

FRANCHISE DISCLOSURE DOCUMENT



HOMMIES SHAWARMA

HOMMIES SHAWARMA FRANCHISE, INC.
An Illinois Corporation
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As a Hommies Shawarma franchisee, you will operate a fast-casual restaurant concept specializing in healthy and authentic Mediterranean wraps, bowls, and salads.

The total investment necessary to begin operation of a franchised business ranges from \$235,000 to \$453,500. This includes \$45,000 to \$49,000 which must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an Area Development Business for 3 to 5 outlets is \$295,000 to \$543,500. This includes \$105,000 to \$149,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, 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 to you. To discuss the availability of disclosures in different formats, contact Maen Qadan, 7925 S. Harlem Avenue, Burbank, IL 60459; 301-789-4713; maenqadan@gmail.com.

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

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

Call your state agency or visit your public library for other sources of information on franchising. There may be laws on franchising in your state. Ask your state agencies about them.

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G-1 and G-2.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets
Will my business be the only Hommies Shawarma business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Hommies Shawarma franchisee?	Item 20 or Exhibits G-1 and G-2 list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Illinois than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.
4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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

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ITEM 1. THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

The Franchisor.

The franchisor is Hommies Shawarma Franchise, Inc. d/b/a Hommies Shawarma. For ease of reference in this disclosure document, Hommies Shawarma Franchise, Inc. is referred to as “Hommies Shawarma,” “we,” “us,” or “our” and the person who is considering the franchise is referred to as “you” or “your.” If you are a corporation, limited liability company, or other legal entity, certain provisions of the franchise agreement and any related agreements will apply to your owners.

We are an Illinois corporation formed on June 27, 2025.

We do business under our corporate name and Hommies Shawarma.

Our principal business address is 7925 S. Harlem Avenue, Burbank, IL 60459.

Exhibit B contains our agents for service of process.

We have not operated a business of the type being franchised or engaged in any other line of business. We began offering Hommies Shawarma franchises in September 2025. We have not offered franchises in any other line of business.

Parents, Predecessors, and Affiliates.

Parents or Predecessors.

We do not have a parent or predecessor.

Affiliates.

We have no affiliates that offer or sell products or services to our franchisees or that offer franchises in this line or any other line of business.

We have an affiliate, Hommies Inc. d/b/a Hommies Shawarma, an Illinois corporation formed on February 21, 2024, with a principal business address of 7925 S. Harlem Avenue, Burbank, IL 60459, which has operated an outlet similar to the one offered through this disclosure document since February 2024.

The Franchise Offered.

We offer franchises for a fast-casual restaurant concept specializing in healthy and authentic Mediterranean wraps, bowls, and salads under the trademark and trade name Hommies Shawarma and using our System. The distinguishing characteristics of the System include uniform standards and procedures for efficient business operations; proprietary ingredients and recipes and preparation methods; procedures and strategies for marketing, advertising and promotion; customer service and development techniques; other strategies and techniques; and trade secrets and other confidential information.

You must sign our standard franchise agreement (“Franchise Agreement”) and operate the franchised business following the System and in compliance with the Franchise Agreement.

We also offer qualified individuals the right to operate multiple Franchised Businesses, typically three to five, per an agreed upon development schedule, under an Area Development Agreement. You must execute

the Franchise Agreement for your first outlet under the Area Development Agreement at the same time as the Area Development Agreement. You must sign then current future franchise agreements which may differ from the form of franchise agreement included in this franchise disclosure document. We base our qualifications on whether or not we will also offer you the opportunity to become an area developer based on your financial resources, your experience in the industry, your business experience, as well as your marketing and sales plans.

Market and Competition.

The market for your services and products is the general public. In most areas, the market is developed. Sales are year-round.

Your franchised business will compete with other restaurant and food service businesses offering services and products similar to those that you will offer, including franchised operations, national chains, and other independently owned companies.

Industry Specific Regulations.

Your business may be subject to various federal, state, and local laws and regulations, including those that (i) establish general standards, specifications, and requirements for the construction, design, and maintenance of restaurant premises, (ii) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements for restaurants, employee practices concerning the storage, handling, cooking, and preparation of food and beverages, restrictions on smoking, availability of and requirements for public accommodations, including restrooms, (iii) establish menu disclosure standards, and (iv) regulate the proper use, storage, and disposal of waste materials. In some states the restaurant must obtain a food sanitation certification before opening and or certain employees must have food handling certificates. You should investigate the application of these laws further.

ITEM 2. BUSINESS EXPERIENCE

DIRECTOR AND CEO – MAEN QADAN

Maen Qadan has served as our Director and CEO from our inception in June 2025 until the present. Maen Qadan has also served as the CEO of our Affiliate, Hommies Inc. d/b/a Hommies Shawarma, from its inception in February 2024 to the present, in Burbank, Illinois. Additionally, Maen Qadan has served as Distinguished Scientist at Johnson & Johnson in Malvern, Pennsylvania since April 2026. From January 2021 to April 2026, he was Executive Director of CSL Behring in Kankakee, Illinois.

HEAD OF OPERATIONS – MOTASEM QADAN

Motasem Qadan has served as our Head of Operations from our inception in June 2025 until the present. Motasem Qadan has also served as the Head of Operations of our Affiliate, Hommies Inc. d/b/a Hommies Shawarma, from November 2024 to the present, in Burbank, Illinois. Additionally, Motasem Qadan has served as Controls System Engineer III at Johnson Controls from January 2022 to the present in Indianapolis, Indiana. Motasem Qadan also served as a Mechanical Designer at Advanced Engineering Consultants in Indianapolis, Indiana from January 2020 to January 2022.

HEAD OF MARKETING AND BRANDING – IBRAHIM BRAIK

Ibrahim Braik has served as our Head of Marketing and Branding from our inception in June 2025 until the present. Ibrahim Braik has also served as the Head of Marketing and Branding of our Affiliate, Hommies

Inc. d/b/a Hommies Shawarma, from November 2024 to the present, in Burbank, Illinois. Additionally, Ibrahim Braik has served as Co-Founder of Hommies Jordan from January 2018 to the present in Amman, Jordan.

HEAD OF SUPPLY CHAIN – LAITH TELLAWI

Laith Tellawi has served as our Head of Supply Chain from our inception in June 2025 until the present. Laith Tellawi has also served as the Head of Supply Chain of our Affiliate, Hommies Inc. d/b/a Hommies Shawarma, from November 2024 to the present, in Burbank, Illinois. Additionally, Laith Tellawi has served as Co-Founder of Hommies Jordan from January 2018 to the present in Amman, Jordan.

HEAD OF PRODUCT DEVELOPMENT – MOHAMMAD ALNASSER

Mohammad AlNasser has served as our Head of Product Development from our inception in June 2025 until the present. Mohammad AlNasser has also served as the Head of Product Development of our Affiliate, Hommies Inc. d/b/a Hommies Shawarma, from November 2024 to the present, in Burbank, Illinois. Additionally, Mohammad AlNasser has served as Co-Founder of Hommies Jordan from January 2018 to the present in Amman, Jordan.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Fee

You must pay us, upon signing the franchise agreement, a \$40,000 initial franchise fee (“Initial Franchise Fee”).

Under the Area Development Agreement, after the first franchise, you will pay an Initial Franchise Fee of \$30,000.

The Initial Franchise Fee is non-refundable except if we terminate your franchise for your failure to satisfactorily complete our initial training program. In that event, we will refund you the Initial Franchise Fee paid less the actual costs we have incurred related to your franchise prior to termination up to 50% of the Initial Franchise Fee paid.

Pre-Opening Purchases

Before opening for business, you must purchase from us an initial inventory of our proprietary spices and sauces. The estimated cost is \$5,000.

Before opening for business, you may but are not required to purchase packaging from us. The estimated cost for an initial supply of packaging purchased from us is \$0 to \$4,000.

The purchase price for these items is non-refundable once purchased.

Area Development Program

If you sign an Area Development Agreement (“ADA”) and become an area developer, you will pay us the Initial Franchise Fee of \$40,000 for your first franchise and a non-refundable development fee (“Development Fee”) based on the number of Businesses to be developed. The number of Businesses required by the Development Schedule will be determined by a number of factors, such as the size of the Development Area, the population of the Development Area, and your financial capacity and expertise in developing businesses. The Development Fee is \$20,000 times the number of additional franchises you will develop under the Development Schedule. You will be required to sign our then-current Franchise Agreement for each Business. The Development Fee is paid in a lump sum at the time the ADA is signed, is uniform to all developers currently acquiring development rights, and is not refundable. As you execute each new Franchise Agreement, \$20,000 of the Development Fee paid will be credited against the initial franchise fee due and you will pay the balance of the Initial Franchise Fee. The Development Fee for 3 to 5 outlets is \$60,000 to \$100,000.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Revenue	Due monthly by the 10 th of the month for the previous month	See Note 2
Marketing Fund Contribution	Up to 2% of Gross Revenue. Currently not being charged.	Due monthly by the 10 th of the month for the previous month	See Note 2
Technology Fee	Currently \$50 per month. Amount can be changed on 60 days’ notice	Due monthly by the 10 th of the month	See Note 3.
Local Advertising	The greater of 1.5% of Gross Revenues or \$2,000 per month	Monthly	You are required to spend these sums on local advertising and promotions pursuant to our guidelines.

Type of Fee	Amount	Due Date	Remarks
Regional Cooperative Advertising	As determined by a majority of the members of the cooperative. Not to exceed the amount you are required to spend on local marketing.	Determined by the cooperative.	Payable if a cooperative is established in your area. Amounts paid to the cooperative will be a credit against the local advertising requirement. All Franchised Businesses included in the cooperative will have one vote per Hommies Business.
Grand Opening Advertising	Minimum of \$4,000	Around the time of opening	You agree to pay these sums to promote the opening of the Franchised Business pursuant to our guidelines.
National Franchise Convention Fee	Undetermined since we have not yet held a convention.	As Incurred	Payable if we hold a convention and you choose to or we require you to attend.
Insufficient Funds	\$75 per occurrence	As incurred	Due if you have insufficient funds in your Electronic Depository Transfer Account ("EDTA") to cover a payment, or if you pay by check, a check is returned for insufficient funds.
Renewal Fee	\$5,000	At time of renewal	Payable if you renew your franchise after the expiration of the initial franchise term.
Retraining Fee	Currently estimated to be \$500 per trainee per day; subject to change.	At the time of retraining	Payable to us if your manager does not pass initial training and we permit you to send a substitute manager to us for training.
Additional on-site opening or ongoing assistance	Currently, we charge \$500 per day per each of our representatives, plus their expenses for travel, lodging, and meals. Subject to change.	Prior to providing additional assistance	Payable if you request additional assistance at your site with respect to the opening or continued operation of the Franchised Business, and should we deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional assistance.

Type of Fee	Amount	Due Date	Remarks
Additional Training or Assistance	Currently, we charge \$500 per day per person plus expenses for training at our location, and \$500 per day per person plus expenses for training plus travel, lodging, and meals incurred by our trainer for training at your location. Subject to change.	When training or assistance begins	We may charge you for training newly-hired personnel; for refresher training courses; for the seminars, conference, and webinars; and for additional or special assistance or training you need or request. For all training sessions and conferences, you must pay a fee to cover the cost of our representatives, and for their travel, lodging, and meal expenses.
Audit Fee	Our costs of inspection	Upon demand	Payable if the audit or any other inspection reveals an underpayment of 2% or more. This is in addition to your payment of the underpayment due.
Product and Service Purchases	Actual amount incurred	As incurred	Payable if you must purchase certain products and services from us or our affiliates. See Item 8.
Testing of Products or Approval of new Suppliers	Costs incurred by us in testing new products or inspecting new suppliers.	When billed	Payable if you request that a new product or supplier be approved by us.
Insurance	You must reimburse our costs	15 days after billing	Payable if you fail to obtain insurance, and we obtain insurance for you.
Transfer Fee	\$10,000	On or before transfer completed	Payable you sell, transfer or assign the franchise to a third party. No charge if Franchise Agreement is transferred to an entity you control.

Type of Fee	Amount	Due Date	Remarks
De-Identification Reimbursement Fee	Actual costs incurred by us.	As incurred	Payable if you fail to de-identify upon termination or expiration of the Franchise Agreement and we incur costs in making necessary changes you have failed to make.
Management Fee	Currently we charge \$500 per person per day (plus other costs and expenses not paid out of the operating cash flow)	As incurred	Due when we (or a third party) manage your outlet after your managing owner's death or disability until it is transferred to an approved third party, or after your default or abandonment.
Indemnification	Will vary	As incurred	You must reimburse us if we are held liable for claims from your outlet's operation.
Cost of Enforcement	All costs, including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations if we prevail.

Unless otherwise stated, all fees are uniformly imposed by, payable to, and collected by us. We may mandate fees for third party services and it is your duty to pay such fees. All fees payable to us are non-refundable. Whether fees paid to third parties are refundable would depend on their policies.

NOTES

¹Fees shall be payable to us by electronic funds transfer. See Schedule 5 of the Franchise Agreement. We reserve the right to change the time and manner of payment at any time upon written notice to you.

² "Gross Revenue" means all business revenue which the Franchisee accrues during the operation of the Franchise, but excluding taxes collected from customers and paid to any taxing authority, tips collected from customers and paid to employees, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks given in good faith to customers.

³ We will determine how and for what purposes the technology fee will be used. The purposes may include covering our costs or paying fees to third party providers for technology development, maintenance and usage in the franchise system, for subscription and license fees paid by us to provide you access to and to use certain technology tools, website maintenance, providing email addresses, and for related research and development. We may change the amount of the fee upon 60 days' notice to you.

⁴ For any fees described above that are subject to change, we will give you 60 days' prior notice before implementing a fee change. In no event will any fee subject to change be increased annually by more than the increase in the Consumer Price in that calendar year.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. FRANCHISE AGREEMENT

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee ¹	\$40,000	\$40,000	As arranged	Upon signing your Franchise Agreement	To us
Traveling and Living Expenses while Training ²	\$3,000	\$4,500	As arranged	As incurred	Third parties
Real Property Rent and Security Deposits (3 months) ³	\$15,000	\$22,500	As arranged	As incurred	To your landlord
Leasehold Improvements ⁴	\$30,000	\$125,000	As arranged	As incurred	Contractors
Furniture, Fixtures, and Décor ⁵	\$15,000	\$35,000	As arranged	As incurred	Third parties
Initial Inventory ⁶	\$10,000	\$25,000	As arranged	As incurred	Suppliers and Us
Signage ⁷	\$5,000	\$12,000	As arranged	As incurred	Third parties
Grand Opening Advertising ⁸	\$4,000	\$8,000	As arranged	As incurred	Third parties
Licenses, Permits, and Certifications ⁹	\$1,000	\$1,500	As arranged	As incurred	Third parties
Insurance (3 Months) ¹⁰	\$1,000	\$1,500	As arranged	Monthly or as arranged	Insurance company
Kitchen Equipment ¹¹	\$60,000	\$90,000	As arranged	As incurred	Third parties
Computer and POS System, Cameras, and Supplies ¹²	\$3,500	\$5,000	As arranged	As incurred	Third parties
Professional Fees ¹³	\$2,500	\$3,500	As arranged	As incurred	Attorneys/accountants
Additional Funds (3 months) ¹⁴	\$45,000	\$80,000	As arranged	As incurred	Employees, suppliers, utilities, lessors, etc.
Total ¹⁵	\$235,000	\$453,500			

NOTES:

¹Initial Franchise Fee- The Initial Franchise Fee in the table above is for a single territory. All fees payable to us in the above table are non-refundable. Whether fees paid to third parties are refundable would depend on their policies.

²Travel and Living Expenses While Training- These are the estimated amounts for travel and living expenses while training based on one person attending initial training.

³Real Property Rent and Security Deposits- We anticipate that you will rent the Business's premises. You would normally lease property in the approximate size range of 1,500 – 2,000 square feet, typically in a strip center. Real estate costs depend on location, size, visibility, economic conditions, accessibility, and competitive market conditions. Because of the numerous variables that affect the value of a particular piece of real estate, this estimated initial investment table does not reflect the potential cost of purchasing real estate.

⁴Leasehold Improvements- The cost of leasehold improvements depends upon the condition and size of the leasehold, the local cost of contract work, and the location of the Franchised Business. This amount will vary based on the condition of the existing leasehold premises and amount of additional work needed. Tenant improvement allowances, if any, paid to you may defray a portion of build-out costs. The lower estimate assumes you lease a premises that was previously a restaurant.

⁵Furniture, Fixtures, and Décor- This amount is for the furniture, fixtures, and décor needed to begin operations.

⁶Initial Inventory- The initial inventory is to cover the initial inventory that you will need to operate your Franchises Business. Inventory to be purchased includes ingredients and other food and beverage products, and packaging. Before opening for business, you must purchase from us approximately \$5,000 of proprietary spices and sauces.

⁷Signage- The cost of signs may vary depending on the type, size, and location of the signs, and may also be affected by municipal restrictions.

⁸Grand Opening Advertising- You must spend a minimum of \$4,000 to promote the opening of the Franchised Business pursuant to our specifications.

⁹Licenses, Permits, and Certifications- Estimated costs of obtaining required licenses and permits to operate your business. Some costs may vary depending on the location of the Franchised Business.

¹⁰Insurance- You must purchase insurance per our specifications for minimum coverages and amounts. See Item 8. Your costs will vary.

¹¹Kitchen Equipment- These are the estimated amounts for Kitchen Equipment needed to complete the buildout of your location. The equipment includes flat top grills, sandwich grills, friers, refrigerators and toasters.

¹²Computer and POS System, Security System- You must purchase a computer and POS system, as well as a security system, pursuant to our specifications.

¹³**Professional Fees**- You may incur professional fees to set up your entity, assist with this franchise purchase, assist with lease negotiation, and in obtaining any required licenses or permits.

¹⁴**Additional Funds-3 Months**. We relied on our Affiliate's experience in establishing a business similar to the Franchised Business to compile these estimates. This estimate is for amounts needed for operation of the Franchised Business for the first 3 months, including general operating expenses, purchasing additional inventory, payroll and payroll expenses, royalties, utilities, insurance, and similar expenses. These figures only are estimates and you may incur additional expenses in starting the Franchised. These amounts do not include any estimates for an owner's draw or debt service

¹⁵**Total**- We do not offer financing directly or indirectly for any part of the initial investment.

B. AREA DEVELOPMENT AGREEMENT

Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Development Fee (Note 1)	\$60,000	\$100,000	Lump Sum	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business (including Initial Franchise Fee)	\$235,000	\$453,500	See Chart 7(A) above.		
TOTAL	\$295,000.00	\$543,500.00			

The estimates in this Chart 7(B) assume that you will be entering into an Area Development Agreement for the right to open and operate a low of 3 to a high of 5 Franchised Businesses within a Development Area. It includes the Development Fee paid under the Area Development Agreement and the initial investment for establishing the first Franchised Business under the Area Development Agreement.

You will have additional expense as you establish each subsequent franchised restaurant.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Currently, you must purchase the following from designated suppliers: proprietary sauces and spices, all other ingredients, food and beverage products, packaging and certain software. We are the sole designated supplier for the proprietary sauces and spices. We may develop additional proprietary products in the future, and if we do so, we can require that you purchase them from us or a supplier we designate.

In addition, the following must be purchased either from approved suppliers or according to our specifications and standards: materials for leasehold improvements, computer system, security system, furniture, fixtures, equipment, signs, uniforms, and non-food inventory and supplies.

In addition to purchases discussed above, you must maintain, at your expense, the insurance coverage we require and must meet the other insurance related obligations in the Franchise Agreement. All required

insurance policies must be issued by one or more insurance carriers acceptable to us and must name us as an additional insured. Currently the following is required:

General Liability Insurance	\$1,000,000	Per Occurrence
	\$2,000,000	In the Aggregate
Business Property Insurance	\$50,000 (or more depending on the value of your business property)	Per Occurrence
Worker's Compensation	As required by law	Per Employee
Other insurance	As required by landlord	

You must obtain any additional insurance and/or higher minimum limits as we may reasonably require during the franchise term.

Other than ownership in us, none of our officers has an ownership interest in any designated or approved supplier.

We do not maintain written criteria for approving suppliers and thus these criteria are not available to you or your proposed supplier. We do permit you to contract with alternative suppliers if approved by us and they meet our criteria. We charge you any costs incurred by us to test another supplier that you propose. If you wish to propose to us another supplier, you may submit the proposed supplier that you wish for us to consider in writing. Your request must include sufficient specifications, photographs, drawings and other information and samples to enable us to determine whether supplier meets our specifications. Your request must also provide confirmation that the supplier is financially sound and carries adequate liability insurance. We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved vendors. We will notify you within 30 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

We may issue purchasing specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

We will derive revenue from required and optional purchases by you of products and services or leases by you. In our last fiscal year ending December 31, 2025, neither we nor our affiliate derived revenue or other material consideration from required purchases or leases by franchisees.

We estimate that approximately 70% of your expenditures for leases and purchases in establishing your Franchised Business will be for goods and services that must be purchased from us, an Affiliate, an approved supplier, or from another party according to our standards and specifications. We estimate that approximately 30% of your expenditures on an ongoing basis will be for goods and services that must be purchased either from us, an Affiliate, an approved supplier or another party according to our standards and specifications.

In the fiscal year ended December 31, 2025, we did not yet receive any supplier rebates from purchases by franchisees but may do so in the future.

At this time, we do not have any purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

We do not provide material benefits to you based on your use of a particular supplier. However, you must comply with the requirements to purchase from designated or approved suppliers to be in compliance with your Franchise Agreement.

You may use your own advertising materials provided that you submit them to us and we approve them, in writing before their use. Your advertising materials must also adhere to federal, state and local law.

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.

Franchisee's Obligations	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure
a. Site selection and acquisition/lease	2, 5 and 8; Schedule 1	3	11, 12
b. Pre-opening purchases/leases	5, 13, and 15	3	7, 8, 11
c. Site development and other pre-opening requirements	2, 3, 5, 8, and 10	3	11
d. Initial and ongoing training	8	Not Applicable	11
e. Opening	4, 5, 8, 11, and 13	3	11
f. Fees	3, 4, 8, 10, 11, 12, 13, 15, 18, 21, 22, and 23	2, 4	5, 6, 7, 8, 11
g. Compliance with standards and policies/operating manual	6, 7, 9, 10, and 13	Not Applicable	8, 11, 14, 16
h. Trademarks and proprietary information	6, 7, 9 and 13	Not Applicable	13, 14
i. Restrictions on products/services offered	6 and 13	Not Applicable	8, 16
j. Warranty and customer service requirements	13	Not Applicable	16
k. Territorial development and sales quotas	Not Applicable	3	12
	13	Not Applicable	8, 11

Franchisee's Obligations	Section in Franchise Agreement	Section in Area Development Agreement	Item in Disclosure
l. Ongoing product/service purchases			
m. Maintenance, appearance & remodeling requirements	3, 10, and 13	Not Applicable	6
n. Insurance	15	Not Applicable	6, 7, 8
o. Advertising	11	Not Applicable	6, 7, 8, 11
p. Indemnification	21	Not Applicable	6
q. Owner's participation/management/staffing	8 and 13	Not Applicable	15
r. Records and reports	12	Not Applicable	11
s. Inspections and Audits	6 and 12	Not Applicable	6, 11, 13
t. Transfer	18 and 19	Not Applicable	6, 17
u. Renewal	4	Not Applicable	17
v. Post-termination obligations	17, Schedule 2	Not Applicable	17
w. Non-competition covenants	7, 9, and 17; Schedule 2	Not Applicable	17
x. Dispute resolution	23; Schedules 2, 3	Not Applicable	17

ITEM 10. FINANCING

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

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

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

1. Before you open your Franchised Business, we will:

a. Provide an initial training program. This training does not include any professional licenses, certification, or other training you must possess and/or complete before you can operate the Franchised Business. (Section 8.1 of the Franchise Agreement).

b. Provide to you site selection assistance to guide you in selecting a site. You must obtain our approval of a location within 90 days of signing the Franchise Agreement. We must approve your site before you sign the lease. (Section 5.1 of Franchise Agreement)

c. Provide to you opening assistance and guidance to assist you with any questions you may have in operating and establishing the Franchised Business. (Section 8.2 of the Franchise Agreement).

d. Provide to you, on loan, one copy of our Operations Manual or provide you with access to an electronic copy of the Operations Manual. The Table of Contents of the Operations Manual, along with number of pages devoted to each section, is included as Exhibit D to this Disclosure Document. (Section 9.1 of the Franchise Agreement). The Operations Manual contains a total of 54 pages.

e. We may provide specifications or a list of approved suppliers for obtaining equipment, signs, furniture, fixtures, opening inventory and supplies. (Section 13.1 of the Franchise Agreement).

f. We provide you designs and specifications for restaurant layout, interior design, kitchen flow and interior décor. (Section 5.1(c) of the Franchise Agreement)

g. We will provide you with our written consent to open the Franchised Business. (Section 5.3 of the Franchise Agreement)

2. After the opening of the Franchised Business, we will:

a. Offer you advice, discuss problems, and offer general guidance, including guidance relative to pricing, by telephone and/or electronic correspondence, with respect to planning and operating the Franchised Business. (Section 14.1 of the Franchise Agreement).

b. Make available to you ongoing training as we think necessary. (Section 8.4 of the Franchise Agreement).

c. Provide you with modifications to the Operations Manual as they are made available to franchisees. (Section 9.2 of the Franchise Agreement).

3. Advertising and Promotion:

a. Local and Grand Opening Advertising. You must spend the greater of 1.5% of Gross Revenues or \$2,000 per month on local advertising pursuant to our guidelines. You agree to spend a minimum of \$4,000 on Grand Opening Advertising to promote the opening of your business, pursuant to our guidelines. (Section 11.2 of the Franchise Agreement).

b. Marketing Fund. We will maintain and administer a system-wide marketing fund (the "Marketing Fund") for the creation and development of advertising, marketing and promotional programs as we deem necessary or appropriate to advertise or promote Franchised Businesses. (Franchise Agreement, Section 11.1.) We can require you to contribute up to 2% of Gross Revenue to the Marketing Fund. We and our affiliates are not obligated to contribute to the Marketing Fund, although we may do so in our discretion.

We will direct all advertising, marketing and promotional programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials, and endorsements used in them, and the geographic, market, and media placement and allocation of the programs. The Marketing Fund may be used to pay the costs of preparing and producing video, audio, written and electronic advertising materials; administering national, regional or local advertising and promotional programs including, without limitation, direct mail, social media

and other media advertising; establishing and maintaining a website for the franchise system; supporting public relations, market research and marketing activities; providing advertising, marketing and promotional materials or content to the Hommies franchises; employing advertising or public relations agencies to assist in any of the activities of the Marketing Fund; and other brand development activities.

The Marketing Fund will be a separate and distinct account and will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for any reasonable salaries, administrative costs and overhead we may incur in activities reasonably related to the administration of the Marketing Fund and its advertising, marketing and promotional programs (including, conducting market research, preparing advertising, marketing and promotional materials, establishing and maintaining a website for Franchised Businesses, establishing and maintaining technology for use in the operation of the Franchised Businesses, and collecting and accounting for contributions to the Marketing Fund). We may spend in any fiscal year an amount greater or less than the total contribution of Franchised Businesses to the Marketing Fund in that year. We may cause the Marketing Fund to borrow from itself or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising, marketing and promotional costs of the Marketing Fund before other assets of the Marketing Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Marketing Fund and will furnish it to you on written request. There is no requirement that the Marketing Fund be audited.

The Marketing Fund is intended to maximize recognition of the Marks and patronage of Franchised Businesses. Although we intend to use the Marketing Fund to develop advertising, marketing and promotional materials, and to place advertising in a manner that will benefit all Franchised Businesses, we have no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Marketing Fund by Franchised Businesses operating in that geographic area or that any Franchised Business will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising, marketing and promotional materials or the placement of advertising. Contributions to the Marketing Fund will not be used principally to solicit new franchise sales. We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Marketing Fund. We have the right to discontinue or reestablish the Marketing Fund. If the Marketing Fund is discontinued, all amounts remaining in the Marketing Fund on the date of discontinuance will be distributed to franchisees in proportion to their respective contributions for the most recent 12 months.

Since no Hommies franchised businesses opened for business in 2025, we did not use Marketing Funds in the fiscal year ended December 31, 2025.

c. Use of Your Own Advertising Material. You may use your own advertising materials provided that you submit them to us and we approve them, in writing before use, and they adhere to federal, state and local law. (Section 11.2 of the Franchise Agreement).

d. Advertising Council. We do not have an advertising council composed of franchisees that advise us on advertising policies at this time, but reserve the right to form one in the future. (Section 11.3 of the Franchise Agreement).

e. Cooperative Advertising. We may designate or approve the establishment of a local or regional advertising cooperative consisting of franchisees in a certain area for purposes of developing cooperative local or regional advertising or promotional programs. The area covered by the cooperative will be determined by us. The members of the cooperative will determine what advertising and promotional programs it will undertake, subject to our prior approval, and you must contribute to the advertising cooperative the amount and in the manner determined by the cooperative. Payments you make to the cooperative are credited toward your local advertising expense requirement. The members of the cooperative are responsible for the administration of the cooperative and each Shamies restaurant (whether franchised or owned by us or

an affiliate) will have one vote. The cooperative does not have to operate from written governing documents and does not have to prepare annual or periodic financial statements. We have the power to form, change, dissolve or merge cooperatives. Hommies owned and operated by us or our affiliates will be members of any cooperative covering their area and will contribute in the same manner as other members. (Section 11.3 of the Franchise Agreement)

f. You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website that provides information about the System and our franchises. All information posted on our website or any linked webpages must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce, and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, our website. You are not permitted to use a domain name containing our marks in the URL. (Section 11.4 of the Franchise Agreement).

4. Computer Systems:

You must purchase and use any hardware and software programs we designate. (Section 12.5 of the Franchise Agreement). Presently, we require you to purchase the following hardware and software:

Hardware
1 desktop or laptop computer with internet access, a printer/copier/scanner, Hardware for Toast POS and Credit Card Processing System
Software
Toast POS System, QuickBooks Online

The approximate cost of the hardware and software ranges from \$3,000 to \$4,000.

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades, or updates. You must maintain your computer systems in good working order and must replace, update, or upgrade your hardware systems as we require. There is no contractual limitation on the frequency or cost of such maintenance duties. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately \$500.

We have, and you are required to provide, independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You also must provide to us 24-hour access to any video surveillance video stream via approved equipment. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. There are no contractual restrictions on our right to access your data. (Section 12.6 of the Franchise Agreement).

5. Site Selection

We provide site selection criteria to you to assist you in locating a site for the Franchised Business. (Franchise Agreement, Section 5.1). We do not generally own the premises and lease it to you. We consider the following factors when reviewing a proposed site: (i) residential population, (ii) income levels, (iii) demographics, (iv) competition, (v) visibility, (vi) proximity to other franchised or affiliate locations, (vii) accessibility, (viii) traffic, (ix) size, (x) condition and character, (xi) parking, and (xii) available signage.

You must secure a location for the Business within 90 days of the signing of the Franchise Agreement; this includes the requirement of obtaining our written approval for your selected location. We will generally approve or deny your selected location within 10 days, but we maintain the right to take additional time if circumstances demand it. In addition, you must sign the lease or otherwise secure the legal right to occupy the location, meeting all the state and local specifications, within 15 days following our approval of such location. If you and we do not agree on a selected site in the permitted time, we can allow you more time or terminate the Franchise Agreement. (Section 5.1 of the Franchise Agreement)

For franchisees under Area Development Agreements, we use the same site selection assistance procedures and timing for each additional unit franchise agreement you enter into with us as part of the Area Development Agreement.

6. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise is approximately 180-240 days. Factors that may affect your beginning operations include the ability to secure permits, perform the buildout, obtain and install furniture, fixtures, and equipment, and hire and train employees. You must open your franchised business and be operational within 300 days from executing the Franchise Agreement. Nonetheless, we reserve the right to grant extensions to the Time Before Operations period at our sole and absolute discretion, we are in no way obligated to consider such extensions in any case. (Section 5.3 of the Franchise Agreement).

7. Training

We provide you with an initial training program before you commence operations, covering the areas identified in the below table. At least one owner must attend and satisfactorily complete the initial training program. Up to 2 managerial employees of your choosing may also attend at your option. The time frames provided in the chart are estimates of the time it will take to complete training. We do not charge for the initial training for you and up to 2 employees. You must pay for all travel costs and living expenses for yourself and any of your attendees. If you replace your manager, she/he must attend our training program. You will be charged for additional training, as provided for in Item 6. Your franchised business must at all times either be under day-to-day supervision of an owner or an approved manager who has satisfactorily completed our training program. Additional training shall be at a cost of \$500 per person per day if at our location, or \$500 per person per day if the training is at your location (plus costs of travel, air fare and incidentals). (Sections 8.1, 8.3, and 8.4 of the Franchise Agreement).

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction to Hommies Shawarma	2 hours	0 hours	Note 1
Understanding Hommies Shawarma & its Menu	1 hour	8 hours	Note 1
Permits, Code Compliance, and Safety	3 hours	0 hours	Note 1
Customer Service	2 hours	8 hours	Note 1
Opening and Closing Procedures	0 hours	8 hours	Note 1
Food Preparation, Cooking & Handling	2 hours	24 hours	Note 1
Do's and Don'ts	2 hours	0 hours	Note 1
Marketing and Advertising	2 hours	0 hours	Note 1
Totals	14 Hours	48 Hours	Note 1

Note 1- Training Location- This training is offered at our affiliate outlet in Burbank, Illinois or another franchise training center we designate. We may offer a portion of classroom training online.

You may also need to attend third party training in safe food handling and serving as required by your state.

All persons attending the initial training program must complete the program to our satisfaction. If you cannot complete the program to our satisfaction, we may terminate the Franchise Agreement. (Sections 8.1 and 8.3 of the Franchise Agreement).

The following Instructors teach our initial training program: Ibrahim Braik, Mohammad AlNasser, and Laith Tellawi.

We describe the nature of the Instructors' experience in Item 2 above. Each has 7 years of experience in operating a restaurant offering similar products and services as the Franchised Business.

The principal instructional materials will consist of the Operations Manual.

From time to time, we may provide and if we do, have the right to require that you attend ongoing training programs, seminars, or webinars during the term of this Agreement, at your expense. Currently, we charge \$500 per person per day if ongoing training is at our location, or \$500 per person per day plus hotel, air fare and other expenses incurred by our trainer if ongoing training is at your location. We will not require you to attend more than 2 sessions in any calendar year. You will be responsible for all travel costs, room and board and employees' salaries incurred in connection with its attendance at such training. (Section 8.4 of the Franchise Agreement).

ITEM 12. TERRITORY

You are granted the franchise for one specific location approved by us. Once the site for your Franchised Business is approved, we will assign you an exclusive territory. The territory will be for a specific geographic region that we define and approve by radius, zip codes, natural, or political boundaries as set forth in the Franchise Agreement. The territory will normally be an area of a 5-mile radius around the site of your Franchises Business or an area containing a population of 400,000, whichever is smaller.

We may approve relocation of the franchised business if we feel that conditions have changed such that a relocation represents a sound business decision.

We would not normally grant to you approval to open an additional outlet within your territory, but may grant you additional franchise territories if we feel you have the time, energy, capital, and management structure to be able to successfully open and operate another territory. You must sign an additional Franchise Agreement for the grant of an additional franchise.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

Under each Franchise Agreement, you will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

Continuation of your territorial rights does not depend on achieving a certain sales volume, market penetration, or other contingency, and we may not alter your franchise territory, even if there is a population increase in your territory.

We and any affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You and other franchisees may not solicit (but may accept) orders from consumers outside of your territory, including through the use of other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, but you may engage in internet and social media marketing pursuant to our guidelines which such marketing may extend outside your territory. We also reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

You may not provide delivery service or catering services outside of your exclusive territory except with our prior written consent and only if the location for such services is not within the exclusive area granted to another Hommies Franchised Business.

Area Developers:

Under the Area Development Agreement (the “ADA”), you will develop, open and operate multiple outlets within a defined Development Area (the “Development Area”). The size of the Development Area will vary and will depend on the number of Hommies Shawarma Businesses you intend to open, the area or areas within which you want to develop Hommies Shawarma Businesses, our analysis of the market, and your business experience and financial resources.

You will receive not receive an exclusive territory under the ADA. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

When you seek to open further franchises under the ADA, we apply our then current site selection criteria to approve or disapprove of your proposed sites. You will be granted an exclusive territory under each Franchise Agreement.

Your ADA will contain a Development Schedule. If you do not meet the Development Schedule, we may terminate your rights to open future territories under the ADA, but may not terminate franchise agreements already in place.

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ITEM 13. TRADEMARKS

The franchise agreement licenses to you the right to use the following principal trademark (“Marks”). Our affiliate has applied for registration of the following Marks on the Principal Register with the U.S. Patent and Trademark Office (“USPTO”):

Description of Mark	Serial Number	Application Date
Hommies Shawarma	99158460	April 28 2025
	99171257	May 6, 2025

The registration applications for the above Marks were suspended by the USPTO in March 2026 due to applications filed prior to our applications that the USPTO may consider confusingly similar. If registrations are issued on the other applications, these registrations could be a basis for refusal of registration for our applications by the USPTO. The prior mark that could prevent registration of our word mark Hommies Shawarma is El Homiez owned by El Homiez Co. The El Homiez mark is used with restaurant services featuring Mexican food. In April 2026 we entered into a Consent Agreement with El Homiez Co. pursuant which it agreed not to challenge, oppose, petition to cancel, or otherwise object to or take any action against our use of the Hommies Shawarma marks or any application or registration with the USPTO for the mark in connection with restaurant services featuring Mediterranean food.

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

We intend to file all required affidavits and renewals.

There are no currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

We know of no infringing or prior superior uses that could materially affect the use of the Marks.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for any expenses in modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised business for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. We own copyrights in the Operations Manual, our website, our marketing materials, training manuals or videos, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

We do not have an obligation to protect the copyrights or to defend you against claims arising from your use of the copyrighted items. You must notify us if any claim for copyright infringement is brought against you over materials in which we claim a copyright. We have the right to control litigation over our copyrights. We are not required to participate in your defense or indemnify you for expenses and damages in a proceeding involving a copyright licensed to you. Your rights in the franchise agreement would continue if we require you to modify or discontinue using the subject matter covered by the copyright.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including recipes and food preparation methods, methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Hommies Shawarma Business. We will provide our trade secrets and other confidential information to you during training, in the Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business. You may only divulge trade secrets and/or other confidential information to employees who must have access to it to operate the Franchised Business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders, officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and

Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the franchised business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed without additional compensation to you. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. See Item 17.

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

Either an owner of Franchisee or its designated Manager (“Designated Manager”) must devote sufficient efforts to the management of the day-to-day operations of the Franchised Business, but not less than forty (40) hours per week. The Designated Manager must attend and satisfactorily complete our initial training program before managing the Franchises Business. You will be responsible for the hiring and setting compensation and other terms of employment for any individual you hire to act as the Designated Manager of the Franchised Business. You must keep us informed at all times of the identity of your Designated Manager. If you must replace the Designated Manager, your replacement Manager must attend and complete our training program at your expense before managing the Franchises Business. The Designated Manager is not required to own an equity interest in the Franchisee.

As described in Item 14, certain individuals associated with your Franchised Business, including your owners, officers, directors, partners, and your managers, executives, employees, and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all the services and products we specify. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we may disapprove of. We may take action, including terminating your franchise if you purchase or sell unapproved products or make purchases from unapproved suppliers. We may periodically change required or authorized services or products. There are no limits on our right to do so, except that your investment required to change required or authorized products or services will not be unreasonably disproportionate to your initial investment.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences.

You can sell to any customers who come to your Hommies Restaurant. You cannot provide delivery service or catering services to any location outside of your exclusive territory unless you obtain our prior written consent to do so, and in no event will you be permitted to do so in the exclusive territory granted to another Hommies franchisee. You cannot conduct targeted marketing to promote your Hommies Restaurant within the exclusive territory granted to another Hommies franchisee.

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 agreement attached to this Disclosure Document.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of Franchise Term	FA: Section 4.1 ADA: Section 3	FA: The initial term is 10 years. ADA: Term is the date the last Location is required to be opened according to the Development Schedule.
b. Renewal or Extension of Term	FA: Section 4.2	You have the right to renew for additional ten (10) year terms by entering into a then current franchise agreement with us, which may contain materially different terms and conditions than your original franchise agreement. You must pay the renewal fee. If you do not meet the conditions, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for Franchisee to Renew or Extend	FA: Section 4.2	You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us or any of our affiliates; are not in default of any provision of the Franchise Agreement or any

		other agreement between you and us; have given timely written notice of your intent to renew; sign a current Franchise Agreement, with materially different terms and conditions than your original Franchise Agreement; comply with current qualifications and agree to comply with any training requirements; sign a general release (subject to applicable state law) in a form we proscribe, and pay a renewal fee.
d. Termination by you	FA: Section 16.1	You may terminate the Franchise Agreement upon (1) our mutual agreement; (2) non-renewal; or (3) a sale pursuant to the terms of this Agreement. ADA: You may terminate upon any ground permitted by law
e. Termination by Franchisor without Cause	Not Applicable	Not Applicable
f. Termination by Franchisor with Cause	FA: Section 16.2 ADA: Section 4	FA: We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate. ADA: We may terminate the ADA if you default.
g. "Cause" Defined – Curable Defaults	FA: Section 16.2.2 ADA: Section 4	FA: If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the

		Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate. We cannot terminate a Franchise Agreement that is in place for breach of the ADA. ADA: You have a 30-day cure period if you are in default of the ADA. We cannot terminate the ADA for breach of a Franchise Agreement.
h. "Cause" Defined – Non-Curable Defaults	FA: Section 16.2.1 ADA: Section 4	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely establish, develop and begin operations of the franchised business; fail to satisfactorily complete training; fail to maintain all required professional licenses, permits and certifications for more than 5 business days; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; after notice to cure, fail to refrain from activities, behavior or

		conduct likely to adversely affect either party or the Franchised Business; use the Operations Manual, trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners, officers, directors, managers, other executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-compete agreements; abandon the Franchised Business for 5 or more consecutive days; surrender or transfer control of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a Designated Manager following your death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 2%; are insolvent; misuse or make unauthorized use of the Marks; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; violate on 2 or more occasions any health, safety or other laws or operate the Franchised Business in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; repeatedly breach the
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		franchise agreement or comply with specifications; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement. However, we may not terminate franchise agreements already in place solely for a breach of the ADA. ADA: The ADA terminates when no franchise agreement is in place between the parties, or if you breach the Development Schedule.
i. Franchisee's Obligations on Termination/Non-Renewal	FA: Section 17.1	If the Franchise Agreement is terminated or not renewed, you must: stop operating the Franchised Business; stop using any trade secrets, confidential information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Operations Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of Contract by Franchisor	FA: Section 18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by Franchisee – Definition	FA: Section 18.2	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement or the Franchised Business' assets.
l. Franchisor's Approval of Transfer by Franchisee	FA: Section 18.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent. If Franchisee is in compliance with this Agreement, Franchisor's

		consent to such transfer shall be conditioned upon the satisfaction of the requirements in FA Section 18.2 (a)-(m).
m. Conditions for Franchisor Approval of Transfer	FA: Section 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release (subject to applicable state law) in a form we proscribe; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement; and the transferee has agreed that it will complete the initial training program before assuming management of the franchised business.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Franchised Business	FA: Section 19	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's Option to Purchase Franchisee's Franchised Business	FA: Section 17.4	Except as described in (n) above, we do not have the right to purchase your franchised business; however, during the

		30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the franchised business for book value.
p. Death or disability of Franchisee	FA: Section 18.6	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-Competition Covenants During the Term of the Franchise	FA: Section 7.3	You, your owners, and your officers, directors, executives, managers, professional staff, and employees are prohibited from: attempting to divert any business or customer of the Franchised Business to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA: Section 17.2	For 2 years after the termination or expiration of the Franchise Agreement, you may not offer competitive business services within 5 miles of any other franchised outlet, or of any other Franchisor owned business; or solicit or influence any of our customers or business associates to compete with us or terminate their relationship with us. Subject to applicable state law.
s. Modification of the Agreement	FA: Sections 9.2, 22.7, and 22.8	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Operations Manual without your consent if the modification does not

		materially alter your fundamental rights.
t. Integration/Merger Clause	FA: Section 22.7	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). No other representations or promises will be binding. Nothing in the Franchise Agreement, or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u. Dispute Resolution by Arbitration or Mediation	FA: Section 23.9; Schedules 2 and 3	You must mediate and arbitrate claims against us (subject to applicable state law).
v. Choice of Forum	FA: Section 23.2; Schedules 2 and 3	Any mediation, litigation or arbitration must be pursued where our headquarters are located (subject to applicable state law).
w. Choice of Law	FA: Section 23.1; Schedules 2 and 3	Except as to claims governed by federal law, the law of the state where we are headquartered applies (subject to applicable state law).

ITEM 18. PUBLIC FIGURES

We do not currently use any public figures 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 franchised 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 Maen Qadan, 7925 S. Harlem Avenue, Burbank, IL 60459, 301-789-4713; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 TO 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	0	0	0
	2024	0	1	+1
	2025	1	1	0
Total Outlets	2023	0	0	0
	2024	0	1	+1
	2025	1	1	0

Note: We began offering franchises for the first time in September 2025. We sold our first franchise in January 2026.

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2023 TO 2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

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TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2023 TO 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
All States	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Note: We began offering franchises for the first time in September 2025. We sold our first franchise in January 2026.

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2023 TO 2025*

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Illinois	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
Total	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1

*Company-Owned refers to outlets run by our Affiliate.

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2025

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Illinois	0	1	0
TOTALS	0	1	9

Exhibit G-1 contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit G-2 contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21. FINANCIAL STATEMENTS

Exhibit F contains our audited financial statements for the year ended December 31, 2025. We have not been in business for three years and so cannot include all financial statements required by the FTC Franchise Rule. Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit C FRANCHISE AGREEMENT

Schedule 1-General Release

Schedule 2-Nondisclosure and Non-Competition Agreement

Schedule 3-Unlimited Guaranty and Assumption of Obligations

Schedule 4-Lease Addendum

Schedule 5-ACH Payment Agreement

Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Officers; Directors

Schedule 7-State Addenda to the Franchise Agreement

Exhibit E AREA DEVELOPMENT AGREEMENT

Appendix A-Development Territory

Appendix B-Development Schedule

Appendix C-State Addenda to the Area Development Agreement

Exhibit H FRANCHISEE DISCLOSURE QUESTIONNAIRE

ITEM 23. RECEIPTS

Exhibit K contains our copy and your copy of the Disclosure Document Receipts.

**EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS**

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
651 Bannan Street, Suite 300
Sacramento, CA 95811
(213) 576-7500
(866) 275-2677 (toll free)

FLORIDA

Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

HAWAII

Commissioner of Securities of the State of Hawaii,
Dept. of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Chief, Franchise Bureau
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

Secretary of State, Franchise Section
302 West Washington, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MAINE

Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, Maine 04333

CONNECTICUT

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

KENTUCKY

Office of the Attorney General
700 Capitol Avenue
Frankfort, Kentucky 40601-3449
(502) 696-5300

NEBRASKA

Nebraska Department of Banking and Finance
1200 N Street-Suite 311
Post Office Box 95006
Lincoln, Nebraska 68509
(402) 471-3445

NEW YORK

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Floor
New York, NY 10005
212-416-8222

NORTH CAROLINA

Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5909

NORTH DAKOTA

North Dakota Insurance & Securities Department
600 Boulevard Avenue, State Capitol
Fourteenth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-2910

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN

Consumer Protection Division,
Franchise Section
G. Mennen Williams Building
525 W. Ottawa Street, 7th Floor
Lansing, Michigan 48913
(517) 373-7117

MINNESOTA

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

SOUTH CAROLINA

Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

UTAH

Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

RHODE ISLAND

Department of Business Regulation
Securities Division
Bldg. 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9585

SOUTH DAKOTA

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

TEXAS

Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

VIRGINIA

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

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

WISCONSIN

Office of the Commissioner of Securities
345 West Washington Avenue, Fourth Floor
Madison, Wisconsin 53703
(608) 261-9555

**EXHIBIT B TO THE DISCLOSURE DOCUMENT
LIST OF STATE AGENTS FOR SERVICE OF PROCESS**

CALIFORNIA Commissioner of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 (866) 275-2677 (toll free)	MINNESOTA Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
HAWAII Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NEW YORK New York State Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	NORTH DAKOTA North Dakota Insurance Commissioner 600 Boulevard Avenue, State Capitol Fourteenth Floor Bismarck, North Dakota 58505-0510
INDIANA Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontic Avenue Cranston, Rhode Island 02920 (401) 462-9585
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	SOUTH DAKOTA Department of Labor and Regulation Division of Insurance and Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MICHIGAN Department of the Attorney General Consumer Protection Division Attn: Franchise G. Mennen Williams Building 525 W. Ottawa Street, 7th Floor	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, First Floor Richmond, Virginia 23219 (804)371-9051

Lansing, Michigan 48910 (517) 373-7117	
WASHINGTON Director of Department of Financial Institutions Securities Division 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760	WISCONSIN Commissioner of Securities 345 West Washington Avenue, Fourth Floor Madison, Wisconsin 53703 (608) 261-9555

EXHIBIT C TO THE DISCLOSURE DOCUMENT
HOMMIES SHAWARMA FRANCHISE, INC. D/B/A
HOMMIES SHAWARMA

FRANCHISE AGREEMENT



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This Franchise Agreement is by and between HOMMIES SHAWARMA FRANCHISE, INC. (“Franchisor,” “we,” “us,” or “our”) and _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ (“Franchisee,” “you,” or “your”).

RECITALS

WHEREAS, Franchisor has developed, and is in the process of further developing, a System identified by the service mark “Hommies Shawarma” and relating to the establishment and operation of a fast-casual restaurant concept specializing in healthy and authentic Mediterranean wraps, bowls, and salads; and

WHEREAS, in addition to the service mark “Hommies Shawarma” and certain other Marks, the distinguishing characteristics of the System include: uniform standards and procedures for efficient business operations; proprietary ingredients and recipes and preparation methods; procedures and strategies for marketing, advertising and promotion; customer service and development techniques; other strategies and techniques; and Trade Secrets and other Confidential Information; and the Operations Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to own and operate a Hommies Shawarma Business using the System and the Marks; and

WHEREAS, Franchisee desires to operate a Hommies Shawarma Business, has applied for the Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, operations and service and the necessity of operating the Franchised Business in strict conformity with Franchisor’s System.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

“**Affiliate**” means any business entity that controls, is controlled by, or is under common control with Franchisor;

“**Agreement**” means this Franchise Agreement and all instruments supplemental hereto or in amendment or confirmation hereof;

“**Competitive Business**” means any business that offers services the same as or similar to those provided by Hommies Shawarma businesses or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

“**Confidential Information**” means technical and non-technical information used in or related to the Hommies Shawarma Franchise and not commonly known by or available to the public, including,

without limitation, Trade Secrets, methods and products, customer services techniques and other techniques and methodologies not generally known to the industry or public, and any other information identified or labeled as confidential when delivered by Franchisor. Confidential Information shall not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure per this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

“Effective Date” means the date on which Franchisor and Franchisee fully execute this Agreement, thereby commencing its effectiveness and term;

“Electronic Depository Transfer Account” means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor;

“Franchise” means the right granted to Franchisee by Franchisor to use the System and the Marks;

“Franchised Business” means the Hommies Shawarma Business to be established and operated by Franchisee per this Agreement;

“Franchisee” means the individual or entity defined as “Franchisee” in the introductory paragraph of this Agreement;

“Gross Revenues” means all business revenue which the Franchisee accrues during the operation of the Franchise, but excluding taxes collected from customers and paid to any taxing authority, tips collected from customers and paid to employees, and reduced by the amount of any documented refunds, credits, allowances, and chargebacks given in good faith to customers;

“Incapacity” means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

“Internet” means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

“Marks” means the service mark “Hommies Shawarma” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with the Hommies Shawarma Business;

“Operations Manual” means the Hommies Shawarma Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor;

“System” means the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of a Hommies Shawarma Business; and

“Trade Secrets” means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the operation of a Hommies Shawarma Business that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. GRANT OF FRANCHISE; APPROVED FRANCHISED BUSINESS

2.1 Grant

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained and subject to this Agreement, the right, license, and privilege to operate a Hommies Shawarma Business, and Franchisee hereby accepts a franchise under the terms and conditions stated here to operate a Business that has been assigned a protected territory as in Section 2.4 (referred to as the “Territory”). Along with the right to use solely in connection therewith the Franchisor’s Names and Mark, Services, Products, its advertising and merchandising methods, and Franchisor’s System, as they may be changed or improved and/or further developed from time to time, only at the accepted location of the Franchisee’s Business as in Section 2.2, and provided the Franchisee shall adhere to the terms and conditions hereof.

It is understood and agreed that, except as expressly provided herein or in any other executed agreement, this franchise includes no right of Franchisee to sub franchise.

Except as provided in this Agreement, Franchisee shall be free to use the materials provided by Franchisor in the manner that Franchisee, in Franchisee’s sole and absolute discretion, deems most appropriate for the operation of a Hommies Shawarma Franchise, provided that Franchisee shall not violate any applicable law, regulation or provision of this Agreement in exercising such discretion.

2.2 Franchised Business Location

The location approved by Franchisor for the operation of the Franchised Business is set forth in Schedule 1 attached hereto and incorporated herein by reference (the “Accepted Location”). If the location of the Franchised Business has not been determined at the time Franchisee and Franchisor execute this Agreement, Schedule 1 will be completed once it is determined. Franchisee shall operate the Franchised Business only from the Accepted Location unless Franchisor gives its prior written consent to a relocation. Franchisee shall manage and administer the Franchised Business from the Premises, and shall maintain and store the books and records of the Franchised Business at its headquarters

2.3 Sub-Franchising/Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity. Except as permitted in Section 18, Franchisee shall not grant any person or entity the right to perform any part of Franchisee’s rights or obligations licensed hereunder.

2.4 Territory; Franchisor’s Reservation of Rights

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under

the same or similar trademarks or service marks (“Territory”). The Territory is described in Schedule 1 attached hereto and incorporates herein by reference.

We would not normally grant to you approval to open an additional outlet within your territory, but may grant you additional franchise territories if we feel you have the time, energy, capital, and management structure to be able to successfully open and operate another territory.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

Continuation of your territorial rights does not depend on achieving a certain sales volume, market penetration, or other contingency, and we may not alter your franchise territory, even if there is a population increase in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You and other franchisees may not solicit (but may accept) orders from consumers outside of your territory, including through the use of other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, but you may engage in internet and social media marketing pursuant to our guidelines which such marketing may extend outside your territory. We also reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

2.5 Delivery and Catering Services.

With Franchisor’s prior written consent Franchisee may offer delivery from the Franchised Business (“Delivery Services”) and offer catering services from the Franchised Business (“Catering Services”) in compliance with applicable law. All Delivery Services and Catering Services must comply with Franchisor’s standards, policies and requirements set forth in the Operations Manual, or otherwise in writing by Franchisor, including the areas within which the Delivery Services and Catering Services can take place, methods for ensuring the food safety, quality and temperature maintenance of food and beverage products. Franchisor may withdraw its approval for Franchisee to offer Delivery Services and/or Catering Services upon prior written notice if Franchisee fails to comply with this Agreement or Franchisor’s standards, policies and requirements relating to Delivery Services and/or Catering Services.

3. FEES

3.1 Franchise Fee

Upon execution of this Agreement, Franchisee shall pay an initial franchise fee (“Franchise Fee”) to Franchisor of \$40,000. If Franchisee is purchasing an additional franchise under an Area Development Agreement, the Franchise Fee shall be \$30,000. The Franchise Fee is payment, in part, for expenses

incurred by Franchisor in furnishing assistance and services to Franchisee as in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is non-refundable, except if Franchisor terminates this Agreement due to Franchisee's failure to satisfactorily complete initial training. In such event, Franchisor will refund the Franchise Fee previously paid by the Franchisee to Franchisor less a reasonable amount as determined by Franchisor to cover its costs and expenses of recruiting, qualifying and training the Franchisee, which amount shall not exceed fifty percent (50%) of the Franchise Fee paid. The refund shall be paid to Franchisee upon Franchisee's execution and delivery to Franchisor of a general release (except as limited by law) of any and all claims it may have against the Franchisor, its affiliates, and their respective members, shareholders, managers, officers, directors, employees, agents, and representatives in a form satisfactory to the Franchisor. This Agreement thereafter will be null, void and of no effect (except for those post-termination obligations of this Agreement, which by their terms shall remain binding).

3.2 Monthly Royalty Fee

(a) Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, a monthly fee ("Royalty Fee") equal to 6% of Gross Revenues for the previous month period. The Royalty Fee is due on the tenth (10th) day of each month (for the prior month) and begins on the first (1st) month after the Business is open for operation and continues for the duration the term of this Agreement. The Franchisee will provide to Franchisor a Gross Revenues Report, as required by Section 12.2, for each month during the operation of the Franchise. If Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as in Section 3.4, such reports shall instead be submitted to Franchisor via e-mail or intranet system.

3.3 Marketing Fund Contribution.

Once the Marketing Fund is implemented by Franchisor, commencing on the opening date of the Franchised Business, Franchisee shall pay to Franchisor a contribution to the Marketing Fund in an amount up to two percent (2%) of Gross Revenues ("Marketing Fund Contribution"). Payment shall be made to Franchisor in the same manner as the Royalty Fee. Franchisor will give Franchisee at least sixty (60) days' prior notice before implementing the Marketing Fund or changing the amount of the Marketing Fund Contribution.

3.4 Technology Fee

Franchisee shall pay to Franchisor a technology fee in an amount determined by Franchisor. Franchisor has the right to determine how and for what purposes the technology fees will be used, which may include covering Franchisor's costs or paying fees to third party providers for technology development, maintenance, and usage for the franchise system, subscription and license fees paid by Franchisor in order for franchisees to have access to and use certain technology tools, website maintenance, providing e-mail addresses, and for related research and development conducted by Franchisor. The technology fee shall be paid at times, in the manner, and in amounts as designated by the Franchisor. Franchisor will give Franchisee at least sixty (60) days' prior notice before Franchisor changes the amount of the technology fee.

3.5 Taxes

Franchisee shall pay its own taxes as related to the Business.

3.6 Electronic Transfer

Franchisor shall require all Royalty Fees, amounts due for purchases by Franchisee from Franchisor and other amounts due to Franchisor to be paid through an Electronic Depository Transfer Account (“EDTA”). At Franchisor’s request, Franchisee shall open and maintain an EDTA, shall execute Schedule 5, and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor. Franchisee shall make deposits to the account sufficient to cover amounts owed to Franchisor prior to the date such amounts are due. Franchisee shall execute any documents Franchisor’s or Franchisee’s bank requires to establish and implement the EDTA. Once established, Franchisee shall not close the EDTA without Franchisor’s written consent.

3.7 Late Fees

Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due amounts due Franchisor, including reasonable accounting and legal fees. This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

3.8 Insufficient Funds Fee

Franchisee agrees to pay to Franchisor \$75 if any payment Franchisee owes is rejected due to insufficient funds in Franchisee’s Electronic Depository Transfer Account (“EDTA”), or if any other payment instrument Franchisee uses is rejected for insufficient funds.

3.9 Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, purchases from Franchisor or any other amount owed to Franchisor in any proportion or priority.

4. TERM AND RENEWAL

4.1 Initial Term

This Agreement shall be effective and binding for an initial term of TEN (10) years from the Effective Date, unless sooner terminated according to this Agreement.

4.2 Successor Terms

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor for successive terms of TEN (10) years each. To qualify for a successor franchise, each of the following pre-conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

4.2.1 Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;

4.2.2 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchised Business reflects Franchisor's then-current standards and specifications;

4.2.3 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate), and has timely met these obligations throughout the term of this Agreement;

4.2.4 Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor;

4.2.5 Franchisee has given written notice of its intent to operate a successor franchise to Franchisor not less than nine (9) months nor more than twelve (12) months prior to the end of the term of this Agreement;

4.2.6 Franchisee has executed Franchisor's then-current form of franchise agreement (or has executed other documents at Franchisor's election that modify this Agreement to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee; provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee;

4.2.7 Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and has agreed to comply with any training requirements;

4.2.8 Franchisee has executed a general release of any and all claims against Franchisor, any Affiliate and against their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised Business is located; and

4.2.9 Franchisee has paid the renewal fee of \$5,000.

5. FRANCHISED BUSINESS DEVELOPMENT

5.1 Development of the Franchised Business

(a) Site Selection. Franchisee agrees and acknowledges that Franchisee is responsible for locating, obtaining financing for, securing appropriate zoning and permits for, building out and equipping the site for the Franchised Business. We provide site selection assistance to you to guide you in the selection of a location for your Franchised Business. Franchisee shall provide Franchisor with all relevant information concerning the proposed site as Franchisor may require to determine whether the site will be approved. Franchisor will generally approve or disapprove of the proposed site within ten (10) days after it receives notice of the proposed site and all relevant information thereon from Franchisee; however, Franchisor maintains the right to take additional time if circumstances demand it. Franchisee must sign the lease within fifteen (15) days following Franchisor's approval of the Accepted Location. Franchisee must obtain Franchisor's consent to a site for the Restaurant Business within ninety (90) days after execution of this Agreement. Notwithstanding anything to contrary contained herein, failure to so obtain Franchisor's consent shall constitute a non-curable event of default for which Franchisor may terminate this Agreement upon notice to Franchisee.

(b) Lease. Franchisee shall not sign a lease or contract for the Accepted Location without first receiving Franchisor's prior written consent to the location. Franchisor may require that the Lease

Addendum attached hereto as Schedule 4 be attached to the lease and executed by Franchisee and the Landlord.

(c) Site Development. Franchisor will provide Franchisee designs and specifications for restaurant layout, interior design, kitchen flow and interior décor. Franchisee shall develop the site, build-out the premises and install furniture, fixtures, equipment and signs all in accordance with Franchisor's standards, specifications and other requirements.

5.2 Opening

Before opening the Franchised Business and commencing business, Franchisee must:

(a) fulfill all of the obligations of Franchisee according to the other provisions of this Section 5;

(b) furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request;

(c) complete initial training to the satisfaction of Franchisor;

(d) possess all required state, county, city, and local permits, licenses and certifications;

(e) pay in full all amounts due to Franchisor;

(f) if Franchisee is a business entity, Franchisee has caused each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

(g) obtain Franchisor's written permission and approval of an opening date; Franchisor shall not unreasonably withhold consent to open. Permission to open shall be based on Franchisor's determination that Franchisee is ready to open and satisfactorily prepared to operate.

5.3 Failure to Open

Should Franchisee fail to commence operations of the Franchised Business within three hundred (300) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated according to this Section 5.3, Franchisor shall retain the entire Franchise Fee paid by Franchisee. The Franchise Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised Business and shall not be construed as nor considered to be a penalty.

6. PROPRIETARY MARKS

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is exclusive and is limited to the conduct of business by Franchisee according to, and in compliance with, this Agreement and

all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its letterhead, forms, cards and other such identification, a prominent notice stating that the Franchised Business is an "Independently Owned and Operated Hommies Shawarma Franchise" of Franchisee.

6.3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor in writing of any infringement, claim of infringement, unfair competition, or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge, or claim. However, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4 Indemnification for Use of Marks

Franchisor is not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark.

6.5 Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor and subject to the limitations in Section 10.2. Franchisor shall not

be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, Franchisor reserves the right to inspect the Franchised Business at any time without advanced notice.

6.7 Franchisor's Sole Right to Domain Name

Franchisee shall NOT advertise on the Internet, or establish, create, or operate an Internet site or website using a domain name or uniform resource locator containing the Marks or any variation thereof without Franchisor's written approval. Franchisor is the sole owner of a right, title, and interest in and to such domain names. Franchisor will provide contact information for your Franchised Business on its website.

7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1 Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges that Franchisor shall disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Operations Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Franchisee or its owners or employees therefore, and Franchisee hereby agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. Franchisor has the right to incorporate such items into the System. To the extent any item does

not qualify as a “work made-for-hire” for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor’s efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

7.3 Exclusive Relationship

During the term of this Agreement, neither Franchisee, nor any officer, director, or owner of Franchisee, shall directly or indirectly, in the United States, offer products or services on behalf of a Competitive Business; divert or attempt to divert any business or customer of the Franchised Business to any Competitive Business, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

Subject to applicable state law, Franchisor has the right to require any holder of a legal or beneficial interest in Franchisee, and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person’s affiliation with Franchisee. Upon Franchisor’s request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed according to this Section. Such agreements shall remain on file at the business of Franchisee and are subject to audit or review as otherwise stated here. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement, and that without their inclusion Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms stated here, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks.

8. TRAINING AND ASSISTANCE

8.1 Initial Training

Franchisor shall make an initial training program available to Franchisee’s owners and managerial employees. Prior to the opening of the Franchised Business, at least one owner and any designated general managers must attend and successfully complete, to Franchisor’s satisfaction, an initial training program pertaining to the operation and administration of the Franchised Business. Franchisor shall conduct the initial training program at a designated location. Franchisor shall not charge tuition or similar fees for initial training for your owner and up to two (2) managers; however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees’ salaries, shall be the sole responsibility of Franchisee. Franchisee shall be responsible for training its management and other employees.

8.2 Opening Assistance

We provide to you opening assistance and guidance to assist you with any questions you may have in operating and establishing the Franchised Business. If Franchisee requests additional assistance with respect to the opening or continued operation of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional assistance.

8.3 Failure to Complete Initial Training Program

If Franchisor determines that Franchisee's owner is unable to satisfactorily complete the initial training program, Franchisor has the right to terminate this Agreement and retain a portion of the Franchise Fee to cover Franchisor's costs and expenses of recruiting, qualifying and training the Franchisee. If Franchisee's manager fails to complete the initial training program to Franchisor's reasonable satisfaction, Franchisee may be permitted to select a substitute manager and such substitute manager must complete the initial training to Franchisor's satisfaction. Franchisee will be required to pay Franchisor's then-current rates for additional training for providing the substitute manager an initial training program at our location, or our then-current rates for additional training for training at Franchisee's location (plus hotel, air fare and other expenses incurred by our trainer).

8.4 Ongoing Training

From time to time, Franchisor may provide and if it does, has the right to require that the Franchisee attend ongoing training programs, seminars, conferences, or webinars during the term of this Agreement, and to pay a registration fee determined by Franchisor. Franchisor shall not require the Franchisee to attend more than two (2) sessions in any calendar year. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with its attendance at such training.

8.5 National Franchise Convention. If Franchisor holds a Franchise Conference for franchisees, Franchisee must attend the Franchise Convention each time it is held during the term of this Agreement. Franchisor may charge a registration fee for the Franchise Convention based on the cost to hold the conference. If Franchisor requires Franchisee to attend, the Franchise Convention fee shall be payable by Franchisee whether or not Franchisee attends the conference. Franchisee shall be responsible for all travel expenses incurred by Franchisee or its managers in attending the Franchise Convention. This provision shall not obligate Franchisor to hold a Franchise Convention.

9. OPERATIONS MANUAL

9.1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one (1) copy of the Operations Manual or grant Franchisee access to an electronic copy of the Operations Manual. Franchisee shall conduct the Franchised Business in strict accordance with the provisions in the Operations Manual.

9.2 Revisions

Franchisor has the right to add to or otherwise modify the Operations Manual from time to time to reflect changes in the specifications, standards, operating procedures, and rules prescribed by Franchisor; provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure

that its copy of the Operations Manual is up-to-date at all times. If a dispute as to the contents of the Operations Manual arises, the terms of the master copy of the Operations Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

9.3 Confidentiality

The Operations Manual contains Trade Secrets and other Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Operations Manual is available at the Franchised Business in a current and up-to-date manner. If the Operations Manual is in paper form or stored on computer-readable media, Franchisee shall maintain the Operations Manual in a secure manner at the Franchised Business; if the Operations Manual is in electronic form, Franchisee shall maintain the Operations Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Operations Manual, access to the Operations Manual or any key, combination, or passwords needed for access to the Operations Manual. Franchisee shall not disclose, duplicate or otherwise use any portion of the Operations Manual in an unauthorized manner.

10. FRANCHISE SYSTEM

10.1 Uniformity

Franchisee shall strictly comply, and shall cause the Franchised Business and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules in this Agreement, the Operations Manual or other communications supplied to Franchisee by Franchisor.

10.2 Modification of the System

Franchisee recognizes that from time to time, Franchisor may introduce, as part of the System, other methods or technology which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, equipment or signs. Franchisee agrees to make all required upgrades and modifications at its expense as may be required by Franchisor; provided, however, that Franchisee shall not be required to make any expenditures during the first year of the initial term or any expenditures which are unreasonably disproportionate to Franchisee's initial investment to establish the Franchised Business during the initial term. If such additional investment is required to be made in the last year of the initial term, Franchisee may avoid making the investment by providing notice of intent not to renew the Franchise unless the investment is in connection with a modification to the System required by law or court order. Franchisee acknowledges that any required expenditures for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13.2 of this Agreement. Notwithstanding the foregoing, Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision or court order.

10.3 Variance

Franchisor has the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular Hommies Shawarma Business. Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance hereunder.

11. ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Marketing Fund

Franchisor will maintain and administer a system-wide marketing fund (the "Marketing Fund") for the creation and development of advertising, marketing and promotional programs as we deem necessary or appropriate to advertise or promote Franchised Businesses. We will direct all advertising, marketing and promotional programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials, and endorsements used in them, and the geographic, market, and media placement and allocation of the programs. The Marketing Fund may be used to pay the costs of preparing and producing video, audio, written and electronic advertising materials; administering national, regional or local advertising and promotional programs including, without limitation, direct mail, social media and other media advertising; establishing and maintaining a website for the franchise system; supporting public relations, market research and marketing activities; providing advertising, marketing and promotional materials or content to Franchisor's franchises; employing advertising or public relations agencies to assist in any of the activities of the Marketing Fund; and other brand development activities.

The Marketing Fund will be a separate and distinct account and will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for any reasonable salaries, administrative costs and overhead we may incur in activities reasonably related to the administration of the Marketing Fund and its advertising, marketing and promotional programs (including, conducting market research, preparing advertising, marketing and promotional materials, establishing and maintaining a website for Franchised Businesses, establishing and maintaining technology for use in the operation of the Franchised Businesses, and collecting and accounting for contributions to the Marketing Fund). We may spend in any fiscal year an amount greater or less than the total contribution of Franchised Businesses to the Marketing Fund in that year. We may cause the Marketing Fund to borrow from itself or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising, marketing and promotional costs of the Marketing Fund before other assets of the Marketing Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Marketing Fund and will furnish it to you on written request. There is no requirement that the Marketing Fund be audited.

The Marketing Fund is intended to maximize recognition of the Marks and patronage of Franchised Businesses. Although we intend to use the Marketing Fund to develop advertising, marketing and promotional materials, and to place advertising in a manner that will benefit all Franchised Businesses, we have no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Marketing Fund by Franchised Businesses operating in that geographic area or that any Franchised Business will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising, marketing and promotional materials or the placement of advertising. Contributions to the Marketing Fund will not be used principally to solicit new franchise sales. We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Marketing Fund. We have the right to discontinue or reestablish the Marketing Fund. If the Marketing Fund is discontinued, all amounts remaining in the Marketing Fund on the date of discontinuance will be distributed to franchisees in proportion to their respective contributions for the most recent 12 months.

11.2 Local and Grand Opening Advertising

Franchisee shall spend a minimum of 1.5% of Gross Revenues or \$2,000 each month, whichever is greater on Local Advertising, based upon our guidelines. Franchisee shall spend a minimum of \$4,000 to promote the opening of the Franchised Business, pursuant to our guidelines.

Use of Your Own Advertising Material. You may use your own advertising materials provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law.

11.3 Advertising Council and Cooperative Advertising

We do not have an advertising council composed of franchisees that advise us on advertising policies at this time, but reserve the right to form one in the future.

We may designate or approve the establishment of a local or regional advertising cooperative consisting of franchisees in a certain area for purposes of developing cooperative local or regional advertising or promotional programs. The area covered by the cooperative will be determined by us. The members of the cooperative will determine what advertising and promotional programs it will undertake, subject to our prior approval, and you must contribute to the advertising cooperative the amount and in the manner determined by the cooperative. Payments you make to the cooperative are credited toward your local advertising expense requirement. The members of the cooperative are responsible for the administration of the cooperative and each Shawomies business (whether franchised or owned by us or an affiliate) will have one vote. The cooperative does not have to operate from written governing documents and does not have to prepare annual or periodic financial statements. We have the power to form, change, dissolve or merge cooperatives. Hommies owned and operated by us or our affiliates will be members of any cooperative covering their area and will contribute in the same manner as other members.

11.4 Internet Advertising

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website that provides information about the System and our franchises. All information posted on our website or any linked webpages must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce, and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, our website. You are not permitted to use a domain name containing our marks in the URL.

12. ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, Franchisee shall maintain full, complete, and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Operations Manual or otherwise in writing. Franchisee shall utilize an accounting software such as QuickBooks.com (or other Franchisor approved accounting software) to manage its books. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law.

12.2 Gross Revenues Reports

Franchisee shall maintain an accurate record of Gross Revenues and shall deliver to Franchisor electronically a signed and verified statement of Gross Revenues (“Gross Revenues Report”) for the month ending each month by the 5th day of each month in a form that Franchisor approves or provides in the Operations Manual. The Gross Revenues Report for the preceding month must be provided to Franchisor by the close of business on the 5th of each month as provided in Section 3.2.

12.3 Financial Statements

Franchisee shall, at its expense, submit to Franchisor within 30 days after the end of each calendar year, an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Operations Manual or otherwise in writing.

12.4 Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Operations Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised Business to Franchisor’s lenders or prospective lenders. Franchisee shall certify as true and correct all reports to be submitted according to this Agreement.

12.5 Computer and Surveillance Equipment

Franchisee shall purchase, install and use a point of sale system and computer equipment consisting of hardware, software and applications in accordance with Franchisor’s specifications. Franchisor shall have full access to all of Franchisee’s computer, data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet. Franchisor shall have full access to any video or surveillance stream. Franchisee understands and agrees that both technological and operational developments may require Franchisee to upgrade or replace components of, or the point of sale systems and/or computer system during the term of this Agreement to meet Franchisor’s then current standards and specifications.

12.6 Right to Inspect

Franchisor or its designee has the right, during normal business hours without notice, to examine, copy, and audit the books, records and tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment. If the audit reveals an underpayment of 2% or more during the review period, Franchisee shall also reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys’ fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

Independent Access to Information. We have, and you are required to, provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and

electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business.

12.7 Release of Records

Under Right To Inspect, at Franchisor's request Franchisee shall authorize Franchisor and/or its direct third party(s), including accounting and legal professionals, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Revenues, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

13. STANDARDS OF OPERATION

13.1 Authorized Products, Services, and Suppliers

13.1.1 Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality products and services to its customers. Accordingly, Franchisee shall provide or offer for sale or use at the Franchised Business only those services, with the greatest diligence and care by Franchisee, that Franchisor approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such items or services shall be purchased only from Franchisor. Franchisor shall maintain inventory levels for all supplies offered solely by Franchisor at a level sufficient to ensure prompt delivery to all Franchisees. Franchisee shall NOT offer for sale, sell or provide through the Franchised Business or from the Franchised Business any products or services that Franchisor has not approved. Furthermore, Franchisee must offer for sale all services and products currently offered by Franchisor or which will be offered by the Franchisor in the future.

13.1.2 Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor. Franchisee shall pay to Franchisor the costs it incurs in reviewing a new product or service or supplies proposed by Franchisee.

13.1.3 Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right to give its consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors in Section 10.4 and shall not create any rights in Franchisee to provide the same products or services.

13.1.4 Franchisor has the right to retain volume rebates, markups, and other benefits from suppliers or in connection with the furnishing of supplies. Franchisee shall have no entitlement to or interest in any such benefits.

13.1.5 Franchisor shall provide Franchisee, in the Operations Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the

supplies, furniture, fixtures, inventory, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor or an Affiliate is an Approved Supplier, Franchisee shall execute a standard form purchase or supply agreement for the items to be supplied by Franchisor or its Affiliate. If Franchisee desires to utilize any products, services or new technology that Franchisor has not approved (for products and services that require supplier approval), Franchisee shall first send Franchisor sufficient information, specifications and samples for Franchisor to determine whether the service or product complies with its standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all expenses incurred by Franchisor in connection with determining whether it shall approve an item, service or supplier, not to exceed \$1,000.00. Franchisor will decide within a reasonable time (usually thirty [30] days) after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

13.1.6 Franchisor has developed certain ingredients and products using or incorporating secret recipes or other trade secrets or information (the "Proprietary Products") for use in the Franchised Business. Franchisee agrees to purchase all Proprietary Products only from Franchisor, or a supplier designated by Franchisor, and in no event will Franchisee alter or attempt to substitute any other product for any Proprietary Product. Franchisee will only use or distribute Proprietary Products in connection with the operation of the Franchised Business. Franchisor expressly reserves the right to designate suppliers, or itself to be the sole supplier, of all or any of the Proprietary Products.

13.2 Appearance and Condition of the Franchised Business

Franchisee shall maintain the service equipment, Premises and signage of the Franchised Business in "like new" condition, and shall repair or replace service equipment, the Premises and signage as necessary to comply with the health and safety standards and specifications of Franchisor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10.2.

13.3 Ownership, Management and Staffing

The Franchised Business shall, at all times, be under the direct supervision of Franchisee's owner or an approved manager who has successfully completed the initial training program. Franchisee's owner and/or its manager shall devote sufficient efforts to the management of the day-to-day operation of the Franchised Business, but not less than forty (40) hours per week, not excluding vacation, sick leave and similar absences. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its manager. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

Franchisee agrees to staff the Franchised Business with the number of managers and employees sufficient to operate the Franchised Business in compliance with this Agreement and the standards and specifications in the Operations Manual and to provide proper customer service during all hours of operation. Franchisee shall hire all employees of the Franchised Business, be exclusively responsible for complying with all employment laws and for all employment decisions and functions related to the operation of the Franchised Business, including hiring, firing, compensation, benefits, work hours, work rules, recordkeeping, supervision and discipline of employees. Franchisee shall implement a training program for said employees in compliance with Franchisor's requirements. Franchisee and Franchisor acknowledge that

the employees of the Franchised Business are employees of Franchisee and not employees of Franchisor, that they should not be held out to third parties to be employees of Franchisor, and that Franchisee has the sole right to control employment and personnel policies and the day-to-day operations of the Franchised Business. Franchisee shall notify and communicate clearly with its employees in all dealings, including without limitation, employment applications, written and electronic correspondence, paychecks, employee handbooks, employment policies and procedures, and other written materials that Franchisee (and only Franchisee) is their employer and that Franchisor is not their employer.

13.4 Days of Operation

Franchisee shall keep the Franchised Business open for such days and hours as specified in the Operations Manual.

13.5 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization). Franchisor may withhold any such consent in its sole and absolute discretion.

13.6 Licenses and Permits

Franchisee shall secure and maintain in force all required operational and professional licenses, permits and certificates necessary for the operation of the Franchised Business, and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

13.7 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised Business not more than five (5) days after notice of such commencement or issuance. Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business, including operating in strict compliance with all applicable rules and regulations. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business. The Franchised Business shall in all dealings with its customers,

vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. Franchisor has the right to terminate this Agreement for violation of this Section.

13.9 Uniforms

Franchisee shall abide by all uniform and dress code requirements stated in the Operations Manual or otherwise. Uniforms must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms.

13.10 Credit Cards

Franchisee shall, at its expense, lease or purchase the necessary equipment to process credit card and other payments pursuant to our specifications.

13.11 E-Mail

Franchisor may set up an email address for Franchisee's benefit and may require Franchisee to use the designated email address for all communications relating to the operation of the Franchised Business.

13.12 Best Efforts

Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Business. Franchisee shall require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all products and services provided as part of the System.

14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1 General Advice and Guidance

Franchisor shall be available to render advice, discuss problems, and offer general guidance to Franchisee by telephone and/or electronic correspondence, with respect to planning and operating the Franchised Business. Franchisor shall not charge for this service. Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating Hommies Shawarma businesses and an analysis of costs and prices charged for competitive products and services. Within range, Franchisee shall have the right to change/determine the price to be charged for a particular service by the Franchised Business at the time of sale (if necessary). Notwithstanding, Franchisee acknowledges and agrees that Franchisor shall not be held liable for such advice; any decisions made by Franchisee, whether on its own accord or through suggestion from Franchisor is Franchisee's sole and absolute responsibility.

14.2 Periodic Visits

Franchisor or Franchisor's representative may make periodic visits, which may be announced or unannounced, to the Franchised Business for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business. Franchisor and Franchisor's representatives who visit the Franchised Business or accompany Franchisee and/or Franchisee's employees along job site visits may prepare, for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business. A copy of

any such written report may be provided to Franchisee. Franchisee shall implement any required changes or improvements as required by Franchisor with time being of the essence.

15. INSURANCE

15.1 Types and Amounts of Coverage

At its sole expense, Franchisee shall procure within ten (10) days of the Effective Date, and maintain in full force and effect during the term of this Agreement, the types of insurance as we may specify in the Operations Manual or otherwise and any other insurance as may be required by applicable law or by Franchisee's Landlord or Lessor. All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional insured or loss payee and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns.

15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards, or other relevant changes in circumstances.

15.3 Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, Franchisor demands an "A" rating.

15.4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions in Section 21.3. Upon issuance of a policy and renewal of said policy, Franchisee shall provide to Franchisor, certificates of insurance showing compliance with the foregoing requirements within fifteen (15) days of Franchisee's receipt of such certificates. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to Franchisor and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

16. DEFAULT AND TERMINATION

16.1 Termination by Franchisee

You may only terminate this Agreement upon (1) our mutual agreement; (2) non-renewal; or (3) a sale pursuant to the terms of this Agreement.

16.2 Termination by Franchisor

16.2.1 Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee:

- (a) fails to timely establish, develop, and commence operations of the Franchised Business according to Section 5, including failure to meet the deadlines set forth in Section 5;
- (b) fails to satisfactorily complete any training program according to Section 8;
- (c) fails to maintain all required professional licenses, permits, and certifications for a period exceeding five (5) business days;
- (d) made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;
- (e) is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee, or the Franchised Business;
- (f) after notice to cure, fails to refrain from activities, behavior, or conduct likely to adversely affect the reputation of Franchisor, Franchisee, or the Franchised Business;
- (g) discloses, duplicates, or otherwise uses in an unauthorized manner any portion of the Operations Manual, Trade Secrets, or any other Confidential Information;
- (h) if required by Franchisor but subject to applicable state law, fails to have any holder of a legal or beneficial interest in Franchisee, and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and non-competition agreements signed according to Section 7.4 if requested by Franchisor;
- (i) abandons, fails, or refuses to actively operate the Franchised Business for five (5) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor), or, if first approved by Franchisor, fails to promptly relocate the Franchised Business or any other event rendering the Premises unusable;
- (j) surrenders or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in the Franchise of a deceased or incapacitated owner thereof as herein required;
- (k) fails to maintain the Franchised Business under the primary supervision of an approved manager during the one hundred eighty (180) days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee according to Section 18.6;
- (l) submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than two percent (2%) for any accounting period and

Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

(m) becomes insolvent, meaning unable to pay bills as they become due in the ordinary course of business;

(n) misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

(o) fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, amounts due for purchases from Franchisor and any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

(p) violates on two (2) or more occasions any health or safety law, ordinance or regulation, or operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees, or the public;

(q) engages in any activity exclusively reserved to Franchisor;

(r) fails to comply with any applicable law or regulation within ten (10) days after being given notice of noncompliance;

(s) breaches this Agreement 3 times in a 12-month period and/or fails 3 times in a 12-month period to comply with mandatory specifications, customer service standards, or operating procedures prescribed in the Operations Manual, whether or not previous breaches or failures are cured;

(t) defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates; however, we may not terminate a Franchise Agreement that is already in place for a breach of the Area Development Agreement;

(u) performs Targeted Marketing in any geographic location outside of the Territory, whether or not such geographic location falls within another franchisee's territory or the territory of any other Franchisor-controlled business.

(v) fails to refer business opportunities or offers received by third parties, if such business opportunities or offers would take place in any geographic location which falls under the territory of other franchisees, Franchisor's associated businesses, or which are directly controlled by the Franchisor.

16.2.2 Except as otherwise provided in Section 16.2.1, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

(a) within five (5) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

(b) within ten (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 15 of this Agreement; or

(c) within thirty (30) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard, or operating procedure prescribed in the Operations Manual or otherwise prescribed in writing.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.4 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination according to Section 16.2.2, Franchisor has the right to suspend its performance of any of its obligations under this Agreement.

16.5 Right of Franchisor to Operate Franchised Business

Following the delivery of a notice of termination according to Section 16.2.2, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume the operation of the Franchised Business until such time as Franchisee corrects the breach. Franchisor may charge a management fee as stated in the Operations Manual from time to time, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

(a) immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;

(b) cease to use the Trade Secrets or other Confidential Information, the System and the Marks, including, without limitation, all slogans, symbols, logos, advertising materials, stationery, forms, and any other items which display or are associated with the Marks;

(c) take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city, or county authorities which contains the name "Hommies Shawarma" or any other confusingly similar Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

(d) pay all sums owing to Franchisor and any Affiliate. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees, with respect to litigation, arbitration, appellate, or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by Franchisor as a result of any early termination of this Agreement, and any other amounts due to Franchisor or any Affiliate;

(e) pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

(f) immediately return to Franchisor the Operations Manual, Trade Secrets, and all other Confidential Information, including records, files, instructions, brochures, agreements, disclosure statements, and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property);

(g) assign all telephone listings and numbers for the Franchised Business to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same to or at the direction of Franchisor; and

(h) comply with all other applicable provisions of this Agreement.

17.2 Post-Termination Covenant Not to Compete

17.2.1 Franchisee acknowledges that the restrictive covenants contained in this Section and in Section 17 are fair and reasonable.

17.2.2 Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly:

(a) offer Competitive Business services located or operating (a) at or within a five (5) mile radius of the Franchised Business, or (b) within five (5) mile radius of any other Hommies Shawarma Business in existence at the time of termination or expiration, or (c) any other business owned or operated by the Franchisor in existence at the time of termination or expiration;

(b) solicit or otherwise attempt to induce or influence any customer or other business associate of Franchisor to terminate or modify his, her or its business relationship with Franchisor or to compete against Franchisor; or

(c) In furtherance of this Section, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2 subject to applicable state law.

17.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights

in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 17, 17.1 or 17.2. Franchisee shall make such modifications or alterations to the Franchised Business (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Franchised Business. Franchisee shall make such specific additional changes to the Franchised Business as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Franchised Business for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the obligation), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Business including improvements, vehicles, service tools and equipment, supplies and other inventory or equipment. The purchase price shall be equal to the assets' book value. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price.

17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

18. TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the assets of the Franchised Business or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in

compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

- (a) Franchisee has complied with the requirements in Section 19;
- (b) all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied;
- (c) Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;
- (d) the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Business;
- (e) the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;
- (f) the transferee has executed a general release of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;
- (g) Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;
- (h) Franchisee, or the transferee, has paid to Franchisor, before the transaction is completed, a transfer fee in the amount of \$10,000, if the Franchise is being sold, transferred, or assigned to a third party;
- (i) the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor;
- (j) the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state, and local laws, rules, ordinances, and requirements applicable to the transfer have been complied with or satisfied;
- (k) Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition

agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and

(l) the transferee agrees that it shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised Business.

18.3 Transfer to a Controlled Entity

18.3.1 If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

(a) the Controlled Entity is newly organized and its charter or articles of formation provides that its activities are confined exclusively to the operation of the Franchised Business;

(b) Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

(c) all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required according to Section 18.2(h);

(d) the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

(e) all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

(f) each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

(g) copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

18.3.2 The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Business by an intended transferee identified by Franchisee.

18.5 For-Sale Advertising

Franchisee shall NOT, without prior written consent of Franchisor, place in, on or upon the area of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

18.6 Transfer by Death or Incapacity

Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Business or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such one hundred eighty (180) day period, the Franchised Business must remain at all times under the primary management of a Designated Manager who otherwise meets Franchisor's management qualifications.

Following such a death or Incapacity of such person as described in this Section 18.6, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor shall be given access to the Franchised Business, even if located within Franchisee's or its Designated Manager's principal residence, and shall not be held liable for trespass or any related tort. Franchisor may charge a management fee as stated in the Operations Manual from time to time, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity according to Section 18.6) the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to

Franchisor, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise its right of first refusal within thirty (30) days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18.2. Should the sale fail to close within 120 days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

19.4 Sales or Transfers to Family Excepted

If Franchisee proposes to sell or otherwise transfer the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder to a member of Franchisee's (or its owners') family, then the terms and conditions of this Section shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve Franchisee from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family according to this Section.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individual(s) identified in Schedule 6 is/are the sole holder(s) of a legal or beneficial interest (in the stated percentages) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint-venturer, partner, employee, servant, or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised Business operating the Franchised Business according to a franchise from Franchisor. Franchisee shall take such

affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business by Franchisee. Any third-party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties.

21.3 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively “Franchisor Indemnities”) from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys’ fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee’s (a) ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Business; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section 21.3 shall expressly survive the termination of this Agreement.

21.4 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation, or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnity. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor’s reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor’s sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor’s exercise of its rights under this Section causes any of Franchisee’s insurers to refuse to pay a third-party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party’s part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee. Franchisee agrees to not be a party to class action suit against Franchisor or any of its Affiliates under any circumstances.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7, and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and Franchisee shall be responsible for Franchisor's reasonable attorneys' fees incurred in pursuing the same. Franchisor's right to seek injunctive relief will not affect the parties' waiver of jury trial and covenant to arbitrate all disputes in accordance with Section 23.7. Franchisor's rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to the respective parties at the following address, or at such other address as either party may provide:

HOMMIES SHAWARMA FRANCHISE, INC.
Attn.: Maen Qadan
7925 S. Harlem Avenue
Burbank, IL 60459

FRANCHISEE:

22.4 Cost of Enforcement or Defense

If Franchisor is required to enforce this Agreement in a judicial or arbitration proceeding, if it is the prevailing party, it shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding.

22.5 Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

22.7 Entire Agreement

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.8 Severability and Modification

Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement.

Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable, or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable

control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.11 Timing

Time is of the essence. Except as in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Third Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.15 Multiple Originals; Electronic Signature

Both parties may execute multiple copies of this Agreement, and each executed copy will be deemed an original. This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

23. DISPUTE RESOLUTION

23.1 Choice of Law

Except as to claims governed by federal law, Illinois law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

23.2 Jurisdiction and Venue

You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Burbank, Illinois.

23.3 Jury Waiver

In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

23.4 Class Action Waiver

You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

23.5 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fees.

23.6 Limitation of Actions

You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

23.7 Prior Notice of Claims

As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

23.8 Internal Dispute Resolution

You must first bring any Claim to our CEO, after providing notice as in Section 23.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

23.9 Mediation and Arbitration

Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county where our headquarters is located, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

23.10 Waiver of Bond

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

23.11 Attorney Fees

If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

23.12 Third Party Beneficiaries

Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the Dispute Resolution provisions contained herein.

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received Franchisor's Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

24.2 Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

24.3 True and Accurate Information

Franchisee represents that all information in any and all applications, financial statements, and submissions to Franchisor is true, complete, and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness, and accuracy of such information.

24.4 Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a Hommies Shawarma Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.5 No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business. Franchisee represents and acknowledges that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

24.6 No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

HOMMIES SHAWARMA FRANCHISE, INC.

[FRANCHISEE]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**SCHEDULE 1 TO THE FRANCHISE AGREEMENT
ACCEPTED LOCATION AND TERRITORY**

As provided in the above franchise agreement, the following information is now available and is hereby specified for inclusion in the franchise agreement.

Accepted Location: The location approved by the Franchisor for operation of the Franchised Business is _____.

Description of the Territory:

If based on population:

The parties acknowledge and agree that the Protected Area described above contains the following people population: _____.

If based on radius from Accepted Location:

The Territory shall be a _____ mile radius from the Accepted Location.

HOMMIES SHAWARMA FRANCHISE, INC.

[FRANCHISEE]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**SCHEDULE 2 TO THE FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-COMPETITION AGREEMENT**

Subject to applicable state law.

This "Agreement" made as of the ____ day of _____, 20____, is by and between _____, ("Franchisee," "we," "us," or "our") and _____ ("Individual," "you," or "your").

W I T N E S S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20__ ("Franchise Agreement") by and between Franchisee and the Franchisor, HOMMIES SHAWARMA FRANCHISE, INC. ("Company"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) products and services the same as or similar to those provided by Franchisee or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings stated here, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, recipes compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Hommies Shawarma Business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and non-technical information used in or related to Hommies Shawarma that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the

Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure according to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee’s providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential according to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) Individual’s obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual’s relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual’s obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Hommies Shawarma Business.

3. Non-Competition

a) During the term of Individual’s relationship with Franchisee and for a period of two (2) years after the expiration or termination of Individual’s relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of Franchisee or the Company to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Company’s service mark “Hommies Shawarma” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Hommies Shawarma or the Company’s uniform standards, methods, procedures and specifications for the establishment and operation of a Hommies Shawarma business.

b) During the term of Individual’s relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, offer

Competitive Business services anywhere within a TWENTY FIVE (25) mile radius of any Hommies Shawarma location without the express written consent of Franchisee and the Company.

c) During the term of Individual's relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any business associate of Franchisee, Company or any other Hommies Shawarma Business to compete against, or terminate or modify his, her or its business relationship with, Franchisee, Company or any other Hommies Shawarma Business.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms stated here, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation, and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and/or Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Dispute Resolution

a) **Choice of Law.** Except as to claims governed by federal law, the local law where the Franchised Business is located governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

b) **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters.

c) **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

d) **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

e) **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

f) **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

g) **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

h) **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as in Section 6(g) above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

i) **Mediation and Arbitration.** Before you may bring any Claim against us court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association (“AAA”), and split any AAA and mediator fees equally.

If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

j) **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

k) **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

7. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

c) The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

d) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

e) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

f) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD-PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

FRANCHISEE:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Name Printed: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by the undersigned in consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith ("Agreement") by HOMMIES SHAWARMA FRANCHISE, INC. ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7, and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorseees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the Franchisor's state of formation (without giving effect to principles of conflicts of law).

Dispute Resolution. You agree to be bound by the Dispute Resolution provisions found in Section 23 of any Franchise Agreement between the parties as if set forth here and as being equally applicable to this Guaranty and the dealings of the parties hereunder.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

SCHEDULE 4 TO THE FRANCHISE AGREEMENT

LEASE ADDENDUM

Landlord	
Landlord Name:	
Landlord Address:	
Landlord Phone Number:	

Franchisor	
Franchisor Name:	HOMMIES SHAWARMA FRANCHISE, INC.
Franchisor Address:	7925 S. Harlem Avenue, Burbank, IL 60459
Franchisor Phone Number:	301-789-4713

Tenant	
Tenant Name:	
Address of Leased Premises:	
Date of Lease:	

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Hommies Shawarma business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default (“Default”) given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant’s Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease, subject to Landlord’s approval in its reasonable discretion. To exercise this option, Franchisor must notify Landlord within 10 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Landlord and Tenant consent to allow Franchisor to assume any existing term of the Lease (the “Assumption”), provided that any and all defaults have been cured and all payments due under the Lease are current, and to enter into a written agreement providing for such Assumption. In the event of an Assumption, Landlord will deliver possession of the Leased Premises to Franchisor free and clear of any rights of the Tenant or any third party. Landlord further consents to give Franchisor the right, following the Assumption, to assign its interest in the Lease or to sublet the Leased Premises to another franchisee of Franchisor with reasonable consent from the Landlord.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of Franchisor's brand, subject to Landlord's approval in its reasonable discretion.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises within 10 days of such expiration or termination, to take any such actions as may be consistent with its rights under this Lease Addendum or to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols.

8. No Liability. By executing this Addendum, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

[signature page follows]

Executed by:

LANDLORD:

By: _____
Name: _____
Title: _____

TENANT:

By: _____
Name: _____
Title: _____

FRANCHISOR:

HOMMIES SHAWARMA FRANCHISE,
INC.

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

**SCHEDULE 5 TO THE FRANCHISE AGREEMENT
ACH PAYMENT AGREEMENT**

Company Name: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

Routing Number: _____

Account Number: _____

I hereby authorize HOMMIES SHAWARMA FRANCHISE, INC. ("Franchisor") and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the terms of my franchise agreement and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either Franchisor or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

Signature: _____

Printed Name of Person Signing: _____

Title (if any): _____

Application Date: _____

Telephone Number: _____

Applicant's Address: _____

**SCHEDULE 6 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS; DIRECTORS**

Holders of Legal or Beneficial Interest:

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Officers and Directors:

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____%

**SCHEDULE 7 TO THE FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT**

**ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisee rights upon termination and non-renewal are in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Franchise Fee. Section 3.1 of the Franchise Agreement is modified to also state: “Based on our current financial condition, the Illinois Attorney General’s Office has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Illinois Attorney General’s Office.”

FRANCHISEE:

FRANCHISOR:

HOMMIES SHAWARMA FRANCHISE, INC.

By: _____

By: _____

By: _____

Date: _____

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

**HOMMIES SHAWARMA FRANCHISE, INC. D/B/A
HOMMIES SHAWARMA**

OPERATIONS MANUAL TABLE OF CONTENTS

Chapter Number	Subject	Page Count
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1	Introduction	5
2	Welcome to Hommies Shawarma	3
3	Support Resources	2
4	Pre-Opening Timetable & Obligations	2
6	Staffing Your Hommies Shawarma Franchise	3
7	Restaurant Policies	2
8	Restaurant Operation & Maintenance	2
9	Food Management	2
10	Food Recipes	2
11	Sanitation and Safety	2
12	Equipment, Computer System, Inventory, & Supplies	2
13	Administration	3
14	Reports, Audits & Inspections	2
15	Marketing	3
16	Sales & Pricing	2
17	Insurance Requirements & Risk Management	2
18	Corporate Structure & Financing	2
19	Trademarks & Trade Secrets – Protection Policies	2
20	Renewal, Transfer & Closing	3
21	Expansion & Relocation Requirements	2
	Thank You for Franchising with Hommies Shawarma!	1
	Total Page Count	54

**EXHIBIT E TO THE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT**

HOMMIES SHAWARMA FRANCHISE, INC.

**HOMMIES SHAWARMA
AREA DEVELOPMENT AGREEMENT**

**HOMMIES SHAWARMA FRANCHISE, INC.
AREA DEVELOPMENT AGREEMENT**

This Area Development Agreement (this “Agreement”) is made by and between **HOMMIES SHAWARMA FRANCHISE, INC.** (“we” or “us”) and _____ (“Developer” or “you”).

RECITALS

You desire to develop and operate several franchised locations and we, in reliance on your representations, have approved your franchise application to do so in accordance with this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

We grant to you, under the terms and conditions of this Agreement, the right to develop and operate _____ **[INSERT NUMBER]** of franchised locations (each a “Location”, and collectively, the “Locations”) within the territory described on Appendix A (“Development Territory”). You are not being granted any exclusive rights to the Development Territory. Upon execution of each Franchise Agreement and site approval, you will be granted an exclusive territory for that particular franchise.

2. DEVELOPMENT FEE

2.1 At the time you sign this Agreement, you must pay us the Initial Franchise Fee of Forty Thousand Dollars (\$40,000.00) the first Franchise Agreement to be developed under this Agreement. The Initial Franchise Fee for each subsequent franchise to be developed under this agreement shall be Thirty Thousand Dollars (\$30,000.00).

2.2 As consideration for the rights granted in this Agreement, upon the execution of this Agreement you will pay us a development fee equal to Twenty-Thousand Dollars (\$20,000.00) times the number of additional franchises to be developed under this Agreement (“Development Fee”). The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement, is fully earned by us upon execution of this Agreement and is non-refundable. Twenty-Thousand Dollars (\$20,000.00) of the Development Fee is credited against the Initial Franchise Fee payable upon the signing of each individual Franchise Agreement after the first Franchise Agreement. The balance of the Initial Franchise Fee for each subsequent Location is due upon entering into a Franchise Agreement for each additional Location.

3. DEVELOPMENT SCHEDULE

3.1 You agree that you shall sign our then-current franchise agreement, have an approved Location, and be open for business in each territory according to the Development Schedule in Appendix B (“Development Schedule”). Our then-current franchise agreement may contain different or additional terms than those set forth in any franchise agreement signed concurrently with this Area Development Agreement. Time is of the essence for the development of each Location in accordance with the Development Schedule.

3.2 We will be obligated to execute each Franchise Agreement only if (i) you continue to maintain the requisite knowledge, experience, skills, and financial resources to perform as a franchisee, (ii)

you are in compliance with this Agreement, including but not limited to compliance with the Development Schedule and in compliance with the in-term covenants set forth in Paragraph 6.4, (iii) you (and/or an affiliate) are in compliance any and all existing Franchise Agreements between us.

4. TERM; DEFAULT AND TERMINATION

4.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement shall expire on the date you sign a Franchise Agreement for the last franchise to be developed under this Agreement.

4.2 If you fail to meet any of the deadlines in the Development Schedule set forth in Appendix B, we may give you written notice of the default and if such default is not cured within thirty (30) days after notice of the default, we may (a) terminate this Agreement and all rights to develop additional franchises; (b) reduce the number of Franchised Businesses which you have the right to develop under this Agreement. Upon the termination of this Agreement, you shall have no right to establish, open or operate any Franchised Businesses for which a Franchise Agreement has not been executed by us prior to the date of termination of this Agreement.

5. RELATION TO FRANCHISE AGREEMENT

No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto. The terms and conditions of each Franchise Agreement must be complied with by you or your affiliate as franchisee thereunder and shall control in determining whether any default exists under such Franchise Agreement.

6. ASSIGNMENT

This Agreement is fully assignable by us and will inure to the benefit of any assignee or other legal successor to the interest of the Franchisor herein. Developer may not assign this Agreement except with the prior written consent of Franchisor which may be withheld in Franchisor's discretion.

7. NOTICES

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 7. All notices, payments and reports required by this Agreement shall be sent to the respective parties at the following address, or at such other address as Franchisor may provide:

DEVELOPER:

HOMMIES SHAWARMA FRANCHISE, INC.
Attn.: Maen Qadan
7925 S. Harlem Avenue
Burbank, IL 60459

8. DISPUTE RESOLUTION

The parties agree to abide by the Dispute Resolutions of the first Franchise Agreement executed by the parties for any dispute resolution relating to this Agreement and the terms and conditions of such section of the Franchise Agreement are incorporated herein by reference.

9. EXECUTION OF AGREEMENT

This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

10. GUARANTY

All holders of a legal or beneficial interest in Developer of five percent (5%) or greater as of the date of this Agreement, shall be obligated to execute this Agreement and agree to assume and discharge all of Developer's obligations under this Agreement and to be personally liable hereunder for all of the same.

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement as of the dates written below.

Franchisor
HOMMIES SHAWARMA FRANCHISE, INC.

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

Developer

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

Signatures of Guarantors follow this page.

Guarantors

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

APPENDIX A

DEVELOPMENT TERRITORY

Your Development Territory shall consist of the area _____

_____.

APPENDIX B

DEVELOPMENT SCHEDULE

Location Number	Date by Which Franchise Agreement Must be Signed	Opening Date	Cumulative Number of Locations Operating in Territory by the Date in the Preceding Column
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

APPENDIX C
TO THE AREA DEVELOPMENT AGREEMENT
STATE ADDENDA TO THE AREA DEVELOPMENT AGREEMENT

**ILLINOIS ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Area Development Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisee rights upon termination and non-renewal are in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Franchise Fee. Section 2 of the Area Development Agreement is modified to also state: "Based on our current financial condition, the Illinois Attorney General's Office has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Illinois Attorney General's Office."

FRANCHISEE:

FRANCHISOR:

HOMMIES SHAWARMA FRANCHISE, INC.

By: _____

By: _____

By: _____

Date: _____

EXHIBIT F TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS



HOMMIES SHAWARMA

FRANCHISE INC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025



HOMMIES SHAWARMA FRANCHISE INC

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Balance sheet	5
Statement of operations.....	6
Statement of stockholder's equity.....	7
Statement of cash flows	8
Notes to the financial statements	9



Independent Auditor's Report

To the Stockholder
Hommies Shawarma Franchise, Inc
Orlando Park, IL 60467

Opinion

We have audited the accompanying financial statements of Hommies Shawarma Franchise, Inc, which comprise the balance sheet as of December 31, 2025, and the related statements of operations, stockholder's equity, and cash flows for the period from inception (June 27, 2025) to December 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hommies Shawarma Franchise, Inc, as of December 31, 2025 and the related statements of operations, stockholder's equity and cash flows for the period from inception (June 27, 2025) to December 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Kezas & Dunlavy

St. George, Utah
April 7, 2026

HOMMIES SHAWARMA FRANCHISE, INC
BALANCE SHEET
As of December 31, 2025

	<u>2025</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 3,000
Total current assets	<u>3,000</u>
Total assets	<u><u>\$ 3,000</u></u>
 Liabilities and Stockholder's Equity	
Liabilities	
Accounts payable	<u>\$ -</u>
Total liabilities	-
 Stockholder's equity	
Common stock, \$1.00 par value; 1,000 shares authorized, issued and outstanding	1,000
Additional paid-in capital	<u>2,000</u>
Total stockholder's equity	<u>3,000</u>
Total liabilities and stockholder's equity	<u><u>\$ 3,000</u></u>

The accompanying notes to the financial statements are integral part of these financial statements

HOMMIES SHAWARMA FRANCHISE, INC
STATEMENT OF OPERATIONS
For the period from inception (June 27, 2025) to December 31, 2025

	<u>2025</u>
Operating revenues	\$ -
Operating expenses	-
Net income	<u>\$ -</u>

The accompanying notes to the financial statements are integral part of these financial statements

HOMMIES SHAWARMA FRANCHISE, INC
STATEMENT OF STOCKHOLDER'S EQUITY
For the period from inception (June 27, 2025) to December 31, 2025

	Common Stock		Additional	Retained	
	Share	Amount	Paid-in	Earnings	Total
			Capital		
Balances as of June 27, 2025	-	-	-	-	-
Issuance of common stock	1,000	1,000	2,000	-	3,000
Balances as of December 31, 2025	1,000	\$ 1,000	\$ 2,000	\$ -	\$ 3,000

The accompanying notes to the financial statements are integral part of these financial statements

HOMMIES SHAWARMA FRANCHISE, INC
STATEMENT OF CASH FLOWS
For the period from inception (June 27, 2025) to December 31, 2025

	<u>2025</u>
Net income	\$ -
Cash flows from financing activities:	
Issuance of common stock	<u>3,000</u>
Cash flows provided by financing activities	<u>3,000</u>
Net change in cash and cash equivalents	3,000
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	<u><u>\$ 3,000</u></u>
Supplemental disclosures of cash flow	
Cash paid for interest and taxes	\$ -

The accompanying notes to the financial statements are integral part of these financial statements

HOMMIES SHAWARMA FRANCHISE INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Hommies Shawarma Franchise, Inc (the "Company") was organized in the State of Illinois on June 27, 2025, as a limited liability company. The Company was formed for the purpose of franchising "Hommies Shawarma" branded restaurants.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2025, the Company had cash and cash equivalents of \$3,000.

(e) Income Taxes

The Company is structured as a corporation under the laws of the State of Illinois. The Company is subject to federal and state income taxes in the United States.

The Company has adopted the liability method of accounting for income taxes ASC 740, *Income Taxes*. Under ASC 740, deferred income taxes are recorded to reflect tax consequences on future years for the differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company adopted the provisions ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. This provision prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure,

HOMMIES SHAWARMA FRANCHISE INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

and transition. Under the provision, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, no tax years were open to examination.

(f) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities.

(g) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(3) Subsequent Events

Management has reviewed and evaluated subsequent events through April 7, 2026, the date on which the financial statements were issued.

**EXHIBIT G-1 TO THE DISCLOSURE DOCUMENT
LIST OF CURRENT FRANCHISEES**

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of our last fiscal year end:

Operational Outlets (December 31, 2025):

None

Franchise Agreement Signed But Outlet Not Yet Open (as of December 31, 2025):

None

Franchise Agreement Signed But Outlet Not Yet Open (as of March 31, 2026):

Diab Shakboua*
Hommies Signature LLC
3330 N. Harlem Ave.
Chicago, IL 60634
773-510-5183

***We identify any franchisees that are area developers with an asterisk**

EXHIBIT G-2 TO THE DISCLOSURE DOCUMENT
LIST OF FORMER FRANCHISEES

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None.

**EXHIBIT H TO THE DISCLOSURE DOCUMENT
FRANCHISEE DISCLOSURE QUESTIONNAIRE**

[Not to be used as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MI, MN, NY, ND, RI,
SD, VA, WA, WI]

You and we are preparing to enter into a Franchise Agreement. This Acknowledgement is to determine whether any statements or promises were made to you that we did not authorize or are untrue, inaccurate or misleading, to ensure you have been properly represented, and that you understand the limitations on claims you may make relating to your franchise. **You cannot sign or date this Acknowledgement the same day as the Receipt for the Franchise Disclosure Document. You must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses.

- | | | | |
|-------|------|----|---|
| Yes__ | No__ | 1. | Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it? |
| Yes__ | No__ | 2. | Do you understand all the information contained in the Franchise Agreement? |
| Yes__ | No__ | 3. | Have you received and personally reviewed the Franchise Disclosure Document we provided? |
| Yes__ | No__ | 4. | Do you understand all the information contained in the Franchise Disclosure Document? |
| Yes__ | No__ | 5. | Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor? |
| Yes__ | No__ | 6. | Do you understand the risks of developing and operating this franchise? |
| Yes__ | No__ | 7. | Do you understand that your investment involves substantial business risks and that there is no guarantee that your business will be profitable? |
| Yes__ | No__ | 8. | Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, the economy, labor and supply costs and other relevant factors? |
| Yes__ | No__ | 9. | Do you acknowledge that the success of your franchise in large part relies upon your ability as an independent business person and your active participation in the day to day operation of the business? |

Yes__ No__ 10. Do you agree that no employee or other person speaking on our behalf has made any statement, promise, or agreement, that is contrary to or different from what is stated in the Franchise Disclosure Document and Franchise Agreement?

Yes__ No__ 11. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue you will generate, that is not contained in Item 19 of the Franchise Disclosure Document or that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document, and that you have not made a decision to purchase your franchise based on any such representations?

Yes__ No__ 12. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning this franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any 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 or the Washington Franchise Investment Protection Act.

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

By signing below, you are representing that you have responded truthfully to the above questions.

[Not to be signed as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI]

Name of Applicant (please print)

Signature

Date: _____

Explanation of any negative responses (Refer to Question Number):

**EXHIBIT I TO THE DISCLOSURE DOCUMENT
STATE ADDENDA TO THE DISCLOSURE DOCUMENT**

ILLINOIS ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.w. is modified to provide that Illinois law applies.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Surety Bond. Item 5 is modified to state that based on our current financial condition, the Illinois Attorney General's Office has imposed a financial assurance which is being satisfied by posting a surety bond which we filed with the Illinois Attorney General's Office.

EXHIBIT J
STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not registered
Hawaii	Not registered
Illinois	
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K TO THE DISCLOSURE DOCUMENT RECEIPT

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 Hommies Shawarma Franchise, 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.

If Hommies Shawarma Franchise, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

The franchisor is Hommies Shawarma Franchise, Inc., located at 7925 S. Harlem Burbank, IL 60459, telephone: 301-789-4713

Issuance Date: April 20, 2026

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise: ***Check and add additional franchise seller(s) as applicable:***

X	Maen Qadan, 7925 S. Harlem Avenue, Burbank, IL 60459	301-789-4713
	Motasem Qadan, 7925 S. Harlen Avenue, Burbank, IL 60459	301-789-4713

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

I have received a Franchise Disclosure Document dated April 20, 2026 including the following exhibits on the date listed below:

- A. List of State Administrators
- B. State Agents for Service of Process
- C. Franchise Agreement
 - Schedule 1- Accepted Location and Territory
 - Schedule 2-Nondisclosure and Non-Competition Agreement
 - Schedule 3-Unlimited Guaranty and Assumption of Obligations
 - Schedule 4-Lease Addendum
 - Schedule 5-ACH Payment Agreement
 - Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Officers; Directors
 - Schedule 7-State Addenda to the Franchise Agreement
- D. Operations Manual Table of Contents
- E. Area Development Agreement
 - Appendix A-Development Territory
 - Appendix B-Development Schedule
 - Appendix C-State Addenda to the Area Development Agreement
- F. Financial Statements
- G-1 List of Current Franchisees
- G-2 List of Former Franchisees
- H. Franchisee Disclosure Questionnaire

- I. State Addenda to the Disclosure Document
- J. State Effective Dates
- K. Receipts

Please sign and print your name below, date, and return one copy of this receipt to Hommies Shawarma Franchise, Inc. and keep the other for your records.

Date of Receipt

Print Name

Signature

RECEIPT

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 Hommies Shawarma Franchise, 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.

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- J. State Effective Dates
- K. Receipts

Please sign and print your name below, date, and return one copy of this receipt to Hommies Shawarma Franchise, Inc. and keep the other for your records.

Date of Receipt

Print Name

Signature