ' franchisee," which includes all franchise owners and partners, if you are a corporation, partnership or other entity

We do not own or operate any businesses of the type being franchised This business is franchised in Israel We have not offered franchises in any other line of business and we do not engage in any other business activity

Our agents for service of process are listed in Exhibit I

Our Parents, Predecessors and Affiliates

We have no parent or affiliate In 2012-2013 there was a Burgerim store in Los Angeles, California that closed (Predecessor) was not owned by Franchisor and created by an unaffiliated third party before Franchisor began franchising We purchased the right to develop, own, operate and franchise Burgerim Restaurants in the United States from L N A Reshet Burgerim Ltd L N A Reshet Burgerim Ltd located 1 Maskit Street 1st floor, Herztlia, Israel In August 2015 L N A sold the worldwide rights to Burgerim Group USA, Inc We also acquired all of the intellectual property, including proprietary recipes, trade secrets and know-how associated with the Burgerim System (described below)

Description of Franchise

We offer franchises for the right to establish and operate a fast casual burger restaurant ("Restaurant" or "Franchised Business') The Restaurants operate under the trade name and mark ' Burgerim ' and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13 These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the ' Marks" or "Proprietary Marks '

Burgerim Restaurants are operated under the Marks and the System in accordance with the terms of the Franchise Agreement Burgerim Restaurants are typically free standing units, in line units, food court or end units in shopping centers, and will need between ~~80~~650 to 2,500 square feet of space Each Restaurant will offer dine-in, take out & delivery services

The Restaurants are established and operated under a comprehensive and unique system (the System) The System includes distinctive signage, interior and exterior design, décor and color scheme, special recipes and menu items, including proprietary products and ingredients, uniform standards, specifications, and procedures for operations, quality and uniformity of products and services offered, inventory, management and financial control procedures (including point of purchase and tracking systems), training and assistance, and advertising and promotional programs, all of which we may change, improve, and further develop, in our discretion Certain aspects of the System are more fully described in this Disclosure Document and the Confidential Operations Manual (the "Manual"), which you should expect to evolve over time that are loaned to you as a franchisee (described in Item 11)

Franchise Agreement

We offer the right to establish and operate a Restaurant under the terms of a single unit franchise agreement within a specific Territory (the 'Franchise Agreement) Our current form of Franchise Agreement is Exhibit C to this Disclosure Document You may be an individual, corporation, partnership or other form of legal entity Under the Franchise Agreement, certain parties are characterized as Franchisee s Principals (referred to in this Disclosure Document as 'your Principals") The Franchise Agreement is signed by us, by you, and by those of your Principals whom we designate as Controlling Principals In most instances, we will designate your principal equity owners, executive officers, and certain affiliated entities as Controlling Principals By signing the Franchise Agreement, your Controlling Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement (see Item 15) Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional confidentiality and non-competition agreements

You must designate a general manager who will be the main individual responsible for your business We recommend, but do not require, that you be the General Manager Your General Manager does not have to own an equity interest in you or the franchise The General Manager must sign covenants to maintain the confidentiality of information he/she learns while employed as your General Manager, and your General Manager must sign non-competition covenants

Market and Competition

The market for restaurants in general is well developed and intensely competitive, and the market for restaurants offering burgers is saturated You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems We may establish other Restaurants in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area Also we may sell products through the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, which may be located in your area See Items 12 and 16 for a description of your permitted activities and your rights, and our permitted and restricted activities and rights

Industry Regulations

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

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

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

Each of your managers and other employees we designate must be ServeSafe (or similar) certified You must apply for a Beer and Wine license and may obtain a Alcohol Beverage License, both of which are heavily regulated and have specific requirements including but not limited to a criminal background check

ITEM 2 BUSINESS EXPERIENCE

~~**President–Oren Loni–**~~ ~~From 2009 to 2011 was the President of Cartridge World Chain, an ink recycling chain with 15 locations~~ ~~Since~~From 2011 is the owner President of L N A Reshet Burgerim in Israel an affiliate President of Burgerim Group USA, Inc since its formation in October 2014

~~**Chief executive Officer-Guy Marom**~~ ~~From January 2011 to December 2013 Mr Marom was the CEO of Guy Marom Productions, another production company Since January 2014 Mr Marom was the COO of Reshert Burgerim in Israel~~—**CEO – Richard (Rikki) Vaughn–** From 1994 1998 team member of McDonalds, became store manager in 1998 Variety of mid management positions until appointed VP of Operations in 2005 with DDJ Management doing business as McDonalds until 2015 Became COO with Dunkin Doughnuts Franchisee in 2015 until 2017 Presently CEO of Burgerim Group USA Inc

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Disclosure Document

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

ITEM 5
INITIAL FEES

Franchise Agreement You must pay us an initial franchise fee of $50,000 for the right to establish a single Burgerim Restaurant under a Franchise Agreement This fee is used in part for working capital and in part for profit The initial franchise fee is imposed uniformly on all franchisees though verified U S Veterans receive a $15 000 00 discount to $35,000 The U S Veterans discounted franchise fee of $35~~0~~,000 is due upon signing For Non-veterans Thirty Thousand ($30 000 00) is due upon signing the agreement with the remaining balance is due when the Lease is signed The franchise fee paid is nonrefundable

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Restaurant opens for business

ITEM 6
OTHER FEES

(1) Fees (1)	(2) Amount	(3) Due Date	(4) Remarks
Royalty Fee (2)	5% of Gross Sales, no fee for the first month of operation	Payable weekly on Wednesday (unless Wednesday is not a business day, then it is due on the next business day)	Royalty Fees are calculated based on Gross Sales for the previous week ending Sunday Amounts due will be withdrawn by EFT from your designated bank account
Brand Development Fee (3)	2% of Gross Sales, no fee for the first six months of operation	Payable together with the Royalty Fee	The Brand Development Fund is described in Item 11
Local Advertising (3)	~~1% of Gross Sales or $1,5~~2,000~~, whichever is lower~~	Must be spent monthly	Payable to your local advertising suppliers Any advertising you wish to use must first be approved by us
Cooperative Advertising (3) (4)	As determined by the members, but not more than 1% of Gross Sales	As determined by the members	If an advertising cooperative is formed for your area, you must join the cooperative Any money you contribute to a cooperative will count toward your local advertising requirement ~~Any money you~~
Lease Review	$1500 00-$3,000	Prior to Review	Payable prior to lease review

(1) Fees [1]	(2) Amount	(3) Due Date	(4) Remarks
Initial Training (For New or Replacement Employees)	Our then-current per person training fee plus expenses Current per person training fee = $1,500	Before Training	~~We will train up to three people at no additional fee~~ If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages
Additional On-Site Training	Our then-current per diem rate per trainer, plus expenses Current per diem rate = $450	When billed	If you request that we provide additional training at your Restaurant, you must pay our daily fee for each trainer we send to your Restaurant, and you must reimburse each trainer's expenses, including travel, lodging and meals
Interest	18% per annum or the highest interest rate allowed by applicable law, whichever is greater	On demand	Interest may be charged on all overdue amounts Interest accrues from the original due date until payment is received in full
Audit Fee	Cost of audit (estimated to be between $1 000 and $5 000)	When billed	Payable only if we find after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more You must also pay the understated amount plus interest
Prohibited Product or Service Fine	$250 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us
Transfer Fee (Franchise Agreement)	$10,000	Upon completion of the transfer	No fee charged for a one time transfer from individual(s) to a corporate entity formed for convenience of ownership of the franchise

(1) Fees [1]	(2) Amount	(3) Due Date	(4) Remarks
Renewal Fee (Franchise Agreement)	$10 000	Upon renewal of the Franchise Agreement	
Inspection and Testing	$250	With submission to us	Payable if you request that we evaluate a product or supplier that we have not previously approved and that you want to use for your Restaurant (see Item 8)
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys fees) in enforcing or terminating the agreement
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the trademarks in an unauthorized manner
Repair Maintenance and Remodeling/ Redecorating	Will vary under circumstances	As incurred	Payable to approved suppliers You must regularly clean and maintain your Restaurant and its equipment We may require you to remodel or redecorate your Restaurant to meet our then-current image for all Burgerim Restaurants We will not require you to remodel or redecorate your Restaurant more frequently than every five years

(1) Fees [1]	(2) Amount	(3) Due Date	(4) Remarks
Charges for mystery customer" quality control evaluation	Approximately $800/year	As incurred	See Note 6 The mystery customer program will be separate from our programs for customer surveys and customer satisfaction audits (which may require you to accept coupons from participating customers for discounted or complimentary items)
Gift Cards	See note 7		
ServSafe (or similar) Certification	$150 per person or the then-current market rate	As needed	Each of your managers and other employees we designate must be ServSafe or similarly certified Payable to an approved supplier
Insurance Premiums	Reimbursement of our costs, plus 10% administrative fee	On demand	If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf
Management Fee	5% of Gross Sales, plus expenses	If incurred	We may step in and manage your Restaurant in certain circumstances, such as death disability or prolonged absence We will charge a management fee if we manage your Restaurant, and you must reimburse our expenses
Computer System Maintenance	Up to $~~1~~300	Monthly	Payable to approved supplier Your computer system must be kept up to date

Notes

1 All fees described in this Item 6 are non-refundable Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us Except as specifically stated above the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes At the present time we have no plans to increase payments over which we have control

2 For the purposes of determining the royalties to be paid under the Franchise Agreement, ' Gross Sales" means the total selling price of all services and products and all income of every other kind

and nature related to the Restaurant, whether for cash or credit and regardless of collection in the case of credit If a cash shortage occurs, the amount of Gross Sales will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination Gross Sales expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments

The Royalty Fee and Brand Development Fee will be withdrawn from your designated bank account by electronic funds transfer ('EFT') weekly on Wednesday based on the Restaurant's Gross Sales for the preceding week ending Sunday If you do not report the Restaurant's Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee that we debited If the fees we debit are less than the fees you actually owe us, once we have been able to determine the true and correct Gross Sales, we will debit your account for the balance on a day we specify If the fees we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following week

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you

3 We will establish and administer a Brand Development Fund on behalf of the System (see Item 11) to provide national or regional creative materials for the benefit of the System

4 Cooperatives will include all Restaurants in a designated geographic area, whether owned by us, our affiliates or our franchisees Each Restaurant has one vote in the cooperative No Cooperatives have been established as of the date of this Disclosure Document

5 If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher

6 We may use an independent service to conduct a "mystery customer quality control and evaluation program You must participate in this program, and we may require that you pay the then-current charges imposed by the evaluation service (as we direct, either directly to the evaluation service provider or to us as a reimbursement)

7 You must participate in our Gift Card program, which allows a Gift Card that is purchased at any Restaurant to be redeemed at any other Restaurant in the System

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Initial Franchise Fee (1)	$50,000	Lump Sum	$30K ~~a~~ when signing Franchise Agreement, $20K when	Us
Leasehold Improvements (2)	$60,000 - $~~130~~175,000	As Arranged	As Arranged	Independent Contractors
Lease Payments – 3 Months (3)	$4,800 - $90,000	As Arranged	As Arranged	Landlord
Security Deposits (4)	$3,000 - $60,000	As Arranged	As Arranged	Landlord, Utility Companies
Furniture, Fixtures and Equipment (5)	$50,000 - $75,000	As Arranged	As Arranged	Approved Suppliers
Signage (6)	$3,500 - $20,000	As Arranged	As Arranged	Approved Suppliers
Initial Inventory (7)	$3,000 - $10,000	As Arranged	As Incurred	Approved Suppliers
Blue Prints and Plans (8)	$7,000 - $14,000	As Arranged	As Arranged	Architect or Engineer
Point of Sale System (9)	$3000 - $49,~~5~~000	As Arranged	As Arranged	Approved Suppliers
Travel, lodging and meals for initial training (10)	$5,000 - $10,000	As Arranged	As Incurred	Airlines, Hotels and Restaurants
Insurance – 3 Months (11)	$~~2,500~~750 - $~~40~~2,500	As Arranged	As Arranged	Insurance Companies
Grand Opening Advertising (12)	$2,500-$10,000	As Arranged	As Arranged	Us and Suppliers
Licenses and Permits (13)	$2,000-$230,000	As Arranged	As Arranged	Government Agencies
Beer & Wine License	$300 - $15,000	As Arranged	As Arranged	Government Agencies

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Professional Fees (14)	$3,000-$12,000	As Arranged	As Arranged	Accountant, Attorney
Additional Funds – 3 Months (15)	$5,000-$15,000			
TOTAL	**$202,850~~01,900~~-- $~~539~~5253997,500**			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable We do not finance any portion of your initial investment All of our estimates assume that you will purchase the required items Your costs may be lower if you choose to lease some items

Notes

1 ***Initial Franchise Fee*** This fee is discussed in Item 5

2 ***Leasehold Improvements*** The cost of leasehold improvements will vary depending on numerous factors, including (i) the size and configuration of the premises, (ii) pre-construction costs (including demolition of existing walls and removal of existing improvements and fixtures), and (iii) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Restaurant These figures are our principals' best estimate based on remodeling/finish-out rates in the greater Los Angeles, California area These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions, and the condition of the space before you take possession of the premises Our estimate does not include any tenant improvement allowance that you may negotiate

3 ***Lease Payments*** The figures are for the initial phase of the business for rent, and our estimates assume that you will lease space for your Restaurant Your Restaurant must be in a free-standing building or end cap of a shopping mall, and you will need approximately ~~800~~ 600 to 2500 square feet Our estimate assumes a per square foot cost of $24 to $144 00 annually Landlords may vary the base rental rate and charge rent based on a percentage of gross sales In addition to base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges The actual amount you pay under the lease will vary depending on the size of the Restaurant, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region

If you choose to purchase real property on which to build your Restaurant, your initial investment will probably be higher than what we estimate above If you purchase real property, we cannot estimate how this purchase will affect your total initial investment

4 ***Security Deposits*** You will probably need to provide security deposits to your landlord and your local utilities, such as gas, electricity and water

5 ***Furniture, Fixtures and Equipment*** The equipment you will need includes Gas Char Broilers, and commercial refrigeration systems, freezers, small wares, and other typical items necessary to outfit and operate a restaurant The furniture and fixtures you will need for your Restaurant include booths, tables, chairs, and décor items

6 ***Signage*** These amounts represent your cost for interior and exterior signage Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs

7 ***Initial Inventory*** These amounts represent your initial inventory of food and beverage supplies paper products, cleaning materials and supplies for the Restaurant

8 ***Blue Prints and Plans*** These are the estimate of your costs to obtain architectural and design services necessary for the construction of the Restaurant We must approve of your construction plans before you begin to build out the Restaurant, and we reserve the right to inspect the Restaurant during its build-out to make sure that construction is being done according to the plans we approved and our specifications

9 ***Point of Sale System*** You must obtain the point of sale system that we specify The point of sale system is described in Item 11

10 ***Travel, Lodging and Meals for Initial Training*** We provide initial training for up to three people at no additional charge These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel lodging meals and applicable wages These amounts do not include any fees or expenses for training any other personnel Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation

11 ***Insurance*** These figures are estimates of the cost of the quarterly premiums for the insurance you must obtain and maintain for your Restaurant as described in Item 8 Insurance premiums may be payable monthly, quarterly, semi-annually or annually based on the insurance company's practices and your creditworthiness

12 ***Grand Opening Advertising*** You must conduct a grand opening advertising campaign We reserve the right to approve all advertisements used in your grand opening advertising campaign and your campaign must be conducted in the 60 day period that typically takes place 30 days before and 30 days after the opening of your Restaurant We may designate a different time period for you to conduct the grand opening advertising Your grand opening advertising campaign must include give-aways of food samples and other promotions, as we require, and we must approve of your grand opening advertising campaign before it is conducted At our request, you must give the grand opening advertising money to us and we will conduct the grand opening advertising campaign on your behalf

13 ***Licenses and Permits*** These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year These figures do not include occupancy and construction permits which are included in the blueprints estimate The cost of these permits and licenses will vary substantially depending on the location of the Franchised Business We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement

Beer and Wine License Beer and Wine licenses are heavily regulated and goverened by a multiple of laws and regulations You must apply for a Beer and Wine license You may have a criminal background check and you may be denied a license Certain towns, cities and counties may have regulations limiting the amount of beer and wine license where you locate your store In the event that you are denied a license you must immediately notify us You agree that a Beer and Wine license is a material term of the Franchise Agreement Nothing in this disclosure shall violate any law

14 ***Professional Fees*** We strongly recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering

15 ***Additional Funds*** You will need capital to support ongoing expenses, such as payroll, utilities, royalty fees and brand development fees if these costs are not covered by sales revenue for your first three months of operation New businesses often generate a negative cash flow We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start up phase or after

We relied upon our principals collective experience in the restaurant industry when preparing these figures Your actual costs may vary greatly and will depend on factors such as the size and condition of the space and cost to convert to a Restaurant, your management skill, experience and business acumen, local economic conditions, the local market for the Restaurant s products, the prevailing wage rate, competition, and the sales level reached during the start-up phase These amounts do not include any estimates for debt service These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase or lease and install all fixtures, furnishings, equipment (including point of sales and computer systems), decor items, signs and related items we require, all of which must conform to the standards and specifications stated in our Confidential Operations Manual (' Manual") or otherwise in writing, unless you have first obtained our written consent to do otherwise You may not install or permit to be installed on the Restaurant premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications

To make sure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with the methods, standards and specifications that we prescribe in the Manual or otherwise in writing You must maintain in sufficient supply and use and sell at all times only those food and beverage items, ingredients, products, materials, supplies and paper goods that meet our standards and specifications All menu items must be prepared in accordance with the recipes and procedures specified in the Manual or other written materials You must not deviate from these standards and specifications by the use or offer of non-conforming items, or differing amounts of any items, without obtaining our written consent first You must sell and offer for sale only those menu items, products and services that we have expressly approved for sale in writing You must offer for sale all products and services required by us in the manner and style we require, including dine in delivery & take-out services You must stop offering for sale any items, products and services we may disapprove in writing at any time We can, and expect to, modify our standards and specifications as we deem necessary We will provide you notice in the Manual or otherwise in writing (such as via e-mail) of any changes in our standards and/or specifications

You must permit us or our agents, at any reasonable time, to remove a reasonable number of samples of food or non-food items from your inventory or from the Restaurant free of charge for testing by us or by an independent laboratory to determine whether the samples meet our then-current standards and specifications In addition to any other remedies we may have, we may require you to pay for the testing (currently $250) if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications

You must obtain all food and beverage items ingredients supplies materials, fixtures, furnishings, equipment (including point of sale and computer hardware and software systems), and other products used or offered for sale at the Restaurant solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards or in accordance with our standards and specifications

A complete list of our approved products and suppliers will be included in the Manual and is subject to change over time We will provide you notice in the Manual or otherwise in writing (such as via e-mail) of any changes to the lists of approved products and approved suppliers Currently neither we nor any of our affiliates are an approved supplier for any items None of our officers has an ownership interest in any approved supplier

If you wish to purchase, lease or use any products that we have not previously approved, or purchase or lease from a supplier we have not previously approved, you must submit a written request for approval or you must request the supplier to do so You must reimburse our costs related to our testing and inspection (currently $250) We must approve any supplier in writing before you make any purchases from that supplier We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards Our supplier approval procedure does not obligate us to approve any particular supplier We will notify you in writing within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier We are not required to make available to you or to any supplier our criteria for product or supplier approval We are not obligated to approve any specific product or supplier if we believe that approval of that product or supplier is not in the best interests of the System We may revoke our prior approval of any product or supplier at any time, and after your receipt of written notice from us regarding our revocation you must stop using that product or stop purchasing from that supplier

We and/or our affiliates have developed and may continue to develop for use in the System certain products which are prepared from confidential proprietary recipes and other proprietary products which bear the Marks Because of the importance of quality and uniformity of production and the significance of those products in the System, it is to your and our benefit that we closely control the production and distribution of those products Therefore, you will use only our proprietary recipes and other proprietary products and will purchase all of your inventory of those items solely from us or from a source designated by us

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives in which you must participate When determining whether to grant new, additional or renewal franchises, we consider many factors, including your compliance with the requirements described in this Item 8, but your compliance with these requirements does not automatically give you the right to an additional or renewal franchise

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Restaurants in our System We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System or the franchised network of Restaurants

We and/or our affiliates may receive payments or other compensation from approved suppliers on account of the suppliers dealings with us, you, or other Restaurants in the System, such as rebates, commissions or other forms of compensation We may use any amounts that we receive from suppliers for any purpose that we deem appropriate For the fiscal year ended December 31, 201~~5~~6, ~~neither~~ we ~~nor our affiliates~~ earned revenue from approved suppliers based on their sales of products to our franchisees, ~~since we had no franchisees~~

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 75% to 80% of your total purchases in establishing the Restaurant, and approximately ~~70~~85% to ~~80~~95% of your total purchases in the continuing operation of the Restaurant

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks in the form, color, location and manner we prescribe In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manual or otherwise You must obtain our approval before you use any advertising and promotional materials and plans if we have not prepared or approved them during the 12 months before their proposed use Any advertising and promotional materials you submit to us for our review will become our property

You must obtain our acceptance of the site for the Restaurant before you acquire the site You must also obtain our acceptance of any contract of sale or lease for the Restaurant before you sign the contract or lease We may require you and your landlord to sign a Collateral Assignment of Lease which permits us to assume your lease in certain circumstances, including the termination or expiration of your Franchise Agreement (Attachment B to the Franchise Agreement)

Your Restaurant must be constructed according to plans that we have approved We will provide you with sample plans and specifications for a Burgerim Restaurant You must arrange for construction plans to be created that incorporate our requirements into the size and shape of the approved site for your Restaurant You may not use the plans or begin building out your Restaurant until we have approved the construction plans, and any changes to the construction plans must also be approved by us before the change may be implemented Our review is not meant to assess compliance with any applicable laws, regulations or building codes Our review is only to verify that the construction plans accurately present our trade dress, the Marks and meet our specifications We reserve the right to inspect your Restaurant while it is being constructed

Before you open the Restaurant for business you must obtain the insurance coverage for the Restaurant that is required by the terms of your lease and applicable law, and that we specify in the Manual or otherwise in writing Your insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible, duly licensed carrier or carriers acceptable to us All insurance must be on an occurrence basis Currently you must maintain the following insurance (a) general liability insurance with limits not less than $2,000 000 per occurrence and $4,000,000 aggregate, (b) worker's compensation with limits required by applicable state law but not less than $500,000, (c) any insurance required by the terms of lease (or mortgage) for the Restaurant,(d) automobile insurance in an amount not less then $1 000,000 per occurrence and $3,000,000 aggregate, (e) an umbrella policy in an amount of $5,000 000 and (f) any other insurance we may require in the future

All insurance policies except for workers compensation, shall name us, our affiliates and the officers directors, shareholders partners agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds Also, all insurance policies required hereunder shall expressly provide that not less than 30 days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance We reserve the right to change our insurance requirements during the term of your Franchise Agreement including the types of coverage and the amounts of coverage, and you must comply with those changes If you do not obtain any insurance as required, we have the right (but not the obligation) to purchase insurance on your behalf and you must reimburse our costs related to this purchase plus an administrative fee (see Item 6)

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

In the table below, the following abbreviations have these meanings FA means the Franchise Agreement ~~and MUOA means the Multi Unit Operator Agreement~~

	Obligation	Section in Agreement	Disclosure Document Item
a	Site selection and acquisition/ lease	FA – Section 2 ~~MUOA – Section 3~~	Items 8 and 11
b	Pre opening purchases/leases	FA – Sections 6, 7 and 8	Items 5, 6 7 8 and 11
c	Site development and other pre-opening requirements	FA – Section 2	Items 1, 8 and 11
d	Initial and ongoing training	FA – Section 6	Items 5, 6 and 11
e	Opening	FA – Section 6	Items 5, 6 and 11
f	Fees	FA – Sections 4 and 8 ~~MUOA – Sections 2 and 3~~	Items 5 and 6

Obligation	Section in Agreement	Disclosure Document Item
g Compliance with standards and policies/Manuals	FA – Sections 2 3 6, 8, 9 10 11 and 12	Items 11 and 14
h Trademarks and proprietary information	FA – Sections 9 and 10 and Attachment D ~~MUOA – Section 7~~	Items 11 13 and 14
i Restrictions on products/services offered	FA – Section 7 ~~MUOA – Section 7~~	Items 8 and 16
j Warranty and customer service requirements	FA – Section 7	Item 8
~~k Territorial development and sales quotas~~	~~MUOA – Section 3~~	~~Item 12~~
l Ongoing product/service purchases	FA – Section 7	Items 6 and 8
m Maintenance, appearance and remodeling requirements	FA – Sections 2, 7 and 14	Items 8 and 11
n Insurance	FA – Section 12	Items 7 and 8
o Advertising	FA – Section 8	Items 6, 8 and 11
p Indemnification	FA – Section 15 ~~MUOA – Section 14~~	Item 6
q Owner's participation/ management/staffing	FA – Sections 6 14, 15 and 19 ~~MUOA – Section 7~~	Items 1 11 and 15
r Records and Reports	FA – Sections 4, 7 and 11	Item 6
s Inspections and audits	FA – Sections 2, 7 and 11 ~~MUOA – Section 12~~	Items 6, 8 and 11
t Transfer	FA – Section 14 ~~MUOA – Section 11~~	Items 6 and 17
u Renewal	FA – Section 3 ~~MUOA – Section 5~~	Items 6 and 17
v Post-termination obligations	FA – Section 18 ~~MUOA – Section 10~~	Items 6 and 17
w Non-competition covenants	FA – Section 10 and Attachment D ~~MUOA – Section 12~~	Item 17
x Dispute Resolution	FA – Section 19 ~~MUOA – Section 19~~	Items 6 and 17
y Liquidated Damages	FA –Section 18	Item 6

ITEM 10
FINANCING

We do not offer, either directly or indirectly, any financing arrangements to you We do not guarantee your notes, leases or other obligations You may apply for loans through any legal source and you will be responsible for any agreement therein You may apply for an SBA loan If you apply for an SBA loan and are approved by the SBA then you must execute the SBA Addendum in Exhibit B attached to this FDD

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

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

Pre-Opening Obligations

Franchise Agreement Before the opening of a Restaurant we will provide the following assistance and services

1 Our written site selection guidelines and the site selection assistance we deem advisable (Franchise Agreement, Section 5 1) We will also designate your Territory (see Item 12)

2 If we believe it is necessary, we will conduct one on-site evaluation of the proposed site for your Restaurant (Franchise Agreement, Section 5 2)

3 Standard specifications and layouts for building and furnishing the Restaurant, which you will use to have site plans and build-out plans prepared, at your expense, which must be approved by us (Franchise Agreement, Section 5 3) We reserve the right to inspect your Restaurant during its construction

4 On loan, our Manual, which we may revise during the term of your Franchise Agreement (Franchise Agreement, Sections 5 4 and 10 1) We may provide all or a portion of the Manual to you electronically, such as via a password protected website

5 A list of approved products and suppliers, which we may revise during the term of your Franchise Agreement (Franchise Agreement, Sections 5 9 and 7 4)

6 An initial training program at our headquarters or any location we determine for up to three people (Franchise Agreement, Sections 5 10 and 6 4)

7 One of our representatives to provide up to seven days of opening assistance and training around the opening of your Restaurant You must reimburse the expenses that our representative incurs while providing opening assistance, such as travel, lodging and meals (Franchise Agreement, Section 6 4) If you are opening your second or later Restaurant, we reserve the right to not provide opening assistance (a) We will provide an assistant for 2 to 7 days when opening initially

Continuing Obligations

Franchise Agreement During the operation of a Restaurant we will provide the following assistance and services

1 As we reasonably determine necessary, visits to and evaluations of the Restaurant and the products and services provided to make sure that our high standards of quality, appearance and service of the System are maintained (Franchise Agreement, Sections 5 5 and 7 5 6)

2 Advertising and promotional materials for in-store marketing and local advertising for the Restaurant at a reasonable cost to you (Franchise Agreement, Section 5 6)

3 Advice and written materials (including updates to the Manual) concerning techniques of managing and operating the Restaurant, including new developments and improvements in equipment, food products, packaging and preparation (Franchise Agreement, Section 5 7)

4 Training programs and seminars and other related activities regarding the operation of the Restaurant as we may conduct for you or Restaurant personnel generally which may be mandatory for your General Manager and other Restaurant personnel (Franchise Agreement, Section 6 4 4)

5 At your request, additional on-site training or assistance at your Restaurant You must pay our per diem fee for each trainer providing the training and you must reimburse our expenses (see Item 6) (Franchise Agreement Section 6 4 3)

6 Administration of the brand development fund (Franchise Agreement, Section 8 3)

7 Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), if you and your Controlling Principals have fully complied with the terms of the Franchise Agreement (Franchise Agreement, Section 9 4)

8 Designate the maximum prices you may charge for certain menu items, as permitted by applicable law (Franchise Agreement, Section 7 14) You understand that by following our maximum pricing requirements we are not guaranteeing that you will achieve any specific level of sales or profitability

Grand Opening Advertising You must conduct an advertising campaign announcing the grand opening of your Restaurant, and you must spend at least $2,500 to $10,000 for this campaign Your grand opening advertising campaign must be conducted in the 60 day period that includes 30 days before and 30 days after the opening of your Restaurant, unless we designate a different time period for you to conduct the grand opening advertising Your grand opening advertising campaign must include give-aways of food samples and other promotions, as we require, and we must approve of your grand opening advertising campaign before it is conducted At our request, you must give us the money for your grand opening advertising campaign and we will conduct the campaign on your behalf

Brand Development Fund We reserve the right to establish and administer a Brand Development Fund (the Brand Development Fund) to advertise the System and the products offered by Burgerim Restaurants on a regional or national basis You must contribute to the Brand Development Fund an amount of 2% of the Restaurant's Gross Sales each week, to be paid in the same manner as the Royalty Fee Since the Brand Development Fund was not established during the fiscal year ending December 31, 201~~5~~6, no monies have been spent by the Brand Development Fund You will have a ~~one~~six month exemption from the Brand Development Fund during the first six months of operation

The Brand Development Fund is maintained and administered by us or our designee as follows

1 We direct all advertising programs and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation Advertising materials may be developed in-house by us or we may employ one or more advertising agencies to develop advertising The Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and improve the collective success of all Restaurants operating under the System We may use monies from the Brand Development Fund to support our website Any Restaurants operated by us or our affiliates will contribute to the Brand Development Fund generally on the same basis as you In administering the Brand Development Fund, we and our designees are not required to make expenditures for you that are equivalent or proportionate to your contribution or make sure that any particular franchisee benefits directly or pro rata from the placement of advertising

2 The Brand Development Fund may be used to satisfy the costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns, direct mail and outdoor billboard advertising, public relations activities, employing advertising agencies, menu and product development, development and maintenance of our website, and costs of our personnel and other departmental costs for advertising that we administer or prepare internally All sums you pay to the Brand Development Fund will be accounted for separately from our general funds We may reimburse ourselves out of the Brand Development Fund for our reasonable administrative costs and expenses that we may incur in the administration or direction of the Brand Development Fund and advertising programs for you and the System The Brand Development Fund and its earnings will not otherwise benefit us The Brand Development Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above Any sums paid to the Brand Development Fund that are not spent in the year they are collected will be carried over to the following year No portion of the Brand Development Fund will be used for advertising that is primarily a solicitation of franchise sales

3 We will prepare an annual statement of the operations of the Brand Development Fund that will be made available to you if you request it We are not required to have the Brand Development Fund statements audited

4 Although the Brand Development Fund is intended to be perpetual, we may terminate the Brand Development Fund at any time The Brand Development Fund will not be terminated until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis If we terminate the Brand Development Fund, we have the option to reinstate it at any time and it will be operated as described above

5 Money in the Brand Development Fund can be used to produce commercials and ad layout templates that you must adapt for your Restaurant and use in local advertising, at your expense The Brand Development Fund may also develop new menus and table tents for use by all Burgerim Restaurants in the System, and we may designate that our approved supplier will automatically ship these items to you, at your expense, when they are to be used

Local Advertising You must conduct local advertising in your Territory If your landlord requires you to participate in any marketing or promotion fund, the amounts you pay may be applied towards satisfying your local advertising obligations, if first approved in writing by us At a minimum you must spent ~~1% of Gross Sales or $1,5~~2,000 each month~~, whichever amount is lower, on local advertising for your Restaurant~~ Within 30 days of our request, you must provide us with proof of your local advertising expenditures, including verification copies of the advertisements

We must approve all advertising before you use it You must not advertise or use our Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent

Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our approval before you may use it We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising materials Unless we provide our specific approval of the proposed advertising materials the materials are deemed not approved Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials

We reserve the right to require you to include certain language in your local advertising, such as "Franchises Available" and our website address and phone number

Cooperative Advertising We may designate any geographic area in which two or more Restaurants are located as a region for purposes of establishing an advertising Cooperative, or we may approve of the formation of an advertising Cooperative by our franchisees The members of the Cooperative for any area will consist of all Restaurants, whether operated by us, our affiliates or our franchisees We have the right to dissolve, merge or change the structure of the Cooperatives Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing promotional materials for use by the members in local advertising, subject to our approval as described above If a Cooperative has been established for a geographic area where your Restaurant is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement you must become a member of the Cooperative If the Cooperative will operate according to written documents, we must approve of these documents, and a copy of the Cooperative documents applicable to the geographic area in which your Restaurant will be located will be provided to you if you request it You will not have to participate in more than one Cooperative

The payments you make to a Cooperative may be applied by you toward satisfaction of your local advertising requirement If the amount you contribute to a Cooperative is less than your local advertising requirement, you must still spend the difference locally By vote of the members, the members will determine the amount that each member must contribute to the Cooperative All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval Currently there are no Cooperatives in the System The Cooperative is not required to prepare an annual financial statement

Website / Internet Websites (as defined below) are considered as advertising under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above) As used in the Franchise Agreement, the term Website means an interactive electronic document contained in a network of computers linked by communication software, that you operate or authorize others to operate and that refers to the Restaurant, Proprietary Marks, us, or the System The term Website includes Internet and World Wide Web home pages

In connection with any Website, the Franchise Agreement states that you may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet without our prior written approval As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website

We will have the right to establish a website or other electronic system providing private and secure communications (*e g* , an intranet) between us, our franchisees and other persons and entities that we decide are appropriate If we require, you must establish and maintain access to the intranet in the manner we designate Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign

You are strictly prohibited from promoting your Restaurant or using the Marks on any social and/or networking Websites, such as Facebook, LinkedIn, ~~MySpace~~Instagram, Pinterest or Twitter, without our prior written consent We will control all social media initiatives

Advisory Council We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Burgerim Restaurants, advertising conducted by the Brand Development Fund, and any other matters that we deem appropriate If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority We will have the right to form, change, merge or dissolve any advisory council

If formed, an advisory council will be comprised of our representatives and franchisee representatives The franchisee representatives may be chosen by us or elected by other franchisees in the System If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses toe attend council meetings

Site Selection You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Restaurant and for constructing and equipping the Restaurant at the accepted site You will select the site for the Restaurant subject to our acceptance and using our site submittal forms The Restaurant may not be relocated without first obtaining our written consent Before you lease or purchase the site for the Restaurant, you must locate a site that satisfies our site selection guidelines If we believe it is necessary we will conduct one on-site evaluation, but before we provide the evaluation you must submit to us in the form we specify a description of the site, including evidence that the site satisfies our site selection guidelines, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site

You must submit to us information and materials relating to the proposed site for our review no later than 690 days after you have signed the Franchise Agreement We will have 30 days after we receive this information and materials from you to accept or decline the proposed site as the location for your Burgerim Restaurant If we do not provide our specific acceptance of a proposed site, the site is deemed not accepted We do not warrant or guarantee that your Restaurant will be successful at any site that we accept Our acceptance only means that the site meets our minimum requirements for a Restaurant, subject to any deviation from our standards as we may permit If you are unable to find a suitable location for your Restaurant within 150 days after you sign the Franchise Agreement, we may grant you additional time to locate a site or we may terminate the Franchise Agreement

We will provide you with our current written site selection guidelines and any other site selection counseling and assistance we think is advisable Our criteria for site selection include location of the site and its setting (free-standing building, shopping center, downtown location, etc), other tenants in the building, availability of parking, visibility from main roads, availability, size and placement of signage, co-tenants in the shopping center or immediate area, accessibility to the site, condition of the premises and how much build-out or construction it will need, proximity to competitive businesses, and availability of utilities We will use these and other factors in determining the suitability of your proposed site for a Burgerim Restaurant

Opening We estimate that the time from the Franchise Agreement is signed to the opening of the Restaurant will be approximately six to 12 months Your total timeframe may be shorter or longer depending on the time necessary to obtain an accepted site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Restaurant, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Restaurant, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Restaurant, including purchasing inventory and supplies You must open the Restaurant and begin business within 12 months after signing the Franchise Agreement, unless we grant you an extension of time

Training No later than ~~30~~ 7 days before the date the Restaurant begins operation, up to three people (one of whom must be your General Manager) must have completed, to our satisfaction, our initial training program We will conduct this training at our corporate headquarters in California, or at another location we designate Our initial training program lasts for approximately four to six ~~week~~days Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing training, the number of new Restaurants being opened and the timing of the scheduled openings of Restaurants

We will provide instructors and training materials for the initial training of three people at no additional charge You may also have additional personnel trained by us for the Restaurant, at your expense (see Item 6) We will determine whether you or your General Manager have satisfactorily completed initial training If you or the General Manager do not satisfactorily complete the initial training program or if we determine that these persons cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open your Restaurant If the replacement General Manager cannot complete the initial training program to our satisfaction, we have the right to terminate your Franchise Agreement

Any manager subsequently designated by you must also receive and complete the initial training program to our satisfaction, even if this requires sending that manager to the headquarters training program, at your expense We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training (see Item 6) You must also pay for all expenses your managers and other personnel incur for any training program, including costs of travel, lodging meals and applicable wages We may approve you to train replacement managers under our training program before permitting you to train your entire staff for a third or later Restaurant opening You may not train any personnel until we have approved you as a trainer

For the opening of the Restaurant, we will provide you with one of our trained representatives The trained representative will provide on-site pre-opening and opening training, supervision, and assistance to you for up to seven days around your Restaurant opening You must reimburse the expenses our representative incurs while providing opening assistance, such as travel, lodging and meals

If, during the term of your Franchise Agreement, you request that we provide additional training or assistance on-site at your Restaurant, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals (see Item 6)

The instructional materials used in the initial training include our Operations Manual, marketing and promotion materials, materials related to the operation of the point of sale system demonstration videos, and any other materials that we believe will be beneficial to our franchisees in the training process

The training schedule and activities of the initial training program are described below

TRAINING PROGRAM

Subject	Hours of Classroom Training		Hours of On-the-Job Training	Location
Orientation/Training Overview	5		0	At training facility we designate
Front of House functional Training	N/A		~~3~~40	At training facility we designate
Back of House functional Training	N/A		4~~3~~0	At training facility we designate
Restaurant Management Training	N/A		60	At training facility we designate
POS	N/A		4~~15~~	At training facility we designate
New ~~Restaurant~~ Stores opening procedures (NSO)	N/A		~~5~~8	At training facility we designate

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The instructors primarily conducting our initial training program include the Officers listed above and others we designate from time to time Each of our instructors has at least 5 to 10years of relevant experience to the subjects they are teaching

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons We may designate that attendance at an annual meeting is mandatory for you, your General Manager and/or other Restaurant personnel We do not anticipate charging a fee to attend the meeting, but you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages We will designate the location of any franchisee meeting such as a resort hotel but we will not designate an unreasonably expensive site

We may also choose to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for you your General Manager and/or other Restaurant personnel We do not anticipate charging a fee for refresher training, but you will pay for all of the expenses incurred by your trainees including travel, lodging, meals and wages

In addition to our initial training program, you, your managers and any other personnel we designate must be ServSafe (or similar) certified The cost of certification is not included in the initial franchise fee and we do not provide certification You may need to receive periodic additional training and/or certification

<u>Confidential Operations Manual</u> The Table of Contents for our Operations Manual is attached to this Disclosure Document as Exhibit F

<u>Computer and Point of Sale Systems</u> You must purchase or lease and use certain point of sale systems, computer hardware and software that meet our specifications and that are capable of electronically interfacing with our computer system The computer system will provide sales tracking information, inventory management, business reports, labor and scheduling management, order processing, delivery management and credit card processing

The computer system must be set up to enable us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain You must install and maintain equipment and a high-speed telecommunication line (such as T-1, DSL or cable modem) in accordance with our specifications to permit us to access the computer system (or other computer hardware and software) either electronically or at the Restaurant premises This will permit us to electronically inspect and monitor information concerning your Restaurant s Gross Sales and any other information that may be contained or stored in the equipment and software You must make sure that we have access at the times and in the manner we specify, at your cost

Unless we designate a different system, you must purchase the computer/point of sale system The approved supplier for the point of sale system, if we designate one, will be included in the Manual We expect that the point of sale system will cost approximately ~~$2,000 to~~ $3,000 <u>per system</u> You must purchase a maintenance contract for your point of sale system, which we anticipate will cost approximately $~~1~~<u>2</u>00 per month You must obtain any upgrades and/or updates to the software used with the point of sale system, at your expense In addition, we may require you to update and/or upgrade all or a portion of your point of sale system during the term of your Franchise Agreement, at your expense The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point of sale system or the cost of any update and/or upgrade Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your point of sale system

You must obtain and maintain Internet access or other means of electronic communication, as specified by us It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement We must have access at all times and in the manner that we specify

ITEM 12
<u>TERRITORY</u>

<u>Franchise Agreement</u> Your Franchise Agreement will specify the site that will be the Approved Location for your Restaurant Your Franchise Agreement may also specify a Territory The size and scope of the Territory will be contained in the Franchise Agreement and will be determined according to whether the Approved Location is an urban area or a suburban area The Territory is not the same area as, and will be smaller than, the trade area in which you will be looking for a site We will provide you with information regarding our classification of each portion of your trade area as urban or suburban If your Restaurant will be located at a non-traditional site (such as mall food courts, airports hospitals, cafeterias, commissaries, schools, hotels, office buildings and stadiums, arenas, ballparks,

festivals, fairs, military bases and other mass gathering locations or events) or in a major metropolitan area, you will not be granted a Territory You will not receive any minimum area

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a Restaurant in the Territory, except as may be permitted under the Franchise Agreement and those exceptions are described below There are no circumstances under which the Territory may be altered before your Franchise Agreement expires or is terminated You are not permitted to provide catering or delivery services Your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other factor, other than compliance with the Franchise Agreement

If, during the term of the Franchise Agreement, you wish to relocate your Restaurant, or if the Restaurant is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for the Restaurant You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for a Burgerim Restaurant and is located within your Territory, and you must sign our then-current form of Franchise Agreement If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement

Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to Restaurants, the Marks, the Proprietary Products, and any other products and services anywhere in the world including the right (a) to produce, offer and sell and to grant others the right to produce, offer and sell the Proprietary Products, other products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside your Territory, and under any terms and conditions we deem appropriate, (b) to operate and to grant others the right to operate Restaurants located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Restaurant, (c) to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Territory under any terms and conditions we deem appropriate, and (d) the right to acquire and operate a business operating one or more restaurants or food service businesses located or operating in your Territory

You may sell our proprietary products and menu items to customers who live anywhere but who choose to dine at or from your Restaurant You may not engage in any promotional activities or sell the proprietary products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media), through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Territory, you may not directly solicit customers outside of your Territory You have no options, rights of first refusal, or similar rights to acquire additional franchises You may not sell our proprietary products to any business or other customer at wholesale

We and our affiliates may sell products under the Marks within and outside your Territory through any method of distribution other than a Burgerim Restaurant, including sales through channels of distribution such as the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales (together, "alternative distribution channels ') You may not use alternative distribution channels to make sales outside or inside your Territory and you will not receive any compensation for our sales through alternative distribution channels

We or our affiliates will fulfill all orders placed through the retail portion of our Website, and you will not be entitled to any portion of the profits received from this, even if the customer s order is generated from or delivered in your Territory

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark We describe earlier in this Item 12 what we may do anywhere and at any time

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Restaurant which sell our proprietary products or services under a different trade name or trademark, but we reserve the right to do so in the future without first obtaining your consent

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks symbols, emblems, logos and indicia of origin designated by us These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks

Burgerim was for registered on the principal Marks with the U S Patent and Trademark Office on the Principal Register ("USPTO ')

Mark	~~RegistrApplication~~ Filing Date	Serial Number	Registration Date	Registration Number
Burgerim, Always More than One	6-10-2015	86657783	**Pending**	
Burgerim	~~May 14, 2013~~October 11, 2012	85752131	~~Pending~~May 14, 2013	4336505

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above There are no agreements currently in effect which limit our right to use or to license others to use the Marks

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks You and your Controlling Principals are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim We can take action and have the right to exclusively control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks You must sign any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or USPTO or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity (including any affiliate) having an interest in the Marks

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that the conduct of you and your Controlling Principals in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy we intend to defend the Marks vigorously

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you We have and retain certain rights in the Marks including the following

1 To grant other licenses for the use of the Marks in addition to those licenses already granted to existing franchisees,

2 To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you, and

3 To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights There are no patents or registered copyrights that are material to the franchise

Confidential Manuals You must operate the Restaurant in accordance with the standards and procedures specified in the Manual One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement We may, instead of providing you with a hard copy of the Manual, make our Manual available electronically via a password protected intranet

You must treat the Manual and any other manuals we create or approve for use in your operation of the Restaurant, and the information contained in them, as confidential You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person The Manual remains our sole property and must be kept in a secure place on the Restaurant premises

We may revise the contents of the Manual and you must comply with each new or changed standard You must also insure that the Manual is kept current at all times If there is a dispute regarding the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling

Confidential Information We claim proprietary rights in certain of our recipes which are included in the Manual and which are our trade secrets Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, and the terms of your agreement with us, are considered confidential You and each of your Controlling Principals are prohibited, during and after the term of your Agreement, from communicating or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Restaurant that may be communicated to you or any of your Controlling Principals or that you may learn about You and each of your Controlling Principals may divulge this confidential information only to your employees who must have access to it to operate the Restaurant Neither you nor your Controlling Principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person

If we ask, you must have your General Manager and any of your personnel who have received or will have access to confidential information sign similar confidentiality covenants (See Item 17) Your Principals also must sign these covenants

If you, your Controlling Principals, General Manager or employees develop any new concept, process or improvement in the operation or promotion of the Restaurant, you must promptly notify us and give us all necessary information, free of charge You, your Controlling Principals, General Manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees

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

When you sign your agreement, you must designate and retain at all times an individual to serve as the 'General Manager' If you are an individual, we recommend that you be the General Manager Even though we do not require you to be actively involved in the daily operation of your Restaurant, you must still make sure that your Restaurant is being operated according to the terms of your Franchise Agreement and the Manual You must also retain other personnel as are needed to operate and manage the Restaurant The General Manager must satisfy our educational and business criteria as provided to you in the Manual or other written instructions, must be individually acceptable to us, and must be approved by us to act as a General Manager The General Manager must be responsible for the supervision and management of the Restaurant, and must devote full time and best efforts to this activity The General Manager also must satisfy the applicable training requirements in the Franchise Agreement If the General Manager cannot serve in the position or does not meet the requirements, he or she must be replaced within 60 days after the General Manager stops serving or no longer meets the requirements

If you employ any individual as General Manager or in a managerial position who is at the time employed in a managerial position by us or any of our affiliates, or by another of our franchisees, you must pay the former employer for the reasonable costs and expenses the employer incurred for the training of the employee, such as our training fee

You must also obtain covenants not to compete, including covenants applicable on the termination of the person's relationship with you, from your General Manager, and any of your other personnel who have received or will have access to our training before employment, and any holder of a beneficial interest in you (except for any limited partners) You must have all of your management personnel sign covenants that they will maintain the confidentiality of information they receive or have access to based on their relationship with you (see Item 14) Our form of Confidentiality and Non-Competition Agreement is included as Attachment D to the Franchise Agreement We reserve the right, in our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph (See Item 17) We will be a third party beneficiary to each of these agreements with the independent right to enforce each agreement s terms

As described in Item 1, we have identified certain persons under the Franchise Agreement and Multi-Unit Operator Agreement that we refer to in this Disclosure Document as your Principals Your Principals include your spouse, if you are a married individual, your Principals also include those of your business entity's officers and directors (including the officers and directors of your general partner, if applicable) whom we designate as your Principals and all holders of an ownership interest in you and in any entity that directly or indirectly controls you, and any other person or entity controlling, controlled by, or under common control with you

If we designate certain of your Principals as Controlling Principals, they must sign the Franchise Agreement and Multi-Unit Operator Agreement, as applicable, and agree to be individually bound by certain obligations under the Agreements, including confidentiality and non-competition covenants and they must personally guarantee your performance under the Agreements We typically designate your principal equity owners and executive officers, as well as any other affiliated entities that operate Restaurants, as Controlling Principals

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all menu items, food products, merchandise, and other products and services we require, in the manner and style we require, including dine-in and carry-out, as expressly authorized by us in writing You must sell and offer for sale only the menu items, products and services that we have expressly approved in writing You must not deviate from our standards and specifications without first obtaining our written consent You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time We have the right to change the types of menu items, products and services offered by you at the Restaurant at any time, and there are no limits on our right to make those changes

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, proprietary products, merchandise, other products, materials, supplies, and paper goods that conform to our standards and specifications You must prepare all menu items according to our recipes and procedures for preparation contained in the Manual or other written instructions, including the measurements of ingredients You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent

You must keep the Restaurant very clean and maintain it in good repair and condition You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct You must not make any changes to the premises without obtaining our written consent before you make the changes You must obtain and pay for any new or additional equipment, including point of sale, computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new menu items from the Restaurant

We may designate the maximum prices for the goods, products and services offered from your Restaurant, where permitted by applicable law, and you must comply with our pricing requirements We make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12 You may not directly solicit customers outside of your Territory

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a Length of the term of the franchise	Section 3 1	Term continues for 10 years from the date of the Franchise Agreement unless terminated earlier
b Renewal or extension of the term	Section 3 2	One additional term of 10 years

Provision	Section in Franchise Agreement	Summary
c Requirements for franchisee to renew or extend	Section 3 2	You request renewal of the Franchise Agreement, you are in compliance with the Franchise Agreement, you are current in all payments, you remodel and/or refurbish the Restaurant if we require it, you sign general release and renewal Franchise Agreement, you pay renewal fee You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law
e Termination by franchisor without cause	Not applicable	Not applicable
f Termination by franchisor with "cause	Section 17 1 1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination
g "Cause defined – curable defaults	Sections 17 1 3 and 17 2	We may terminate you for cause if you fail to cure certain defaults, including if you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within five days after notice (or longer period required), fail to obtain signed copies of the confidentiality and non-competition covenants contained in the Franchise Agreement within five days after a request, fail to obtain and maintain required insurance within seven days after notice, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to cure any other default that is susceptible of cure within 30 days after notice

Provision	Section in Franchise Agreement	Summary
h Cause" defined – defaults which cannot be cured	Sections 17 1 2 and 17 1 3	We may terminate you for cause if you fail to cure certain defaults, including if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to find an accepted location within time required fail to remodel when required, fail to open Restaurant when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the Restaurant premises, are convicted of a felony or other crime that may have an adverse affect on the System or Marks, transfer any interest without our consent or maintain false books or records In addition, a default under one agreement with us may result in a termination of all of your other agreements with us This is known as a cross-default provision
i Franchisee's obligations on termination/non-renewal	Section 18	Obligations include You must stop operating the Restaurant and using the Marks and System and completely de-identify the business, pay all amounts due to us or our affiliates, return the Manual and all other proprietary materials, comply with confidentiality requirements, pay liquidated damages (if applicable), and at our option, sell or assign to us your rights in the Restaurant premises and the equipment and fixtures used in the business
j Assignment of contract by Franchisor	Section 14 1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction However, no assignment will be granted except to an assignee who, in our good faith judgment, is willing and able to assume our obligations

Provision	Section in Franchise Agreement	Summary
k 'Transfer by franchisee – defined	Section 14 2 1	Includes sale assignment conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Restaurant or you (if you are not a natural person)
l Franchisor approval of transfer by franchisee	Section 14 2 2	You must obtain our consent before transferring any interest We will not unreasonably withhold our consent
m Conditions for franchisor approval of transfer	Section 14 2 2	Conditions include You must pay all amounts due us or our affiliates, not otherwise be in default, sign a general release, and pay a transfer fee Transferee must meet our criteria, complete training to our satisfaction and sign current Franchise Agreement
n Franchisor's right of first refusal to acquire franchisee's business	Section 14 4	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions
o Franchisor s option to purchase franchisee's business	Section 18 11	Upon termination or expiration of the Franchise Agreement, we have the right to purchase certain assets of the Restaurant
p Death or disability of franchisee	Section 14 5	If you or a Controlling Principal are a natural person, on death or permanent disability, distributee must be approved by us, or franchise must be transfer to someone approved by us within 12 months after death or within six months after notice of permanent disability
q Non-competition covenants during the term of the franchise	Section 10 3 1	You are prohibited from operating or having an interest in a similar business without our prior written consent
r Non-competition covenants after the franchise is terminated or expires	Section 10 3 2	You and your Controlling Principals are prohibited for two years from expiration or termination of the franchise from operating or having an interest in a similar business within 25 miles of any Restaurant in the System
s Modification of the agreement	Sections 10 1 5 and 19 2	The Franchise Agreement may not be modified unless mutually agreed to in writing You must comply with Manual as amended

Provision		Section in Franchise Agreement	Summary
t	Integration/merger clause	Section 19 2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable federal and/or state law) No other representations or promises will be binding
u	Dispute resolution by arbitration or mediation	Sections 19 7, 19 8, 19 9, 19 10 and 19 11	Arbitration within 10 miles of our headquarters, subject to applicable state and federal law
v	Choice of forum	Section 19 8	The state and/or federal courts closest to our headquarters, subject to applicable state and federal law
w	Choice of Law	Section 19 8	California, subject to applicable state and federal law

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchise

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting ~~Guy Marom~~ Oren Loni at 16861 Ventura Blvd, #303, Encino, California 91436, the Federal Trade Commission and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No 1
Systemwide Outlet Summary
For years 20134, 20145, 20156

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2013	0	0	0
	2014	0	0	0
	2015	0	0	0
Company-Owned*	2013	0	0	0
	2014	0	0	0
	2015	0	0	0
Total Outlets	2013	0	0	0
	2014	0	0	0
	2015	0	0	0

* The Company-Owned Outlets reflected in the chart above are owned and operated by our affiliates

Table No 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 20134, 20145, 20156

State	Year	Number of Transfers
None	2013	0
	2014	0
	2015	0
Total	2013	0
	2014	0
	2015	0

Table No 3-A
Status of Franchised Outlets
For years 201~~3~~4,201~~4~~5,201~~5~~6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
None	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Total	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0

Table No 3-B

Table No 4
Status of Company-Owned Outlets
For years 201~~3~~4,201~~4~~5,201~~5~~6

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
None	2013	0	1*	0	0	0	1*
	2014	0	0	0	1*	0	0
	2015	0	0	0	0	0	0
Total	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0

The Outlets in the above chart are owned and operated by our affiliates
*There was one unit started by an affiliate before franchisor was formed

Table No 5
Projected Openings as of December 31, 2016

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CA	~~25~~38	25	0

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
FL	16	4	0
AZ	2	2	0
IL		2	0
GA	3	2	0
CO	1	2	0
NY		5	0
TX	~~15~~12	10	0
VA	1	1	0
LA	1	1	0
NC	1	1	0
NJ	~~1~~2	2	0
WI	~~1~~0	1	0
NM	1	1	0
TN	~~2~~1	3	0
NV	3	2	0
MS	1	1	0

A list of the names of all franchisees and multi-unit operators and the addresses and telephones numbers of their franchises will be provided in Exhibit D to this disclosure document when applicable

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit operator who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit E to this disclosure document when applicable **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Burgerim System

There are no trademark-specific organizations formed by our franchisees that are associated with the Burgerim System

ITEM 21
FINANCIAL STATEMENTS

Burgerim Group USA, Inc was formed in October 2014 ~~and has no financial statement to date~~ Attached to this Disclosure Document as Exhibit A is our financial statements as of ~~December 31, 2014, March 31, 2015 and~~ December 31, 2016

~~Our fiscal year end is December 31st and the Financial Statements were audited as of March 31, 2016~~

ITEM 22
CONTRACTS

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

1	Small Business Administration Addendum	Exhibit B
2	Franchise Agreement	Exhibit C
3	Form of General Release	Exhibit J

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document Please return one signed copy to us and retain the other for your records

Exhibit A to the
Burgerim Franchise Disclosure Document

FINANCIAL STATEMENTS

Exhibit B to the
Burgerim Franchise Disclosure Document

Small Business Administration Addendum

Exhibit C to the
Burgerim Franchise Disclosure Document

FRANCHISE AGREEMENT

Exhibit D to the
Burgerim Franchise Disclosure Document

LIST OF FRANCHISEES OPERATORS

Name	Location
Carmen Robles & Marisol Cantu	5001 Melrose Avenue, Los Angeles, CA 90038
Don Sison	9359 Central Avenue, Montclair, CA 91763

~~None~~

Exhibit E to the
Burgerim Franchise Disclosure Document FRANCHISEES

OPERATORS WHO HAVE LEFT THE SYSTEM

None

Exhibit F to the
Burgerim Franchise Disclosure Document

TABLE OF CONTENTS OF OPERATIONS MANUAL

OPERATIONS MANUAL TABLE OF CONTENTS

Exhibit G to the
Burgerim Franchise Disclosure Document

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1 California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control

2 The Franchise Agreement provide for termination upon bankruptcy This provision may not be enforceable under Federal Bankruptcy Law (11 U S C A Sec 101 et seq)

3 The Franchise Agreement contain covenants not to compete which extend beyond the termination of the agreements These provisions may not be enforceable under California law

4 Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise

5 Neither the franchisor, any person or franchise broker in Item 2 of the 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 79a et seq , suspending or expelling such persons from membership in such association or exchange

6 The Franchise Agreement require binding arbitration The arbitration will occur within 10 miles of franchisor's headquarters with the costs being borne by the franchisee and franchisor 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 a franchise agreement restricting venue to a forum outside the State of California

7 The Franchise Agreement require application of the laws of Nevada This provision may not be enforceable under California law

8 You must sign a general release if you renew or transfer your franchise California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

9 THE 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

10 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 a franchise agreement restricting venue to a forum outside the State of California

11 The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

12 OUR WEBSITE, www burgerim com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www corp ca gov

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1 The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself

> Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (Act) states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State" This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Multi-Unit Operator Agreement

2 Illinois law governs the Franchise Agreement

3 Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code

4 Under Illinois law at 200 608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state Illinois law' The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended accordingly

5 The appropriate sections of the Franchise Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee and/or Multi-Unit Operator, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred

6 Item 17(g) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 9 of the Multi-Unit Operator Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days

STATE ADDENDUM FOR THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement

There are presently no arbitration proceedings to which the Franchisor is a party

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2 7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee s exclusive territory

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2 7-1 (10)

4 Under Indiana Code 23-2-2 7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests This amends Article 19 of the Franchise Agreement

5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

(a) A prohibition on the right of a franchisee to join an association of franchises

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this 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 thirty (30) days, to cure such failure

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and 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 five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor s intent not to renew the franchise

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances This section does not require a renewal provision

(f) A provision requiring that arbitration or litigation be conducted outside this state This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state

(g) A provision which permits a franchisor to refuse 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) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement

Any questions regarding this notice should be directed to

Consumer Protection Division
Attn Marilyn McEwen
525 W Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM FOR THE STATE OF MINNESOTA

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document Franchise Agreement as follows

1 Item 13 of the Disclosure Document and Article 9 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use

2 Item 17 of the Disclosure Document and Articles 3 and 17 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> "Minnesota law provides franchisees with certain termination and non-renewal rights Minnesota Stat Sec 80c 14, Subd 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Disclosure Document "

3 Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> Minn Stat Sec 80C 21 and Rule 2860 4400J 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 agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of jurisdiction "

4 Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein

> "Minn Rule 2860 4400D prohibits us from requiring you to assent to a general release '

5 Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn Rule 2860 4400J which prohibits requiring you to consent to liquidated damages

6 The appropriate sections of the Franchise Agreement are hereby deleted in accordance with Minn Rule 2860 4400J which prohibits waiver of a jury trial

7 The appropriate sections of the Franchise Agreement regarding Limitations of Claims are hereby amended to comply with Minn Stat §80C 17, Subd 5

8 Item 6, Insufficient Fund Fees NSF fees are governed by Minnesota Statute 604 113 which puts a cap of $30 on a NSF check This applies to everyone in Minnesota who accepts checks except banks

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

3 LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark

(A) 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) has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, anti fraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices, or comparable allegations

(C) 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

4 BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before 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 (or any comparable foreign law), (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity The information contained in this disclosure has not been verified by the State If you have any questions about this investment, see an attorney before you sign a contract or agreement

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled (N C G S §66-95)

Effective Date ____________

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document and Articles 3 and 14 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51 19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document, Article 10 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement are amended accordingly

3 Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota

4 Item 17(u) of the Disclosure Document, Article 19 of the Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

5 Item 17(v) of the Disclosure Document and the provisions of Article 19 of the Franchise Agreement which require jurisdiction of courts within ten (10) miles of the franchisor's headquarters are deleted

6 Item 17(w) of the Disclosure Document, Article 19 of the Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

7 Apart from civil liability as set forth in Section 51 19-12 N D C C, which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law

8 The provisions of Article 19 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

9 The provisions of Article 19 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13 1 564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Burgerim GROUP USA,, Inc for use in the Commonwealth of Virginia shall be amended as follows

1 Additional Disclosure The following statements are added to 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 franchise agreement and development agreement does not constitute "reasonable cause, as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this______day of_____________, 20

ATTEST	BURGERIM GROUP USA,, INC
______________________ Witness	By ______________________ Name ______________________ Title ______________________
	FRANCHISEE
______________________ Witness	______________________

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Burgerim GROUP USA,, Inc 's Franchise Disclosure Document and for its Franchise Agreement The amendments to the Franchise and Multi-Unit Operator Agreements included in this addendum have been agreed to by the parties

1 Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

2 Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

3 Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

4 Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit operator may not be enforceable under federal bankruptcy law (11 U S C Section 101 et seq)

5 The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

6 The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

7 The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

8 The Franchise Agreement, and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement '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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this_______day of_______________, 20

ATTEST

BURGERIM GROUP USA INC

____
Witness

By ______________________
Name ____________________
Title _____________________

FRANCHISEE

____
Witness

____

Exhibit H to the
Burgerim Franchise Disclosure Document **FRANCHISEE**

DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Burgerim Group USA,, Inc (the 'Franchisor) and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a Burgerim Restaurant (the Franchised Business) The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor The questions below do not apply to any communications that you had with the transferring Franchisee Please review each of the following questions and statements carefully and provide honest and complete responses to each

1 Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes______ No ______

2 I had my first face-to-face meeting with a Franchisor representative on ______________, 20___

3 Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes______ No ______

4 Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes______ No ______

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary)

____
____
____
____
____
____

5 Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes_____ No _____

6 Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes_____ No _____

7 Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes_____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary)

____
____
____
____
____
____

8 Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes_____ No _____

If No, do you wish to have more time to do so?

Yes_____ No _____

9 Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes_____ No _____

10 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes_____ No _____

11 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes_____ No _____

12 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes_____ No _____

13 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes_____ No _____

14 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes_____ No _____

15 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes_____ No _____

16 Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes_____ No _____

17 Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes_____ No _____

18 Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ____

____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered Yes to question 9, and No to each of questions 10 17, please leave the following lines blank

I signed the Franchise Agreement and Addendum (if any) on______________, 20 , and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor

Please understand that your responses to these questions are important to us and that we will rely on them By signing this Questionnaire, you are representing that you have responded truthfully to the above questions In addition, by signing this Questionnaire you also acknowledge that

A You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location operation costs lease terms and costs and the marketplace You hereby acknowledge your awareness of and willingness to undertake these business risks

B You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None

C You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt other anti terrorism measures (the "Anti-Terrorism Measures) The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is

(i) a person or entity listed in the Annex to the Executive Order,

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism,

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or

(iv) owned or controlled by terrorists or sponsors of terrorism

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure

Acknowledged this______day of________________, 20____

Sign here if you are taking the franchise as an

INDIVIDUAL

____
Signature

Print Name____________________________

____
Signature

Print Name____________________________

____
Signature

Print Name____________________________

____
Signature

Print Name____________________________

Sign here if you are taking the franchise as a
CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

____
Print Name of Legal Entity

By ______________________________
Signature

Print Name____________________________

Title________________________________

Exhibit I to the
Burgerim Franchise Disclosure Document STATE

ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process We may not yet be registered to sell franchises in any or all of these states

If a state is not listed, Burgerim Group USA,, Inc has not appointed an agent for service of process in that state in connection with the requirements of franchise laws There may be states in addition to those listed above in which Burgerim Group USA, Inc has appointed an agent for service of process

There may also be additional agents appointed in some of the states listed

CALIFORNIA California Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576 7500 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	**CONNECTICUT** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent Banking Commissioner
HAWAII (state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586 2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	**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 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

(for service of process)
Maryland Securities Commissioner
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN
(state administrator)

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

(for service of process)
Corporations Division
Bureau of Commercial Services
Department of Labor and Economic Growth
P O Box 30054
Lansing, Michigan 48909

MINNESOTA
(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 500
St Paul, Minnesota 55101-2198
(651) 296-6328

(for service of process)
Minnesota Commissioner of Commerce

NEW YORK
(state administrator)

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

(for service of process)
Secretary of State of New York
41 State Street
Albany, New York 12231
(518) 474-4750

NORTH DAKOTA

North Dakota Securities Department
State Capitol, Fifth Floor, Dept 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505
(701) 328-4712

OREGON Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Securities Division Department of Business Regulation, Bldg 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582
SOUTH DAKOTA Division of Securities Department of Labor & Regulation 445 East Capitol Avenue Pierre, South Dakota 57501 (605) 773-4823	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON (state administrator) Department of Financial Institutions Securities Division P O Box 9033 Olympia, Washington 98507-9033 (360) 902-8760 (for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S W Tumwater, Washington 98501	**WISCONSIN** (state administrator) Division of Securities Department of Financial Institutions 345 W Washington Ave , 4th Floor Madison, Wisconsin 53703 (608) 266-1064 (for service of process) Administrator, Division of Securities Department of Financial Institutions 345 W Washington Ave , 4th Floor Madison, Wisconsin 53703

Exhibit J to the
Burgerim Franchise Disclosure Document

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this day of_____________, 20 by and between Burgerim Group USA,, Inc , a California corporation having its principal place of business located at 16861 Ventura Blvd Suite # 303, Encino, California 91436 (the "Franchisor), and _________________, a __________ with a principal address at ____ (hereinafter referred to as "Releasor), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows

1 **Release by Releasor**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement In the event Releasor breaches any of the promises covenants or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees

2 Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph

3 Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary

4 California law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto

5 In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the state and/or federal courts closest to Franchisor's headquarters

6 This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby, have executed this agreement effective as of the date first above

Witness	RELEASOR
______________________	______________________ (Name)
Witness	BURGERIM GROUP USA,, INC
______________________	By ______________________ Name ______________________ Title ______________________

RECEIPT

(KEEP THIS COPY FOR YOUR RECORDS)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language Read this disclosure document and all agreements carefully

If Burgerim Group USA,, Inc offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Burgerim Group USA, Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit I

The franchisor is Burgerim Group USA,, Inc , located at 16861 Ventura Blvd Suite # 303, Encino, California 91436 Its telephone number is (818) 6508307

Issuance date ________ See the State Effective Dates page for state-related information

The name, principal business address and telephone number of the franchise seller for this offering is ____

Burgerim Group USA, Inc authorizes the agents listed in Exhibit I to receive service of process for it

I have received a disclosure document dated________________, 20___that included the following Exhibits

A – Financial Statements	F – Table of Contents of Operations Manual
B-Small Business Administration Addendum	G- Multi-State Addendum
C – Franchise Agreement	H – Franchisee Disclosure Acknowledgment Statement
D – List of Franchisees Operators	I – List of State Administrators/Agents for Service of Process
E – Franchisees Operators Who Have Left the System	J – Form of General Release

Date ____________________ (Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

You may return the signed receipt either by signing, dating and mailing it to Burgerim Group USA, Inc at 16861 Ventura Blvd, # 303, Encino, California 91436 , or by faxing a copy of the signed and dated receipt to Burgerim Group USA Inc at fax number is (818) 6508308

RECEIPT

(RETURN THIS COPY TO US)

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Date ____________________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

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